



2023

REPORT

Fighting Against Forced Labour and Child Labour

Our Business

This Report is provided in accordance with the *Fighting Against Forced Labour and Child Labour Act (the Act)* for the year ending December 31, 2023.

AvenEx Coating Technologies Inc. is a privately held company incorporated in British Columbia and headquartered in Vancouver, Canada.

AvenEx is a pioneering company in the development and commercialization of multilayered laminated products.

AvenEx has a proven reputation of developing innovative products, materials and services. Our market-driven innovation introduces new products that target markets from building and construction to medical packaging. We have corporate focus on developing products that offer value to our customers and the environment such as reflective films, water containment liners and recyclable products.

Our manufacturing sites are strategically located in the United States, India and the United Arab Emirates. We distribute our products on a

worldwide basis, with a focus on the North American and European markets.

The majority of our products distributed in the Canadian market are produced at our manufacturing sites in India. We also import products into Canada from our manufacturing sites in the United States.

All of our manufacturing sites are located adjacent to global shipping hubs. Our products are carried via ground transportation to these ports for shipping, then transferred to our warehouses. We own or lease warehouses in key locations across North America and Europe.

Our Policies and Due Diligence Processes

At AvenEx, we are committed to respecting and promoting human rights and ensuring safe working conditions. We conduct all of our business activities in accordance with our core values of trust, respect, integrity and professionalism, and our commitment to ethical business conduct and sustainability. These principles underscore our commitment to ethical business conduct and sustainability.

We ensure our procurement contracts require our suppliers to comply with all applicable laws and regulations. AvenEx does not tolerate the exploitation of children, or the trafficking, physical punishment, abuse, or involuntary servitude of any worker. AvenEx explicitly prohibits the use of forced labour, child labour, slavery and human trafficking in all of our global operations and facilities. This prohibition extends to our suppliers and contractors.

AvenEx employs a consistent global approach when it comes to selecting contractors, overseeing activities on-site, and risk

management, for all contractors working at our manufacturing sites.

Our manufacturing sites are subject to rigorous health and safety requirements to verify that all personnel working within our manufacturing environment have the appropriate knowledge, skills and training to perform their duties safely.

We firmly believe that focusing on building and maintaining a strong safety culture amongst our workforce and the contractors we engage also has the benefit of reducing the risk of forced labour and child labour.

Forced Labour and Child Labour Risks

In 2024, we completed an analysis and risk assessment in respect of forced labour and child labour in our supply chain, with consideration to the OECD's Due Diligence Guidance for Responsible Business Conduct. Our analysis and risk assessment focused on our largest suppliers and considered the countries and industries in which these suppliers operate.

We reviewed and assessed factors associated with a risk of forced labour or child labour from reputable international sources, such as the International Labour Organization, Walk Free's Global Slavery Index, UNICEF and the UN Global Compact. Most of the countries in which we operate, and the products and services that we procure, are at low or medium risk of child labour or forced labour.

All of our manufacturing sites are located in countries with low or medium risk of child labour and forced labour. Our suppliers generally operate in countries with low or medium risk of child labour or forced labour. We are considering whether those risks impact our

suppliers and have identified initial recommendations for due diligence. We are currently evaluating the scope of these due diligence procedures.

We evaluated services and products in our supply chain and identified ocean freight, construction-related contracting services and procurement of textile products as having a higher risk of forced labour or child labour (prior to any mitigation efforts). Our due diligence processes for ocean freight, construction-related contracting services and textile products are described above.

For our largest suppliers, we additionally reviewed their modern slavery statements and confirmed that these suppliers are aligned with the OECD Due Diligence Guidance for Responsible Supply Chains.

Remediation, Training and Effectiveness

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REMEDICATION

We have not identified any instances of forced labour or child labour in our activities or supply chain and do not currently have a formal policy on how we would remediate any loss related to such activities.

TRAINING

Management personnel are required to familiarize themselves with the OECD Due Diligence Guidance for Responsible Business Conduct and acknowledge their responsibility to communicate key expectations of the OECD Guidance to team members under their supervision.

ASSESSING EFFECTIVENESS

The Board of Directors has oversight of management's work regarding child labour and forced labour and compliance with relevant legislation, and will receive an update annually regarding risks and progress against identified recommendations.

Attestation

In accordance with the requirements of the Act, and in particular, section 11 thereof, I attest that I have reviewed the information contained in this report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Gary Shokar

CEO and Board Chairperson

"I have the authority to bind AvenEx Coating Technologies Inc."

May 15, 2024

Avenex Coating Technologies Inc.
600-1111 W Hastings Street
Vancouver, BC
Canada V6E 2J3

AvenEx.com