



## **Forced Labour Report for Axis Lighting Inc.**

This report ("**Report**") is made in compliance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") by Axis Lighting Inc. ("**Axis Lighting**" or "**we**"), an LED lighting manufacturing company based in Quebec, Canada.

This report has been prepared for the calendar year ended December 31, 2023.

Axis Lighting's board of directors, as the principal governing body, approved the report pursuant to section 11(5) of the Act on May 23<sup>rd</sup>, 2024.

### **Who We Are: Activities and Structure**

Axis Lighting is a family-owned and operated LED lighting manufacturer. We are on the cutting edge of LED lighting technology and design. Axis Lighting has provided architectural lighting solutions across North America since 1991. We operate a full-scale manufacturing facility with on-site design, engineering, and marketing staff out of our Montreal location. Axis Lighting also operates BalancedCare, specifically for healthcare lighting solutions. We are committed to providing unique solutions tailored to our end users' needs and specific project visions.

Axis Lighting has a significant presence within Canada and across North America and is a member of various industry standard partnerships. We are committed to upholding and protecting human rights, including through the prohibition of forced labour and child labour within the lighting industry. We are committed to ensuring that forced labour and child labour are not used in our LED lighting manufacturing processes. Our products are produced within North America and our materials are sourced from reputable suppliers who, to our knowledge, comply with applicable laws and regulations. Axis Lighting is committed to maintaining a people-oriented business, including protecting individual rights.

### **Our Supply Chain**

Axis Lighting works with local and global suppliers to manufacture LED lighting solutions to support our vision and business objectives. Our products are made and assembled in North America, which supports supply chain visibility and environmental benefits. We work closely

with many suppliers, both to supply materials used in the manufacturing of our products, as well as suppliers to support our general operations.

**What Axis Lighting sources:**

- Electrical & electronic components:
  - Wires
  - Connectors
  - LED boards
  - Drivers
  - Lighting controllers etc.
  - Decorative lighting
- Mechanical components:
  - Extrusions
  - Sheet metal parts
  - Castings
  - Nuts & bolts
- Services that support the business (maintenance, marketing, communications, etc).

Axis Lighting sources material primarily from North America, both domestically within Canada and from the United States. A small percentage of its materials are sourced from Europe and China.

In total, Axis Lighting has approximately 1,200 suppliers, including both service and material suppliers. The geographic breakdown of these suppliers is listed below:

- Asia: 3.5% (components)
- North America: 94% (components & services)
- South America: 2% (100% services)
- Europe: <1% (components)

**Risks of Forced Labour or Child Labour in Our Supply Chain**

Axis Lighting is committed to the safety and well-being of our employees, customers, and end users, and conducts business in compliance with applicable laws and regulations. We expect the same approach from our suppliers. We expect our suppliers to comply with all applicable laws and regulations in their manufacturing and production operations.

According to the 2023 Global Slavery Index, the estimate prevalence of modern slavery in Canada per 1,000 individuals is 1.8.<sup>1</sup> In the United States, the prevalence is estimated to be 3.3, and in China, 4.0.<sup>2</sup>

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<sup>1</sup> Walk Free, [The Global Slavery Index](#), p. 91.

<sup>2</sup> *Ibid*, p. 91 and p. 119.

Axis Lighting's operations are based in Montréal, Canada. As noted above, Axis Lighting sources 94% of its materials from within North America. Accordingly, the risk of forced labour and child labour in most of Axis Lighting's supply is low. However, given the scope of our operations and our partial global sourcing, we are aware that risks of forced labour and child labour could arise along our supply chains. This is mostly due to limited visibility into our Tier 2 and Tier 3 suppliers, and also due our sourcing, though limited, from China. Our visibility is particularly constrained where materials and products are supplied to our vendors by internationally sourced suppliers.

Axis Lighting intends to make efforts to better understand our supply chains and conduct due diligence to appropriately assess and address risks of forced labour and child labour in our supply chains in the future. These efforts are discussed in more detail below.

## **Assessing and Managing the Risks of Forced Labour and Child Labour**

Axis Lighting is committed to the responsible sourcing of materials used in LED lighting production from suppliers that share our values and principles relating to human and environmental rights and ethics.

### **1. Policies, Due Diligence Processes and Training**

Axis Lighting is in the process of implementing a Supplier Code of Conduct, which will set out its standards and expectations for all its business relationships with suppliers. Axis Lighting expects that all of its suppliers will comply with all applicable laws and regulations, including those governing the manufacturing of our products relating to and forced labour and child labour. Axis Lighting's suppliers must sign and return a copy of the Supplier Code of Conduct.

Under the Supplier Code of Conduct, Axis Lighting reserves the right to assess or audit suppliers to ensure compliance with the principles of the Supplier Code of Conduct. Axis Lighting expects its suppliers to maintain proper records of the relevant information and to provide requested information and documentation within a reasonable period of time. Axis Lighting will contact the supplier in advance to agree on the scope, time, and place of such compliance checks.

Axis Lighting is currently in the process of implementing training specific to forced labour and child labour. This training will be mandatory for Axis Lighting's entire supply chain team, as well as for a new employees during onboarding.

### **2. How We Monitor Ourselves and Our Suppliers**

Axis Lighting maintains internal accountability and reporting processes to monitor and address situations where employees, contractors, suppliers, or others within our supply chain fail to uphold our values and ethics. Should concerns arise, including in respect of

forced labour or child labour in the supply chain, parties may contact Axis Lighting directly. Confidentiality will be maintained to the fullest extent possible.

Our efforts to-date have focused on designing and implementing the Supplier Code of Conduct and developing understanding of the risks of forced labour in its supply chain. Axis is developing Key Performance Indicators to track progress of the deployment of its Supplier Code of Conduct, as well as deployment of its Supplier Self-Assessment Questionnaire. Axis will continue to develop procedures to appropriately address the effectiveness of its measures.

### **How We Have Addressed and Remediated Reported Use of Forced Labour or Child Labour in our Supply Chains**

As of December 31, 2023, no instances or cases of forced labour or child labour in its supply chains were reported to Axis and Axis has therefore not had to remedy such situations.

### **Attestation**

This statement is made pursuant to section 4(a) of the Act on behalf of Axis Lighting, Inc., filing as a single entity. In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

By:  \_\_\_\_\_

Name: Joseph Feldman

Title: CEO

Date: May 27<sup>th</sup>, 2024

I have the authority to bind Axis Lighting Inc.