

Section 2: Supply Chain Transparency Report

Reporting Entity Information

- **Legal Name of Reporting Entity(s):** Media Resources Inc.
- **Financial Reporting Year:** 2023
- **Identification of Revised Report (if applicable):** N/A
- **Business Number(s) (if applicable):** 10225 7847 RC0002
- **Identification of Joint Report (if applicable):** N/A
- **Reporting Obligations in Other Jurisdictions:** N/A

Entity Categorization According to the Act

- **Category:** has a place of business in Canada; does business in Canada; has assets in Canada; meets size-related thresholds (\$20M+ in assets in one of the last two financial years, \$40M+ revenue in one of the last two financial years, average of at least 250 employees in one of the last two financial years)
- **Sector/Industry:** Manufacturing

Location

- **Headquarters Location:** Oakville, Ontario, Canada
- **Other Key Locations (if applicable):** Richmond BC, Calgary & Edmonton AB, Mississauga ON, Fort Mill SC, Huizhou China.

Steps Taken to Prevent and Reduce Risks of Forced Labor and Child Labor

During the previous financial year, our company diligently addressed the risks associated with forced labor and child labor. We recognize the importance of ethical practices within our supply chain and have implemented the following measures:

- **Supplier Due Diligence:**
 - Conducted due diligence on our suppliers to assess their practices.
- **Risk Assessment:**
 - Identified high-risk areas within our supply chain where forced labor or child labor could occur.
 - Prioritized these areas for targeted risk mitigation efforts.
- **Supplier Engagement and Training:**
 - Engaged in open dialogues with suppliers to communicate our expectations regarding labor rights.
 - Confirmed with suppliers on ethical labor practices and the consequences of non-compliance.

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- **Traceability and Transparency:**
 - Collaborated with suppliers to review their production process, identifying potential risks.
- **Labor Audits and Monitoring:**
 - Through confirmation with suppliers, to verify compliance with labor standards.
 - Monitored working conditions, wages, and age verification to prevent any instances of forced or child labor.
- **Remediation and Corrective Actions:**
 - If noted, promptly address any violations or non-compliance discovered during audits.
 - If noted, implement corrective actions, including supplier education and process improvements.
- **Collaboration with Industry Partners:**
 - Participated in industry forums and initiatives to share best practices and learn from others.
 - Collaborated with other businesses to collectively combat forced labor and child labor.
- **Internal Policies and Reporting:**
 - Developed and communicated internal policies explicitly prohibiting forced labor and child labor.
 - Regularly reviewed and updated these policies to align with evolving standards.

By taking these proactive steps, we aim to create a responsible and sustainable supply chain that respects human rights and ensures fair treatment for all workers involved in the production of goods.

1. Structure, Activities, and Supply Chains

1.1 Structure

Legal Structure and Classification:

- Our company operates as a corporation.

Organizational Structure:

- Our organizational structure includes various Divisions (Lines of Business with revenue responsibilities) and Departments (cost centres).
- Ultimate decision-making authority is held by Board of Directors and majority ownership.

Organizational Mandate or Role:

- Our core mandate is providing end to end solutions creating a great customer experience through industry leading Product innovation with high quality and reliable products.
- We play a critical role in indoor and outdoor out of home advertising industry by providing integrated end to end products and services.

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Employee Count:

- **In Canada:** We employ 208 individuals.
- **Outside Canada:** Our global workforce comprises 62 employees across various countries (United States and China).

Partner Organizations and Group Membership:

- We collaborate with several partner organizations, associations and customers.
- Additionally, we are a member of Out of Home Advertising Association of America (OAAA).

Control of Other Entities:

- Our company exercises control over other entities, such as our wholly owned subsidiaries.
- These controlled entities are involved in in the same business activities as Media Resources USA Inc. “MRUSA” located in Fort Mill SC, USA and Media Resources Asia Pacific LTD. Co. “MRAP” located in Huizhou, China.

1.2 Activities

Production, Manufacturing, Processing, Sale, or Distribution of Goods:

- Our company manufactures LED digital signs for the indoor and outdoor out of home advertising industry to Canadian and US customers.

Importation of Goods into Canada:

- Our company imports annually, LED digital modules and power supplies from overseas (China) and LED bulbs from (Taiwan) suppliers.

Locations of Operations:

- Our company, and entities under our company’s control (to the extent they have a reporting requirement under this act) have operations in Fort Mill SC, USA and Huizhou, China.

1.3 Supply Chains

Guidance per Act: *The supply chain includes suppliers of goods and services that contribute to the production of goods produced, sold, distributed or imported by the entity, from sourcing the raw materials to the final product. It therefore includes direct and indirect suppliers and service providers, both in Canada and outside Canada. An entity’s supply chain does not include the end users or customers who purchase its products or services.*

Supply Chain Overview

- Our supply chain for our primary high-value components are sourced from China. We engage MRAP (our China team, stationed in Huizhou) to investigate the best vendors based on various factors including quality, pricing, expertise, etc.
- Once the vendors are validated we order and import the goods into Canada to use in our manufacturing process. We also import some metal extrusions from Egypt and LED lamps

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from Taiwan, and the remaining components are smaller metal/electrical components locally sourced in North America (Canada and the US).

2. Policies and Due Diligence Processes

Embedding Responsible Business Conduct (RBC):

At Media Resources Inc., we are committed to responsible business conduct throughout our operations and supply chain. Our policies incorporate RBC principles, emphasizing ethical practices, human rights, and sustainability. We ensure that RBC is embedded into our policies and management systems at all levels.

Identifying and Assessing Adverse Impacts:

- **Risk Assessment:**
 - We conducted a risk assessment to identify potential impacts related to forced labour and child labour.
- **Supplier Audits and Assessments:**
 - We collaborate with suppliers to assess their practices.
 - Confirmations and assessments (including written confirmations) help us understand the risks associated with specific suppliers and their subcontractors.

Ceasing, Preventing, or Mitigating Adverse Impacts:

- **Supplier Engagement:**
 - When adverse impacts are identified, we engage with suppliers to address them.
 - We work collaboratively to find solutions, improve practices, and prevent recurrence.
- **Capacity Building:**
 - Employee handbook and company policies focus on labor rights, ethical practices, and compliance with international standards.

Tracking Implementation and Results:

- **Monitoring and Reporting:**
 - We track the results of our due diligence measures.
- **Key Performance Indicators (KPIs):**
 - We set NIL tolerance related to forced labor and child labor.
 - These results guide our efforts and measure our impact.

Communicating How Impacts Are Addressed:

- **Stakeholder Engagement:**
 - We communicate openly with stakeholders, including Board of Directors.
 - Transparency is essential in addressing concerns and sharing progress.
 - We highlight successes, challenges, and ongoing initiatives.

Providing for or Cooperating in Remediation:

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- **Remediation Plans:**
 - If adverse impacts occur, we develop remediation plans, as discussed in sections [4 and 5].
 - These plans outline corrective actions and timelines.
 - Please note none were required.
- **Collaboration with Affected Parties:**
 - We collaborate with affected workers, NGOs, and local communities.
 - Joint efforts lead to effective remediation.
 - Please note none were required.

Integration with ESG Initiatives:

- Our policies and due diligence processes align with our broader ESG initiatives. By addressing forced labor and child labor, we contribute to sustainable development and responsible business practices.

3. Forced Labour and Child Labour Risks

Identified Risks:

At Media Resources Inc, we have conducted an assessment of our activities and supply chains to identify areas that carry a risk of forced labor or child labor. Our due diligence process has revealed the following risk areas:

- **Electronics Assembly:**
 - Our electronics suppliers source components from various countries including China.
 - Some of these countries have documented cases of forced labor in electronics manufacturing.
 - We acknowledge the risk and actively monitor our suppliers' practices, including an annual confirmation process.

Additional Context

- **Product-Specific Challenges:**
 - None we are aware of.
 - We actively collaborate with industry partners to address this issue, through industry conferences and open discussions.
- **Country-Specific Risks:**
 - Our operations in certain overseas countries may face unique risks.
 - However, we are not aware of any specific risks or issues.

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4. Remediation Measures

At Media Resources Inc., we recognize the importance of providing effective remedies for any adverse impacts related to forced labor and child labor.

Please note we did not find any forced labour or child labour in our supply chains. Thus, no remediation is required.

Direct Remedies:

When adverse impacts occur, we are prepared to take immediate action to address them.

Preventive Measures:

We focus on preventing recurrence of adverse impacts.

5. Remediation of Loss of Income

Direct and Indirect Remedies:

- At Media Resources Inc., we did not find any forced labour or child labour in our supply chains. Thus, no remediation of loss of income is required.

6. Training

At **Media Resources Inc.**, we recognize the importance of honesty, fairness and business integrity. All employees receive the employee handbook inclusive of the code of conduct/business ethics upon hiring which outlines the standards we uphold under the International and Canadian Human Rights Code (including the provincial jurisdictions in Ontario, Alberta and British Columbia)

Our training programs aim to raise awareness, promote responsible practices, and empower employees at all levels.

7. Assessing Effectiveness

Methods to Assess Effectiveness:

Regular review of organization's policies and procedures related to forced labour and child labour:

- We conduct periodic reviews of our organization's policies and procedures related to forced labor and child labor. These reviews take place during Executive meetings with Human resources and our Health & Safety departments, policies are reviewed and implemented by the Executive.

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We track relevant performance indicators including:

- **Employee Training Completion:** We track completion rates of our training programs.
- **Anti-Forced Labor Clauses:** We ensure that contracts with suppliers include sufficient clauses.

Supplier Engagement:

- We work closely with our suppliers to review the effectiveness of their actions in addressing forced labor and child labor including policies.

8. Signed 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 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.”

Jeff Rushton

[Full Name]

President & CEO

[Title]

May 31, 2024

[Date]

[Signature]

“I have the authority to bind ‘Name of Entity.’”