

NRI Distribution

Modern Slavery Attestation Form

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.

Full name: Carly Gordon

Title: People Experience Manager

Date: May 21, 2024

I have the authority to bind N.R.I. Distribution Inc.

Signature:  _____

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Phone: 250-571-3042

NRI Distribution
Modern Slavery Legislation Report
May 21, 2024

Legal Name of Reporting Entity

N.R.I. Distribution Inc.

Financial Reporting Year

November 1, 2022 – October 31, 2023

Business Number

895951234 RT0001

Entity Categorization

- Canadian business presence (select all that apply):
 - Has a place of business in Canada
 - Does business in Canada
 - Has assets in Canada
- Meets size-related thresholds (select all that apply):
 - Has generated at least \$40 million in revenue for at least one of its two most recent financial years
 - Employs an average of at least 250 employees for at least one of its two most recent financial years

Sectors or Industries

Transportation and warehousing

Principal Country and Province

British Columbia, Canada

Annual Report

Sub Section 11(1) -Entity must describe the steps taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.

Step 1: Mapping activities and conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains.

- NRI is in the process of mapping activities by pulling a list of vendors/suppliers to identify if they need a survey based on risk level. The survey would identify if the vendor/supplier uses child or forced labour in their activities.

Step 2: Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily. This is to ensure that both forced labour and child labour does not occur.

- NRI posts all positions through our external applicant tracking system and collects resumes that have come to us voluntarily from the team members in the organization and external applicants.
- NRI does collect information on where applicants are applying from and keeps that information.
- NRI has a work/study permit standard operating procedure (SOP) to ensure that all foreign workers employed by NRI are following the legislation provided by the Immigration, Refugees and Citizenship Canada (IRCC). This process was created by engaging with our legal counsel to ensure NRI was following all legislative requirements when employing foreign workers. This SOP ensures NRI follows the correct processes and collects the right documentation.
- NRI follows all legislation from the IRCC regarding employing foreign workers and engages with legal counsel when clarity is required.

Step 3: Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains. Developing and implementing child protection policies and processes. Developing and implementing training and awareness materials on forced labour and/or child labour.

- NRI has SOP's for talent acquisition on how NRI recruits minors. NRI does not recruit under 16 years of age and ensures that all legislation is followed in our regional areas. This includes limiting the number of hours they work and ensuring work hours do not interfere with school.
- All recruited team members go through Young Worker/New Hire safety orientation and training to ensure workers are aware of their rights. This occurs for every new hire across the organization. Training is provided by our People Experience and Training teams and the new hires complete checklists to show their understanding. All checklists are kept in employee files.
- No one under the age of 18 will be recruited or promoted to an Equipment Operator because it is the riskiest task that we have. This process is in place to ensure the safety of our young workers.

Sub Section 11(3) – An Entity must provide information on the following 7 requirements:

1. Entity's structure, activities and supply chains

Organizational Structure

Legal structure: N.R.I. Distribution Inc. is a corporation.

Organizational mandate: "We are a Key Element in the Success of Great Idea's."

Organizational structure: NRI's organizational chart is included at the end of this report which includes the departmentation and chain of command.

Facility locations: NRI has 9 facilities in Canada and 9 facilities in USA.

Number of employees (inside and outside of Canada): NRI Distribution Inc. has 399 employees in Canada and NRI USA LLC has 856 employees as of May 9, 2024.

Control over other entities, including what the controlled entities do and where they are located.

1. Astoria Estates Ltd.
 - a. Located in Canada.
 - b. Astoria is a software company that builds warehouse management software for third party logistics companies. The software is used for overall management of these companies, from warehouse functions, to scheduling, costing and reporting, to inventory and order management. Astoria's product lines include a current-use legacy product, a new web-based product being developed, API's for mobile and robotics connectors, and client portals.
2. NRI USA, LLC.
 - a. Located in the USA. NRI LLC and N.R.I. Distribution Inc. are branded as one organization, offer the same services and share resources at the senior level, but are 2 separate legal entities.

Activities/Supply Chains

NRI is a third-party logistics service provider that specializes in the fulfillment of premium, apparel, footwear, accessories and select goods throughout North America for our clients. Our services include ecommerce, wholesale and retail fulfillment and additional value-add solutions. We provide distribution services so that our clients can focus on their brand.

NRI controls the physical movement of our Client's goods after the goods have cleared customs and have arrived at our facilities. We are not in control of customs clearance or movement of goods from the factory to our facilities.

NRI's business activities include:

- Fulfillment of orders through picking and packing. We fulfill e-commerce, wholesale and retail orders.
- Managing outbound freight options to customer (with preferred rates and multiple carriers).
- Managing vendor compliance (following rules and regulations established by retailers and wholesalers to ensure on-time deliveries)
- Provide value-added services (ex. kitting, pre-pack assembly, tagging, bagging and labeling product)
- Provide return to inventory services (retailers and consumers can ship back their product and have it return to inventory)
- Repairs to damaged products and warranty services
- Inventory management (which includes doing full inventory counts and ongoing cycle counts to ensure inventory accuracy)
- Storage of inventory

NRI utilizes 3rd party outbound carriers to move the shipments to the end consumer (which is either retail store or person who ordered e-commerce order). While NRI is not directly involved in the transportation of goods after the shipments leaves our facility, it is in control of selecting the outbound carrier when a client uses it's shipping services (based on Client provided parameters).

2. It's policies, due diligence processes in relation to child labour and forced labour

NRI's child labour and forced labour policy is included at the end of this report.

NRI's due diligence includes embedding responsible business conduct into policies and processes and are listed below:

- NRI is in the process of mapping activities by pulling a list of vendors/suppliers to identify if they need a survey based on risk level. The survey would identify if the vendor/supplier uses child or forced labour in their activities.
- NRI posts all positions through our external applicant tracking system and collects resumes that have come to us voluntarily from the team members in the organization and external applicants.
- NRI does collect information on where applicants are applying from.
- NRI has a work/study permit SOP to ensure that all foreign workers employed by NRI are following the legislation of the IRCC.
- NRI follows all legislation from the IRCC regarding employing foreign workers and engages with legal counsel when clarity is required.
- NRI has SOP's for talent acquisition on how NRI recruits minors. NRI does not recruit under 16 years of age and ensures that all legislation is followed in our regional areas. This includes limiting the number of hours they work and ensuring work hours do not interfere with school.
- All recruited team members go through Young Worker/New Hire safety orientation and training to ensure they are aware of their rights.
- No one under the age of 18 will be recruited or promoted to an Equipment Operator because it is the riskiest task that we have.

3. The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk

NRI is in the process of mapping activities by pulling a list of vendors/suppliers to identify if they need a survey based on risk level. The survey will identify if the vendor/supplier uses child or forced labour in their activities or if they have considered how their activities could potentially cause a potential risk that forced labour or child labour is used by them or in their supply chains. The survey will provide an opportunity for NRI to identify and address any risks.

4. Remediation Measures

As there have not been any situations of child labour or forced labour have been identified, NRI has not had to take any remediation measures.

5. Remediation of Loss Income

As there have not been any situations of child labour or forced labour identified, NRI has not had to do any remediation of income loss.

6. The training provide to employees on forced labour and child labour

Supervisors and Managers receive training on the following processes which directly or indirectly impact child labour and forced labour. This training is mandatory.

- Recruitment of minors (i.e. not recruiting people under 16 years of age).
- Ensuring we follow all applicable legislation regarding employment of minors (i.e. number of hours that they can work, not scheduling during school hours, ensuring they have adequate training regarding Young Workers safety, ensuring they understand their rights, etc).
- No team member under the age of 18 will be trained as Equipment Operators because it is the highest risk task that we have.
- Training on NRI's work permit process to ensure that every team member is in compliance with the IRCC legislation.

In summer 2024 NRI will be conducting training with its Operational leadership group on child labour and forced labour. This training will be created internally, will be mandatory to attend and will consist of an education and awareness raising activities.

7. How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains

NRI does a regular review or audit of the organization's policies and procedures related to forced labour and child labour. Both this reporting year and the next reporting year we will be mapping NRI's supply chain and identifying high risk activities. NRI will also review the results after mapping the organizational activities and doing a risk assessment. Based on these results NRI will determine the level of effectiveness of our policies and an action plan will be created.



Child Labour and Forced Labour Policy

This policy is to ensure NRI aligns with all legislation regarding child labour and forced labour. NRI follows all legislative requirements in the regions we operate in. We believe that promoting fair and appropriate employment at NRI and within our supply chains is a critical part of the commitments we make to our people and local communities.

Scope

NRI strongly believes it has the responsibility to engage in employment practices that meet legal and ethical standards. This policy applies to our entire organization and those we do business or partner with including suppliers, vendors and contractors.

NRI does not engage in, or condone the unlawful employment or exploitation of children in the workplace or the use of forced labour. All temporary workers utilized by NRI and all third-party agencies shall follow all legislation around employing minors. NRI also prohibits the use of forced labour through third party agencies.

NRI will not tolerate the use of unlawful child or forced labour in any of our operations or facilities. We expect the vendors, suppliers and contractors with whom we do business with to uphold the same standards. Should an incident become known to NRI and should not be corrected, we shall discontinue the business relationship.

Definitions (as per the Government of Canada)

Child Labour means labour or services provided or offered by persons under the age of 18 years and that:

- (a)** are provided or offered to be provided in Canada under circumstances that are contrary to the laws applicable in Canada;
- (b)** are provided or offered to be provided under circumstances that are mentally, physically, socially or morally dangerous to them;
- (c)** interfere with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work; or
- (d)** constitute the worst forms of child labour as defined in article 3 of the Worst Forms of Child Labour Convention, 1999, adopted at Geneva on June 17, 1999. (*travail des enfants*)

Forced Labour means labour or service provided or offered to be provided by a person under circumstances that:

- (a)** could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide the labour or service; or
- (b)** constitute forced or compulsory labour as defined in article 2 of the Forced Labour Convention, 1930, adopted in Geneva on June 28, 1930. (*travail forcé*)

