

*Fighting Against Forced Labour and Child Labour in
Supply Chains Act, SC 2023, c 9*

Joint Annual Report for
NAT HOLDINGS INC.
NORTH ARM TRANSPORTATION LTD.
1025532 BC LTD.
NORTH ARM MASSETT HOLDINGS LTD.

APRIL 30, 2024

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1. Application

The following is a joint report prepared pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) that pertains to NAT Holdings Inc. (“**NAT**”) and other legal entities that are directly owned by it, which are North Arm Transportation Ltd., 1025532 BC Ltd, and North Arm Massett Holdings Ltd. (collectively and together with NAT, the “**NAT Group**”).

The above-mentioned entities hereby report to the Minister of Public Safety and Emergency Preparedness on the various measures taken during their previous financial year ended April 30, 2024.

This report is not a revised version of a report already submitted for the NAT Group’s financial year ended April 30, 2024. None of the entities in the NAT Group is subject to reporting requirements under supply chain legislation in another jurisdiction.

2. Steps to Prevent and Reduce Risks of Forced Labour and Child Labour

Over the course of the previous financial year, NAT has taken the following steps to prevent and reduce the risk of forced labour and child labour existing in its activities and supply chain:

- Have a policy in place that all contractors/ and sub-contractors must comply with all applicable laws and regulations; and
- Utilize primarily domestic suppliers that would be expected to comply with Canadian laws and regulations.

3. Structure, Activities and Supply Chains

(a) Structure

NAT is a holding company holding 100% of the shares of North Arm Transportation Ltd; 1025532 BC LTD; North Arm Massett Holdings Ltd. All entities in the NAT Group are corporations.

(b) Activities

The activities of the members of the NAT Group are as follows:

- NAT holds the shares of the other members of the NAT Group;
- North Arm Transportation Ltd. is involved in the business of marine transportation and fuel distribution;
- 1025532 BC Ltd. owns and leases various marine equipment to North Arm Transportation; and
- North Arm Massett Holdings Ltd. holds and leases certain real property located on Haida Gwaii in British Columbia to North Arm Transportation Ltd.

(c) **Supply Chains**

All active operations of the NAT Group are conducted through North Arm Transportation Ltd. The NAT Group purchases from domestic suppliers all fuel and related items that are resold. The significant majority of all supplies used in the day-to-day operations of the NAT Group are also purchased from domestic suppliers.

The NAT Group operates under the understanding that, when dealing with domestic suppliers, those domestic suppliers are abiding by the Canadian law, and therefore do not utilize forced labour or child labour of any sort.

4. Our Policies and Due Diligence Processes

The NAT Group does not currently have policies in place that are specifically aimed at forced labour or child labour. However, it does have a number of general policies that support values contrary to forced labour and child labour including:

- Have a policy in place that all contractors/ and sub-contractors must comply with all applicable laws and regulations; and
- Utilize primarily domestic suppliers that would be expected to comply with Canadian laws and regulations.

Due diligence processes could include steps like the following:

- Embedding responsible business conduct into policies and management systems; and
- Were it to come to the NAT Group's attention that forced labour or child labour was in use by a supplier, the NAT Group would cease doing business with that supplier.

5. Assessed Risk in our Business and Supply Chains

As noted above, all ongoing suppliers of the NAT Group are significant Canadian businesses and are therefore expected to be abiding by Canadian law in their own regard. Accordingly the NAT Group deems the risk of forced labour or child labour being used to be very low. All employees of the NAT Group are hired in accordance with, at a minimum, the applicable laws and regulations, and the NAT Group conducts checks to ensure that individuals have the right to work and are choosing to work on their own free will. Further, all employees have the freedom to join a trade union or other similar association.

6. Remediation Measures

The NAT Group has not identified risks related to forced labour or child labour in its supply chains. Further, the Group has not identified forced labour or child labour in its own direct operations. Consequently, to date, remediation measures have not been required.

7. Remediation of Loss Income

As the NAT Group has not yet identified any instances of forced labour or child labour in its activities or supply chains, measures to remediate the loss of income to the most vulnerable families that results from measures taken to eliminate the use of forced labour or child labour have not been required.

8. Employee Training

As at the time of this report, the NAT Group has not developed and implemented training to employees on forced labour or child labour.

9. Assessment of Effectiveness

As at the time of this report, the NAT Group does not have policies and procedures in place to assess its effectiveness in ensuring that forced labour or child labour are not being used in its activities and supply chains.

10. Approval and Attestation

This report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of NAT Holdings Inc., the Board of Directors of North Arm Transportation Ltd., the Board of Directors of 1025532 BC Ltd. and the Board of Directors of North Arm Massett Holdings Ltd.

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 this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Matt Stradiotti

Mathew Stradiotti

President

May 30, 2024

I have the authority to bind NAT Holdings Inc.

Matt Stradiotti

Mathew Stradiotti

President

May 30, 2024

I have the authority to bind North Arm Transportation Ltd.

Matt Stradiotti

Mathew Stradiotti

President

May 30, 2024

I have the authority to bind 1025532 BC Ltd.

Matt Stradiotti

Mathew Stradiotti

President

May 30, 2024

I have the authority to bind North Arm Massett Holdings Ltd.