

Addressing Forced Labour in Canadian Supply Chains



2023 Report



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Who We Are

NCS International Co. is one of the largest distributors of electrical, electronic, datacom, fiber optic cable, cable accessories and wire in Canada. With over 50 years in business, NCS International Co. has a long-standing demonstrated commitment to providing customers with first-class service to the Commercial & Industrial, Utility, Telecommunications, O.E.M, and redistribution marketplaces.

Committed to sustainability and corporate responsibility, NCS International Co. prioritizes ethical business practices and environmental stewardship in its operations. The company continually seeks to innovate and improve its processes to minimize its environmental footprint while delivering value to its customers.



Dear Stakeholders,

We are pleased to present NCS International Co's Forced Labour in Canadian Supply Chains report for the fiscal year 2023. This document reflects our organization's dedication to ethical sourcing practices and our unwavering commitment to ensuring the dignity and respect of every individual involved in our supply chains.

Throughout the past year, NCS International Co. conducted an analysis of the treatment of forced labor within our Canadian supply chains. Through the implementation of new policies, diligent oversight, and proactive engagement with our suppliers, we have cultivated a supply chain ecosystem that upholds the highest standards of labour rights and ethical conduct.

In our ongoing efforts, NCS International Co. reaffirms its commitment to maintaining and strengthening the high standards we have established regarding ethical labor practices within our supply chains.



Assessing Risks of Forced Labour

Internal and external risk assessments are essential components of identifying and mitigating the risks of forced labour and child labour within an organization's activities and supply chains.

Internal Assessment

Creation of an Internal Committee

The establishment of an Internal Committee dedicated to addressing forced and child labour within our organization's activities and supply chains marked the pivotal first step in our comprehensive risk assessment process.

This Internal Committee, comprising key stakeholders from various departments such as Human Resources, Compliance, Vendor Relations, and Corporate Social Responsibility, was formed with the aim of fostering collaboration and ensuring a holistic approach to addressing labour rights issues.

Tasked with policy review and development, supplier engagement and monitoring, employee training, grievance mechanisms, internal controls and audits, data analysis, and continuous improvement, this team embodies our commitment to proactive risk management and ethical business conduct.

Labour Practices Review

Our committee's first endeavor was to evaluate the organization's internal policies, procedures, and practices related to labour rights, human trafficking, and child labour. This included examining recruitment practices, employee contracts, working conditions and grievance mechanisms.



Recruitment Practices

Our recruitment practices are of the **highest caliber, adhering to ethical standards and complying with all applicable laws** (including minimum age and ensuring work does not interfere with education). We prioritize **transparency, fairness, and non-discrimination** in our selection processes, ensuring that candidates are evaluated based solely on their **qualifications and suitability for the role**.



Employee Contracts

100% of our workforce have an **employee contract**. They serve as a cornerstone of our commitment to fair and transparent employment practices. These contracts outline the **rights and responsibilities** of both the employer and the employee, ensuring clarity and mutual understanding. We uphold the highest standards of **compliance with labour laws and regulations** in crafting and executing these agreements, fostering a culture of **trust and accountability** within our workforce.



Working Conditions

95% of our workforce have regular full-time positions with competitive wages, benefits and savings programs. Health and Safety programs are also in place in our various locations. Detailed safety procedures and instructions as well as training are available to all. Moreover, sharing success with our employees has been at the core of our business model for countless years. As such, all employees, no matter their role or level in the organization, are participating into our annual profit-sharing program.



Grievance Mechanism

We actively encourage employees to voice their concerns and complaints, fostering a culture of **open communication and trust** within our organization. Employees can always discuss issues with their manager. We also recognize the importance of formalizing this process. As such, we will implement an **official grievance mechanism** in 2024. This mechanism will provide a structured and confidential channel for employees to raise grievances, ensuring that **all concerns are addressed promptly and fairly**.

Yearly Internal Audits

Our internal audits serve as a proactive mechanism for identifying, addressing, and preventing forced labour within our organization's operations. By conducting regular assessments and implementing controls, we can mitigate the risk of forced labour and uphold our commitment to ethical business conduct by:



Identifying Risks: Internal audits help identify and assess potential risks of forced labour within the organization's operations. By reviewing policies, procedures, and practices, audits can pinpoint areas where vulnerabilities to forced labour may exist, such as in recruitment processes, subcontractor relationships, or working conditions.



Ensuring Compliance: Audits and our internal committee ensure that the organization complies with relevant laws, regulations, and internal policies related to forced labor. This includes making sure that proper due diligence is conducted on suppliers and that workers receive fair wages and have safe working conditions.



Identifying Improvement Opportunities: Audits offer an opportunity to identify areas for improvement in the organization's policies, procedures, and practices related to combating forced labour. By identifying weaknesses or gaps, audits enable the organization to implement corrective actions and strengthen its anti-forced labour measures.

Implementation of a Procurement Policy

Including criteria to combat forced labour

In 2023, our organization took a significant step forward in its commitment to ethical sourcing by enacting a comprehensive sustainable procurement policy. This policy defines seven key criteria that suppliers must adhere to in order to align with our values and standards and do business with NCS International Co.. Notably, four of these criteria are instrumental to address the critical issue of forced labour, reflecting our dedication to keeping our supply chains free from exploitation:

Respect for human rights

NCS International Co.' suppliers must ensure respect for human rights and working conditions must be fair, safe and in line with international labour standards.

Adherence to ethical business practice

To work with NCS International Co., suppliers must avoid corruption, fraud, and other unethical behavior. They must also respect the principles of fair competition.

Transparent governance and communications

Our suppliers must be open to communication and collaboration with us to resolve issues, share information, and improve practices. They must provide transparent information about their activities and practices so that stakeholders can make informed decisions based on a relationship of trust.

Responsible Supply Chain: Supplier Self-Assessment

Just like NCS International Co., suppliers need to have effective and accountable supply chain management systems in place to ensure traceability and accountability at every stage. They are required to submit a self-assessment of their activities based on these seven criteria. If the assessment aligns with NCS International Co.' requirements, the business relationship may proceed.



The implementation of this policy is now underway and we aspire to achieve full compliance from all our suppliers by the year 2025.

In conclusion, NCS International Co. remains resolute in its commitment to combatting forced labour within Canadian supply chains. Through proactive measures, steadfast dedication, and collaborative efforts with stakeholders, significant progress has been achieved in promoting ethical sourcing practices and upholding the dignity of every individual involved in our operations. As we move forward, NCS International Co. reaffirms its pledge to continuously enhance and innovate its practices, ensuring that forced labor has no place within our supply chains. Together, let us continue to strive for a future where ethical conduct and human rights prevail, fostering a more just and sustainable society for all.



Approval and 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.



Luc Rodier

President and Chief Executive Officer

NCS International Co.

May 30th, 2024



**For questions about our commitments
to fight forced labour in Canadian
supply chains or to know more about
NCS International Co.**

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