



Nordic Minesteel Technologies Inc.

373 Main St W

Unit 1

North Bay, ON

P1B 2T9

Fighting Against Forced Labour and Child Labour in Supply Chains Act 2023 Annual Report

1. Introduction

This Report has been prepared in accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (“the Act”) in relation to the financial year from January 1, 2023 to December 31, 2023. This is a joint report made by the following entities as defined under the Act (“Entities”):

Nordic Minesteel Technologies Inc., and its German subsidiary Schalke Locomotives.

References to “the company”, “we”, “us”, and “our” are to one or more Entities.

Nordic Minesteel Technologies Inc. (“NMT”) is located in North Bay, Ontario, Canada and is a corporation incorporated pursuant to the laws of Canada. It is an “entity” within the “manufacturing” industry sector that, for the purposes of the Act, has assets in Canada and based on our financial statements, meet two of the three conditions under the Act that obligate us to prepare this annual report. Schalke Locomotives GmbH (“Schalke”), a majority owned subsidiary of NMT with offices and manufacturing facilities located in Gelsenkirchen, meet the conditions under Germany’s Supply Chain Due Diligence Act.

NMT acknowledges the risks of forced labour and child labour in the global supply chain. We are committed to continuous improvement in our due diligence, risk assessment, remediation, and training processes. We do not knowingly use child labour or forced labour in any of our operations nor do we knowingly accept commodities, products and/or services from suppliers that employ, or use forced labour or child labour.

2. Steps taken during the previous financial year to prevent and reduce the risk that forced or child labour is used in any step of the production of goods in Canada or elsewhere by the entities, or of goods imported into Canada by the entities

In 2023, NMT reviewed and approved our Modern Slavery Policy which sets out the principles, policies, and procedures in relation to modern slavery and modern slavery regulatory requirements which NMT adheres to as a business.

An internal assessment of risks of forced labour and/or child labour in NMT’s activities and supply chains was conducted. The assessment on our tier 1 suppliers was risk-based, focusing on the supplier, supplier policies, the commodity being procured, the location of the supplier and the % of total spending (CDN dollars). This assessment led to developing our action plan for 2024 to address forced labour and/or child labour.



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3. Organization Structure, business activities and supply chains

Nordic Minesteel Technologies Inc. (“NMT”) with offices and manufacturing facilities located in North Bay, Ontario, Canada offers integrated underground haulage systems including Nordic chutes, rail cars, unloading stations, loading pockets, skips, cages, head sheaves and shaft steel. Schalke Locomotives GmbH (“Schalke”), a majority owned subsidiary of NMT with offices and manufacturing facilities located in Gelsenkirchen, Germany develops, manufactures, and supplies tailor-made locomotives, overhead catenary, and rail related solutions.

Both NMT and Schalke offer site specific custom engineering and design, manufacturing of customized solutions, automation solutions, quality assurance and control, factory testing, export packaging and delivery, after sales service, and technical support for our customers world-wide.

NMT is incorporated under the Canada Business Corporation Act (“CBCA”) and governed by the laws of Canada. As of December 31, 2023, NMT employed 70 people in North Bay and Schalke employed 35 people in Gelsenkirchen.

Our operations require a wide variety of goods and services to operate, the majority of which are produced with high-skilled and trained labour, including engineered products and technical services, as well as specialized material for our manufacturing operations. Our supply chain includes suppliers that provide raw and fabricated metal products, electronics, hydraulic and pneumatic controls, wear products, wheels, paint, hardware, and various other components used to support our manufacturing processes.

During the reporting period, NMT procured goods and services globally. Approximately 87 percent of our suppliers were based in Canada, 8 percent were in the United States, 4 percent in the UK, Sweden and Germany and 1 percent in South Africa. Based on sales, approximately 88.5 percent was spent in Canada, 5.5 percent in the United States, 6 percent in the UK, Sweden and Germany and 0.05 percent in South Africa.





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4. Policies and due diligence processes in relation to forced labour and child labour

NMT is committed to the highest standards of corporate social responsibility and ethical business codes.

Every employee must abide by NMT's **Code of Conduct** which stipulates that we are committed to promoting and ensuring ethical and responsible conduct in all our operations with the utmost respect for the rights of all individuals and the environment.

In 2023, NMT introduced Human Rights Training for all our employees during their on-boarding process. By December 31, 2023, 100% of our staff employees completed the training.

Our **Modern Slavery Policy** sets out the principles, policies, and procedures in relation to modern slavery and modern slavery regulatory requirements which NMT adheres to as a business. Modern slavery includes human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage and child labour.

Additionally, NMT is an ISO 9001 company that has processes and procedures in place that outline the evaluation of our vendors annually.

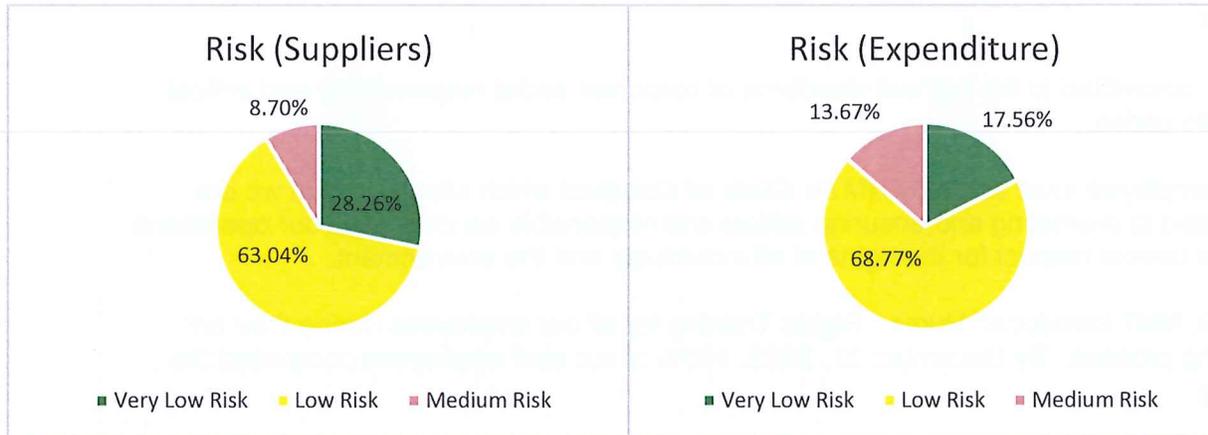
5. Risks of forced labour and child labour in our operations and supply chains

We consider the risk of forced labour occurring within our operations to be low for the following reasons:

- All our employees are hired in accordance with the laws and regulations in the jurisdictions where we operate.
- During NMT orientation, all employees are trained in Human Rights, Ontario Employment Standards Act and NMT's Policies.
- The majority of NMT's workforce consists of employees that are highly skilled and trained.

Based on supplier location, policies in place addressing forced and child labour, commodity and amount of goods purchased, we assessed our 2023 primary suppliers and found the risk of forced labour and child labour low.

91.3% of NMT suppliers and 86.3% of NMT's expenditure to our suppliers were found to be of either very low or low risk. No vendors were found to be of high risk or prohibited. While potential forced labour or child labour risks exist in the supply chain of products (eg. electronics, rubber), in certain jurisdictions more prevalent to such risk, we seek to work with vendors who share our commitment to respecting human rights.



6. Measures taken to remediate any forced labour or child labour

In 2023, NMT did not identify any instances of forced labour or child labour in its activities or supply chain.

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In 2023, NMT did not identify any instances of forced labour or child labour in its activities or supply chain. Accordingly, no remediation measures for loss of income to vulnerable families were necessary.

8. Training provided to employees on forced labour and child labour

NMT is committed to respecting human rights as a fundamental principle in our operations, reinforced through training. Throughout 2023, computer based human rights awareness training was provided to employees to improve their understanding of human rights issues and awareness of potential human rights risks. Understanding and complying with NMT's policies and procedures, including NMT's Code of Conduct, is a condition of working at NMT and training is provided to all employees.

9. Assessing the effectiveness of our actions

NMT understands it has a responsibility to assess and mitigate the risks of modern slavery, including forced labour and child labour, in its operations and supply chains over the long term. Through our policies and procedures, employees are encouraged to ask questions, voice concerns, and make appropriate suggestions regarding our business practices. Employees are expected to promptly report suspected violations of the law, company policies, or internal procedures so management can investigate and take appropriate action as soon as possible.



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NMT has created an action plan for 2024 to improve our supplier risk management system, review, revise and create policies and procedures and improve training to further solidify our commitment to combating forced labour and child labour in our business and supply chains.

10. Attestation and Approval

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. 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.

Ronald P. Elliott
President & CEO
Nordic Minesteel Technologies Inc.

Date: 22/05/2024

A handwritten signature in blue ink, appearing to be 'R. Elliott', is written over a horizontal line. The signature is stylized and somewhat abstract.

"I have the authority to bind Nordic Minesteel Technologies Inc."