

1. INTRODUCTION

Orlick Industries Limited (“Orlick”) is committed to ensuring that it conducts all its business operations in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act. This report summarizes the efforts taken by Orlick, during the reporting period ending September 30, 2023, to reduce the presence of forced labour and child labour in the production of its goods and in its supply chains.

2. STEPS TAKEN TO REDUCE THE RISKS OF FORCED LABOUR AND CHILD LABOUR

At Orlick, we understand our responsibility to ensure that basic Human Rights for our employees, customers, contractors and any business affiliates are met. We remain committed to doing our part to eradicate forced labour, child labour and slavery in the workplace.

During the reporting period, Orlick took the following steps to prevent and reduce the risk of child or forced labour in our business and supply chains:

1. Reviewed our Supplier Quality Manual - revisions made that added clauses regarding forced labour in our supply chains to enhance our supplier third-party due diligence.
2. Reviewed our Approved Supplier list & requirements checklist and added new requirements for existing and potential new suppliers, based on geographic location. Suppliers in recognized geographic areas that pose a high risk for forced labour will require a mandatory questionnaire specific to forced labour to be completed by vendor along with requiring a certificate from vendor.
3. Continuous training for employees in Human Rights, Harassment and Violence Prevention and Code of Conduct.

3. STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Orlick is incorporated under the Canada Business Corporation Act. Located in Hamilton, Ontario, Canada, Orlick has 5 manufacturing sites and a proficient work force of approximately 500 employees. Through a corporate philosophy of continuous improvement, lean manufacturing, and associate involvement, Orlick is a leader in the high pressure die cast industry, operating as a benchmark supplier to the automotive industry, serving OEM and Tier 1 customers globally. Orlick specializes in high quality, just in time delivery, and an unsurpassed level of customer service, recognized through numerous awards.

North America	98.37%
China	1.27%
Japan	0.04%
Germany	0.32%
	100.00%

Orlick is an integrated company, with a core competence in high pressure aluminum die-casting and precision machining and assembly. We offer customers our expertise through all stages of product development: from prototype concept to finished part. This allows our customers to realize globally cost competitive, light weight, high quality products.

Orlick's supply chain consists of suppliers of aluminum, dies, robots, CNC machines, along with others that supply various parts and services that support the manufacturing process. Orlick does business with over 450 suppliers, the majority of which are in North America, and has built strong relationships with key vendors who have supplied Orlick over many years.

4. OUR POLICIES AND DUE DILIGENCE PROCESSES

Orlick takes its Human Rights responsibilities seriously and is careful to ensure that its policies and procedures reflect this commitment. Orlick understands its corporate responsibility to provide a safe and inclusive environment where work is fair, voluntary, equally compensated and performed during set, regular working hours.

Employee Standards of Conduct

Orlick's "Standards of Conduct", and established policies and procedures, provide clear expectations to all levels of employees and business partners regarding respect and conduct in the workplace. Orlick is committed to the principle of equality of all people, and the dignity and worth of every person without discrimination on any prohibited grounds. Orlick expects this same level of commitment from all its business affiliates and suppliers.

Anti-Bribery & Ethics Escalation Policy

At Orlick, we expect honesty, integrity and ethical conduct from all employees, partners and workers throughout our supply chains. Our Anti-Bribery & Ethics Escalation Policy outlines the importance we place in creating an environment that is free from oppression and corruption. We encourage and empower employees to bring forward any concerns they may have about their treatment and work environment without the risk of reprisal.

Discrimination, Harassment, Sexual Harassment & Violence in the Workplace Policy

Orlick has a zero-tolerance policy for any form of harassment or violence in the workplace. Our policy clearly communicates our expectations to employees and business partners that any form of abuse or mistreatment to employees within our production facilities or supply chains will not be tolerated.

Supplier Code of Conduct

In alignment with Orlick's vision for its suppliers, Orlick actively engages its supply base in adherence to its code of conduct. Our supplier code of conduct includes clauses prohibiting child labour and forced labour, per the sample sections shown below:

Child Labour

Orlick is committed to ensuring no child labour exists at any level in its supply chain. For the purpose of the Supplier Code, child labour refers to employees under the age of 15 years old, excluding when it is in the format of an education program. For employment or work which is not suitable for a person under the age of 18, child labour shall include employees under the age of 18 years old.

Forced labour / Modern Slavery / Human Trafficking

Orlick is committed to ensuring that there is no involvement of human trafficking or use of forced labor or modern slavery at any level in its supply chain. Suppliers are expected not to compel any work or service from individuals under the threat of penalty. Employees must have the freedom to leave work or end their employment with reasonable notice. Additionally, they should not be required to surrender any government-issued identification, passports, or work permits as a condition of employment.

Due Diligence

Orlick's Supplier Quality Manual was created to outline the product quality expectation and suitability of a potential supplier doing business with Orlick. It includes communication, review and assessments of the supplier's operations, products and compliance to regulations to evaluate whether the supplier will meet the expected requirements. This manual has been updated to include the new regulations specific to forced labour compliance. During initial onboarding of suppliers, suppliers are subject to a risk assessment and review under the requirements outlined in the Orlick quality manual. This is combined with ongoing due diligence in our supply base, to assess and monitor risks of modern slavery.

5.ASSESSING AND MANAGING THE RISKS OF CHILD AND FORCED LABOUR IN OUR WORKFORCE

Orlick's risk of exposure to forced / child labour is considered low due to the geographic locations from which we mainly procure. The vast majority (98.73%) of our suppliers by expenditure are located in low-risk regions, specifically Canada, USA, and Germany, where legislation and enforcement against forced labour are considered strong. One supplier in a higher risk geographic region (China) has been identified and has been previously visited by an Orlick associate during the supplying onboarding period, and who confirmed their operations were not using child labour.

New suppliers will be reviewed based on their geographic location will be subject to additional screening questionnaire and will be requested to provide a certificate stating no such risk exists in their operations.

Recruitment process requires all candidates be 18 or older to apply for a position within the company. Age and official status of employees to work in Canada is verified with official government issued documents prior to an offer of employment being made. This verification is done by Orlick employees directly and not through 3rd party employment agencies.

Orlick follows all legislation from the Employment Standards Act with respect to compensation, overtime, and freedom to resign.

6. MEASURES TAKEN TO REMEDIATE FORCED LABOUR OR CHILD LABOUR

All Orlick employees work on a voluntary basis and sign a contractual agreement, consenting to work with Orlick Industries. New employees provide valid information in the form of work permits, Social Insurance Numbers and personal references that are verified as part of the recruitment process.

In the assessment of our activities and supply chains, we have concluded there is not a risk of forced labour or child labour being used. Should a situation of non-compliance be identified, Orlick will work to develop a solution to remedy the situation.

7. TRAINING

Orlick provides continuous training to all it's employees throughout their tenure with the company. Training in Standards of Conduct, Anti Bribery & Ethics Escalation and Discrimination, Harassment and Violence Prevention are provided to new employees on their first day of work in Orientation. This same training is also provided to all Orlick employees on an annual basis, which keeps behavioural expectations top of mind and ensures that our working environment is safe, respectful and compliant with current legislation.

Health and Safety

Orlick's Worker Awareness training is provided to all employees and highlights the importance of a safe work environment. This training outlines general duties for all workplace parties and stresses the right of a worker to have a safe and healthy workplace.

As part of our continued commitment to reduce the risk of forced labour and child labour in our activities and supply chains, Orlick will be implementing a new training module based on the Fighting Against Forced Labour and Child Labour in Supply Chains Act. This targeted training will be delivered to all employees who deal with external suppliers and will focus on the provisions of the Act and what Orlick's expectation are with regards to compliance from its employees, and all other partners in its production and supply chains.

8. ASSESSING THE EFFECTIVENESS OF OUR EFFORTS

Orlick maintains current certification in the IATF 16949 quality system certification, and ISO 14001 environmental management system certification. In the maintenance of these systems in good standing, Orlick is required to conduct regular reviews of systems in preparation for annual external and internal audits.

The assessment and management of external supply base is inherently linked to the certification and maintenance of these management systems. Orlick has an internal audit team that is routinely auditing our processes to assess for effectiveness, and risks within the supply chain.

Through our culture of employee engagement and continuous improvement, Orlick employees are actively involved throughout the audit process. Through our whistleblowing process, Orlick employees are made aware of areas of concern specific to Modern Slavery, and what to look for when interacting with our supply chain.

9. 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.”

I have the authority to bind Orlick Industries Ltd.



Signature,

Grant Panchyson
General Manager

Date: May 27th, 2024