

S-211 Supply Chain Transparency Policy – (Fighting Against Forced Labour and Child Labour in Supply Chains Act)

1) Policy Statement

Can-Cell Industries Inc. is committed to conducting business ethically and preventing forced labour and child labour in all operations and supply chains. We maintain a zero-tolerance approach to modern slavery and comply with Canada's Bill S-211 reporting requirements.

2) Scope

This Policy Applies to:

- All employees, officers, and directors
- Suppliers, contractors, and third-party partners
- All locations and tiers of the supply chain

3) Definitions

- **Forced Labour:** Work performed involuntarily under threat or coercion
- **Child Labour:** Work by individuals under 18 that is harmful or illegal

4) Governance & Accountability

- **Executive Sponsor Can-Cell Industries Inc.:** President
- **Oversight:** Supply Chain Director
- **Policy Owner:** Supply Chain Manager

5) Risk Management Framework

5.1 Risk Identification

We assess risk based on:

- Country Risk (e.g., High-risk jurisdictions)
- Industry Risk (e.g., manufacturing, raw materials)
- Supplier Type and spend concentration

5.2 Risk Assessment Tools

- Supplier Self-Assessment Tools
- Audit Results & Certifications

6) Due Diligence Processes

To prevent forced and child labour, we implement:

6.1 Supplier Onboarding Controls

- Code of Conduct Signed
- Risk Screening before approval

6.2 Ongoing Monitoring

- Periodic supplier reviews
- Performance Scorecards including S-211 criteria

7) **Supplier Code Requirements**

All Suppliers must:

- Prohibit forced and child labour
- Comply with local labour laws
- Allow audits and provide transparency
- Flow down requirements to lower tier suppliers and subcontractors

8) **Training**

We provide training to:

- Procurement Teams
- Supply Chain Leadership
- Key Operational Roles

Training topics include:

- Identifying high risk countries
- Responsible sourcing practices
- Reporting & escalation procedures

9) **Remediation & Corrective Actions**

If forced or child labour is identified:

- Immediate escalation to leadership
- Investigation and supplier engagement
- Corrective action plans
- Termination if unresolved

10) **Reporting & Transparency**

10.1 Annual S-211 Report

We publish an annual report that includes:

- Supply Chain Structure & Activities
- Policies and due diligence processes
- Risk identification and mitigation actions
- Remediation actions taken
- Training Programs
- Effectiveness monitoring