
FORCED LABOUR & CHILD LABOUR IN CANADIAN SUPPLY CHAIN

OLYMPIC INDUSTRIES ULC REPORT OF 2024

MAY 20, 2025
OLYMPIC INDUSTRIES ULC
400 -132 WEST ESPLANADE NORTH VANCOUVER BC V7M 2A1

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Olympic Industries ULC is a leading international distributor, traders and manufacturers of forest products located in North Vancouver BC.

Olympic Industries ULC is PEFC certified, ensuring our forest management activities are aligned with best practices for environmental, social and economic development.

This report outlines the processes that Olympic Industries ULC has taken in 2024 to comply with Bill S-211 Act to increase the industry awareness of Forced Labour and Child Labour to achieve the goal of eradicating Forced Labour and Child Labour within global supply chains.

This report also provides a detailed and structured overview of Olympic Industries ULC's compliance efforts, emphasizing transparency, accountability, and continuous improvement in aligning with Bill S-211 Forced Labour and Child Labour.

1. Structure, Activities and Supply Chains

Structure

Leadership:

Gerry Pankratz – President

Lawrence Chan – Controller

Darcy Mercer - Head of People & Culture

Margo Yang – Head of International Department & Trade Compliance

Trading Department:

- Western Canadian
- Eastern Canadian
- Cedar
- U.S. Lumber
- SYP Lumber
- OSB
- Import
- Industrial
- Others

Operational Department:

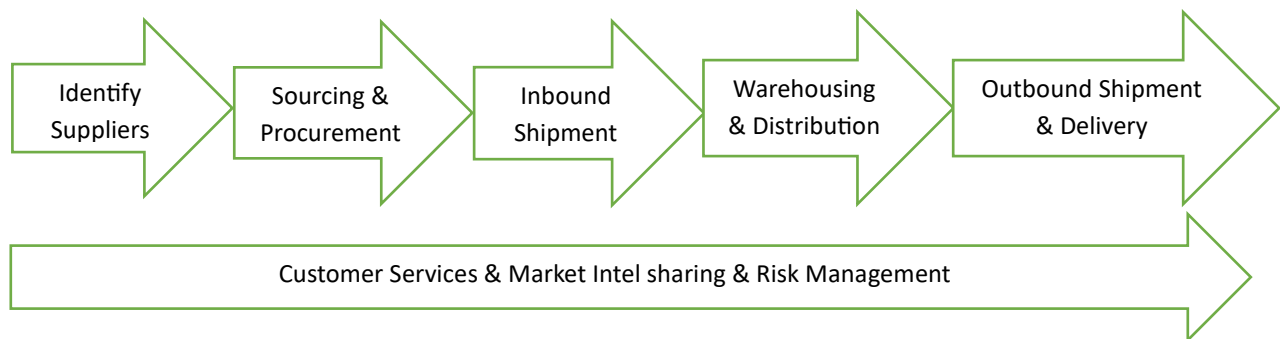
- People & Culture Team
- Logistics Team
- Accounts Payable Team
- Accounts Receivable Team
- Cedar Team
- Invoicing Team
- Domestic Reload Team
- International Operation Team

- Trade Compliance Team
- Data Team
- IT Team

Activities

- Trading
- Distribution
- Import/Export
- Manufacturing
- Derivatives

Supply Chains



- **Suppliers**

All the suppliers will be checked and evaluated, suppliers located in high-risk countries or are considered as high-risk suppliers will require onsite audit, the audit will be conducted by authorized 3rd party.

- **Sourcing and procurement**

Identifying the products to purchase.

Negotiate the terms and ensure the quality of the product.

- **Inbound shipments**

Shipping by truck, rail, ocean via third party to either for warehousing or direct to customer.

- **Warehousing & Distribution**

Identifying the qualified warehouses and facilities as our services providers to offer warehousing and distribution services.

- **Outbound shipments & Delivery**

By truck, rail, ocean via independent commercial third parties for delivery. Each carrier hired by Olympic Industries is independently vetted and qualified in accordance with company policies and procedures.

2.Policies and Olympic Industries’ due diligence processes in relation to Forced Labour and Child Labour

Olympic Industries is proud to trade in a resource that is naturally sustainable and ethical managed to provide economic, environmental and social benefits to communities around the globe. We work hard to ensure the wood products that we trade in are sourced from legally harvested wood products, from properly managed sources, and in accordance with human rights laws.

Policies on Forced Labour and Child Labour

- **Ethical Sourcing Policy**

Olympic Industries is committed to support sustainable forest operations and to source all the materials from ethically managed wood sources as well as ethical wood suppliers.

- **Supplier Forced Labour and Child Labour Declaration**

Olympic Industries requests all the international suppliers to complete and sign the Forced Labour and Child Labour declaration prior to conducting business. All purchase orders issued are subject to Olympic Industries’ Purchase Order Terms and Conditions, which require all suppliers to comply with all applicable laws and require the suppliers to represent and warrant the following:

Seller represents and warrants that no component of the goods were mined, produced, or manufactured in whole or in part in the Xinjiang Uyghur Autonomous Region of the People’s Republic of China or produced by any entity included on the UFLPA Entity List. Seller further represents and warrants that Supplier has used no child, indentured, or forced labor in the production or shipment of the Goods.

- **Supplier Lacey Act Declaration and Lacey Act Questionnaire**

Olympic Industries requires all international suppliers (other than US or Canada manufacturers) to complete and sign the Lacey Act Declaration and Lacey Questionnaire prior to conducting business with Olympic. This process allows Olympic to have a better

understanding from the suppliers of the sources for their raw materials and their supply chain controls and procedures.

- **Employee handbook - workplace behavior**

Olympic Industries' employees are expected to comply with relevant law and conduct themselves in a professional manner at all times in the performance of their daily duties.

- **International Trade Compliance Requirement**

All the International suppliers are reviewed for approval prior to becoming a supplier in Olympic Industries' system. If the trade compliance team determines that the supplier could be material or an ongoing supply partner, the trade compliance team will arrange for third party audits of the supplier to ensure compliance with applicable laws and policies.

Due Diligence Processes

- **Risk Assessment**

Olympic Industries' International Trade Compliance team will review all the international suppliers to learn more about the suppliers.

Trade Compliance Team also requests international suppliers to provide more information about their recruitment process and employee handbook if that is available to share.

By having suppliers to complete the Supplier Lacey Act Declaration, Lacey Act Questionnaire and Supplier Forced Labour and Child Labour Declaration, Olympic Industries is able to trace where the materials the suppliers supply to Olympic are harvested and sourced from and to determine the risk level of the suppliers.

- **Supplier Audits and Evaluations**

Olympic Industries has requirement in place to conduct onsite audit on the suppliers that locate in high-risk countries. The onsite audit can be completed by authorized third party or by Olympic Industries' employees.

Olympic Industries also encourages traders to visit their suppliers periodically to maintain relationship as well create physical contacts.

- **Continuous Training**

Olympic Industries' trade compliance team provides internal training and share information to the traders and operation team to enhance the understanding of trade compliance which is not limited to Forced Labour and Child Labour but also other trade related compliances and regulations.

- **Annual Documentation Renewal**

Olympic Industries requests all the international suppliers to renew Lacey Act Questionnaire, Lacey Act Declaration and Forced Labour and Child Labour Declaration annually. All the renewed declarations will be reviewed to ensure changes with suppliers are caught and are complying.

Olympic updates internal employee handbook periodically for continuous vigilance and improvement.

This also ensure Olympic remains proactive in addressing compliance matters which is not just Forced Labour and Child Labour.

3. The parts of Olympic Industries' business and supply chains that carry a risk of Forced Labour or Child Labour being used and the steps it has taken to assess and manage that risk

- **International Forest Products Sourcing**

Risk Area:

Logs harvest or processing in countries where there is a high risk of Forced Labour and Child Labour.

Sawmills or factories in regions with weak labor law enforcement.

Supplier subcontracts their production or their sources to third party without informing Olympic Industries.

Steps taken to assess and manage the risk:

Annual International Supplier Questionnaires and Declaration to exercise due diligence.

Comprehensive onsite audit conducted by authorized third party for material suppliers.

Supplier site visit by Olympic staff and agents who meet supplier staff and observe the facilities.

- **International Transportation and Warehousing**

Risk Area:

International transactions involving multiple stops and countries and different services providers while the product is in transit.

Steps taken to assess and manage the risk:

Identify and hire reputable services providers for the shipment.

Express Olympic Industries' requirement and have transparent communications with services providers.

4. Any measures taken to remediate any Forced Labour or Child Labour

Olympic Industries has not found any violation of Forced Labour or Child Labour with our current suppliers and that is why Olympic Industries has all the policies in place and strict supplier evaluation process.

If there is any, immediate action plan:

- Stop the business with this supplier immediately
- Report the case to the relevant legal authorities
- Announcement to be made within the company so the company is fully aware of the situation and following with relevant training

International trade compliance is an area for continuous improvement, Olympic continuously updates its long-term action plan to help ensure Olympic is aware of and prepared for changes in the supply chain.

5. Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of Forced Labour or Child Labour in its activities and supply chains

N/A - Olympic Industries has not found any violation of Forced Labour or Child Labour with our current suppliers.

6. The training provided to employees on Forced Labour and Child Labour

The current related training provided to employees is focused on international traders and the trade compliance operations team.

Trade compliance team participates in ongoing relevant training via webinars and conferences.

Traders are provided in person training when they plan to source materials from international suppliers.

The training contents include:

- The countries with higher risk of Forced Labour and Child Labour.
- The form of Forced Labour and Child Labour.
- The possible parties involved in Forced Labour and Child Labour during the transaction such as Olympic Industries' supplier's suppliers, or even further suppliers

or the companies that provide warehousing services and transportation services during the movement.

- The consequence for a firm Forced Labour and Child Labour case, such as the business will be suspended immediately; not able to fulfill customer's orders; might be facing penalty or even lost the importation qualification and lead to bad reputation in the industry.
- Ask suppliers more questions about their suppliers involved in their business and talk to internal colleagues to collect more information about the suppliers. Share the supplier information to trade compliance team when they plan to source materials from the suppliers.

The international suppliers locates or supply products from the regions or countries that with weak law enforcement of Forced Labour and Child Labour will be required to provide more details of their recruitment process and employee handbooks or policy.

By having this type of training, trader understands the importance of knowing their suppliers and getting more details of their suppliers and to share the updated information within the company.

7. How the entity assesses its effectiveness in ensuring that Forced Labour and Child Labour are not being used in its business and supply chains

Olympic Industries has a comprehensive trade compliance policy which includes Forced Labour and Child Labour in place for international trade. The policy has effectively to prevent Forced Labour and Child Labour happened within its business and supply chains.

The policy includes but not limited to below aspects:

- Supplier's Questionnaire and Declaration are required renewed annually to ensure Olympic is catching all the changes happened with the suppliers.
- Onsite audit conducted by authorized third party to ensure an unbiased and more comprehensive assessment on the suppliers. Feedback is also provided to suppliers to make sure necessary correction actions are taken by the suppliers.
- Olympic Industries' site visits include visits to the supplier's manufacturing facilities and meeting with supplier's staff in person to build trust and strong relationship and to observe the supplier's daily operations.
- Olympic Industries' management and leadership are fully engaged with trade compliance policy's implementation and affirms their commitment to eradicating Forced Labour and Child Labour from Olympic Industries' business and supply chains.
- Continuous Improvement and Training, updating policies and regulations and sharing the updates within the company. Olympic Industries' goal always rooted on calling for continuous vigilance and envisioning long term business and sustainable development globally.

8.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."

Full name: Lawrence Chan

Title: Controller

Date: May 20 2025

Signature: *Lawrence Chan*

I have the authority to bind 'Olympic Industries ULC'.