

Annual Report on Forced Labour and Child Labour

Reporting for entity: Nylene Canada Ulc., a subsidiary of Polymeric Resources Corporation

1. *What steps has the entity taken in the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity? Select all that apply.

- ✓ Mapping supply chains
- ✓ Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
- ✓ Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily

- ✓ Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains

- ✓ Carrying out a prioritization exercise to focus due diligence efforts on the most severe risks of forced and child labour

- ✓ Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains

- ✓ Developing and implementing child protection policies and processes

- ✓ Developing and implementing anti-forced labour and/or -child labour contractual clauses

- ✓ Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists

- ✓ Auditing suppliers

- ✓ Developing and implementing grievance mechanisms



- ✓ Developing and implementing training and awareness materials on forced labour and/or child labour
- ✓ Engaging with supply chain partners on the issue of addressing forced labour and/or child labour

2. Please provide additional information describing the steps taken.

We believe the best way to mitigate the risks of child labour and Forced labour is ensure awareness across the organization and our suppliers. To that end, we have implemented policies that are mandatory reading for all employees, we have reiterated our grievance procedure internally to ensure any issues can be reported without recrimination, and we have engaged our supply chain partners to ensure their awareness and adherence by issuing a mandatory questionnaire.

3. *Which of the following accurately describes the entity's structure?

- ✓ Corporation

4. *Which of the following accurately describes the entity's activities? Select all that apply.

- ✓ Producing goods (including manufacturing, extracting, growing and processing)
 - ✓ in Canada
- ✓ Selling goods
 - ✓ in Canada
 - ✓ outside Canada
- ✓ Importing into Canada goods produced outside Canada

5. Please provide additional information on the entity's structure, activities and supply chains.



Nylene Canada is a wholly-owned subsidiary of Polymeric Resources Corporation, based in Boca Raton, Florida. We manufacture Nylon for use in the carpet fibre industry, the wire and cable industry and the compounding industry. The majority of our customers are in the US, but we also have customers in Central and South America, Europe, the Middle East and Asia.

Our major supplier is a US-based company that supplies our raw material, which forms 98% of our product. We also purchase materials, such as chemicals, corrugated, pallets, and other logistics materials from Canadian suppliers. We source our mechanical needs from Canadian and American companies. This includes motors, valves, pumps and other mechanical and electrical components. Our IT and technical services are all sourced from Canadian companies.

We currently do not source any materials from China or Russia. We are considering sourcing some material to be recycled from Pakistan and will do the due diligence to ensure our labour policy is adhered to.

6. *Does the entity currently have policies and due diligence processes in place related to forced labour and/or child labour?

- ✓ Yes

6.1 *If yes, which of the following elements of the due diligence process has the entity implemented in relation to forced labour and/or child labour? Select all that apply.

- ✓ Embedding responsible business conduct into policies and management systems
- ✓ Identifying and assessing adverse impacts in operations, supply chains and business relationships
- ✓ Tracking implementation and results
- ✓ Providing for or cooperating in remediation when appropriate

7. Please provide additional information on the entity's policies and due diligence processes in relation to forced labour and child labour.



We believe the best way to mitigate the risks of child labour and Forced labour is ensure awareness across the organization and our suppliers. To that end, we have implemented policies that are mandatory reading for all employees, we have reiterated our grievance procedure internally to ensure any issues can be reported without recrimination, and we have engaged our supply chain partners to ensure their awareness and adherence by issuing a mandatory questionnaire.

This policy applies to Nylene employees, partners, vendors, suppliers, visitors, contract service providers, contractors, and all others conducting business on behalf of the organization.

Nylene continually monitors its own employment practices as well as those of its partners, vendors, suppliers and all others conducting business on behalf of the organization to ensure compliance with ethical employment standards and protocols. To ensure compliance with the standards of this policy, Nylene conducts periodical audits of its employment practices as well as those companies the organization contracts with or maintains a business relationship with.

Where a supplier, vendor or contractor is found to violate this policy, Nylene will take prompt remedial action to address the violation; remedial measures may include termination of the business contract with the organization.

8. *Has the entity identified parts of its activities and supply chains that carry a risk of forced labour or child labour being used?

- ✓ Yes, we have identified risks to the best of our knowledge and will continue to strive to identify emerging risks.

8.1 *If yes, has the entity identified forced labour or child labour risks related to any of the following aspects of its activities and supply chains? Select all that apply.

- The sector or industry it operates in
- The types of products it produces, purchases or distributes
- The locations of its activities, operations or factories
- The types of products it sources
- The raw materials or commodities used in its supply chains
- Tier one (direct) suppliers
- Tier two suppliers
- Tier three suppliers
- Suppliers further down the supply chain than tier three

- The use of outsourced, contracted or subcontracted labour
 - The use of migrant labour
 - The use of forced labour
 - The use of child labour
- ✓ None of the above

9. *Has the entity identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries? Select all that apply.

- Agriculture, forestry, fishing and hunting
 - Mining, quarrying, and oil and gas extraction
 - Utilities
 - Construction
 - Manufacturing
 - Wholesale trade
 - Retail trade
 - Transportation and warehousing
 - Information and cultural industries
 - Finance and insurance
 - Real estate and rental and leasing
 - Professional, scientific and technical services
 - Management of companies and enterprises
 - Administrative and support, waste management and remediation services
 - Educational services
 - Health care and social assistance
 - Arts, entertainment and recreation
 - Accommodation and food services
 - Other services (except public administration)
 - Public administration
- ✓ None of the above
- Other, please specify

10. Please provide additional information on the parts of the entity's activities and supply chains that carry a risk of forced labour or child labour being used, as well as the steps that the entity has taken to assess and manage that risk.



Nylene does not operate in a sector where the risk of child labour and/or forced labour are prevalent. To ensure proper coverage of our supply chain we are issuing the questionnaire to all foreign suppliers and all major Canadian suppliers. The responses to the questionnaire will be reviewed thoroughly for any indication of these activities.

11. *Has the entity taken any measures to remediate any forced labour or child labour in its activities and supply chains?

- ✓ Not applicable, we have not identified any forced labour or child labour in our activities and supply chains.

12. Please provide additional information on any measures the entity has taken to remediate any forced labour or child labour.

- ✓ Not applicable, we have not identified any forced labour or child labour in our activities and supply chains.

13. *Has the entity taken any measures 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?

- ✓ Not applicable, we have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

14. Please provide additional information on any measures the entity has 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.

15. *Does the entity currently provide training to employees on forced labour and/or child labour?

- ✓ Yes

15.1 *If yes, is the training mandatory?

- ✓ Yes, the training is mandatory for employees making contracting or purchasing decisions.

16. Please provide additional information on the training the entity provides to employees on forced labour and child labour.

Familiarity and understanding of our child labour and forced labour policy is mandatory for all employees. HR Downloads offers a course on preventing child labour and forced labour that must be taken by all procurement and logistics employees as well as our HR professionals.

17. *Does the entity currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains?

- ✓ Yes

17.1 *If yes, what method does the entity use to assess its effectiveness? Select all that apply.

- ✓ Setting up a regular review or audit of the organization's policies and procedures related to forced labour and child labour

18. Please provide additional information on how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.

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standards of this policy, Nylene conducts periodical audits of its employment practices as well as those companies the organization contracts with or maintains a business relationship with.

19. 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.

A handwritten signature in blue ink, appearing to read "R. Anzarouth".

May 8, 2024

Ralph Anzarouth
Managing Director



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