



May 28, 2024

S-211 Report for Year ended: July 31, 2023

Business Name: Nanaimo Forest Products LTD

Business Number: - BC0826966

Website: www.harmacpacific.com

1351741 BC LTD is a 100% owned subsidiary of Nanaimo Forest Products LTD:

Business Name: 1351741 BC LTD

Business Number: BC1351741

Entity Categorization:

Nanaimo Forest Products LTD is a privately owned corporation that does business in Nanaimo, British Columbia, Canada.

Under Section 9 of the Bill S-211, Nanaimo Forest Products LTD is:

- (a) producing, selling or distributing goods produced in Canada.
- (b) importing into Canada goods produced outside of Canada.

Entity Inclusion Test:

Entity inclusion test: Must meet two of the following three criteria for at least one of its two most recent financial years:

- \$20 million or more in assets
- \$40 million or more in revenue
- An average of 250 or more employees.

Nanaimo Forest Products LTD meets all three of the criteria for its financial year ended July 31, 2024.

1351741BC LTD does not meet any of the criteria.

Jurisdiction Determination:

- Nanaimo Forest Products LTD has a manufacturing facility that operates exclusively in British Columbia, Canada.
- Nanaimo Forest Products LTD produces:
 - 380,000 metric tonne per year Northern Softwood Kraft Pulp.
 - 15 Year power sales agreement in place with BC Hydro commenced in December 2013.

Bill S-211 Section 3- required supplemental information:

A. Structure, Activities and Supply Chains:

(i) Structure:

Structure: Privately held Corporation - incorporated in the Province of British Columbia.

Nanaimo Forest Products LTD has approximately 350 employees and operates exclusively at one facility in Nanaimo British Columbia, Canada.

Nanaimo Forest Products LTD has a Board of Directors who provides oversight to the General Manager/CEO for the purposes of business operations. The General Manager/CEO directly supervises the Financial Manager/CFO, the Fibre Manager, the Human Resources Superintendent, the Engineering and Maintenance Manager, the Steam Plant Superintendent, the Information Technology Manager, the Technical Services Superintendent and the Production Superintendent.

(ii) Activities

NBSK Pulp Producer with sales in Canada, United States, Europe, Australia and Asia.

Green Power Producer for exclusive power sales under an Energy Purchase Agreement with British Columbia Hydro.

Other business ventures including a limited partner with a propane terminal, future Hydrogen Fuel business (in development phase) and industrial land holder for 14 zoned future business opportunities.

(iii) Supply Chains:

Nanaimo Forest Products LTD ensures all products purchased to support the operations are sourced in the following priority (1 is highest, 7 is lowest):

- (1) Locally sourced in Nanaimo, British Columbia
- (2) Locally sourced on Vancouver Island, British Columbia
- (3) Locally sourced in British Columbia, Canada
- (4) Geographically sourced in Western Canada, or the Pacific Northwest of the United States
- (5) Nationally sourced in Canada and Internationally sourced in the United States
- (6) Internationally sourced products from Western European based companies
- (7) Other Sources

Nanaimo Forest Products LTD ensures all products sourced are from law abiding suppliers and ensures all products meet the specified requirements included on the purchase orders issued.

B. Policy and due diligence processes in relation to forced labour and child labour;

Nanaimo Forest Products LTD reviews all providers of goods and services on a regular basis and depending on the product and the source country, deems the provider on a scale of Low, Medium or High risk. Each rating has increasingly higher review standards to ensure sources meet Nanaimo Forest Products LTD requirements. During the fiscal year ended July 31, 2023, all suppliers were deemed to be in the Low risk category.

Nanaimo Forest Products LTD will be instituting a policy that requires all future purchase orders to have a reference to the Act S-211 to ensure vendors are aware of our commitment to ensuring the reduction and elimination of forced labour and child labour.

Nanaimo Forest Products LTD will also formalize in policy the risk rating system for vendors and purchasing protocols for each rating for the year ended July 31, 2024.

C. Parts of the business and supply chains that carry a risk of forced labour or child labour being used and the steps taken to assess and manage that risk;

Nanaimo Forest Products LTD has approximately 3000 vendors from which it has purchased goods or services from in the past decade. From the list, Nanaimo Forest Products LTD determined that approximately 99.76% of the listed vendors are based in Canada or the United States or were not used in fiscal 2023. After review of the 2022 List of Goods produced by Child Labor or Forced labour, published in the Bureau of International Labour Affairs on the US Department of Labor website, ([List of Goods Produced by Child Labor or Forced Labor | U.S. Department of Labor \(dol.gov\)](https://www.dol.gov/eis/2022/goods)), all vendors from both Canada and United States were deemed extremely low risk. Of the remaining vendors based outside of the Canada and the US, Nanaimo Forest Products LTD. used only seven vendors who are based in the following European Countries in fiscal 2023 as follows:

- (i) Two vendors in Germany that provided NBSK pulp testing services for food contact certification.
- (ii) Two vendors in United Kingdom - One that provides a monthly news and analysis of the international pulp market and the second provide a proprietary part for manufacturing equipment used on site.
- (iii) One vendor in Finland that provided equipment and installation support for a large mechanical machine;
- (iv) One vendor in Denmark that provided evaluation and optimization consulting services for software used on site.
- (v) One vendor in Sweden provides pulp marketing services

Nanaimo Forest Products LTD deems all vendors used outside Canada and the US to be at extremely low risk of the use of forced labour or child labour based on the

information included in the 2022 List of Goods Produced by Child Labor or Forced Labor referenced above.

D. Measures taken to remediate any forced labour or child labour;

Based on the review undertaken in section C above, Nanaimo Forest Products LTD believes that the diligence to use vendors based primary in Canada and the US, no further measures are needed. Nanaimo Forest Products LTD will be instituting a policy that requires all future purchase orders to have a reference to the Act S-211 to ensure vendors are aware of our commitment to ensuring the reduction and elimination of Forced Labour and Child Labour

E. Measures taken to remediate the loss of income to the most vulnerable families that result from any measure taken to eliminate the use of forced labour and child labour in activities and supply chains;

Based on the review undertaken in section C above, Nanaimo Forest Products LTD believes that the diligence to use vendors based primary in Canada and the US, no further measures are needed. Nanaimo Forest Products LTD will be instituting a policy that requires all future purchase orders to have a reference to the Act S-211 to ensure vendors are aware of our commitment to ensuring the reduction and elimination of Forced Labour and Child Labour

F. Training provided to employees on forced labour and child labour; and

While Nanaimo Forest Products LTD did not have specific training in relation to S-211 for the year ended July 31, 2023, we hold our employees to the highest standards of conduct while on site.

All appropriate personnel involved in supply chain procurement will be reminded of the urgency and necessity of ensuring Nanaimo Forest Products LTD is committed to the reduction and elimination of Forced Labour and Child Labour for upcoming fiscal years.

G. How Nanaimo Forest Products LTD assesses its effectiveness in ensuring that forces labour and child labour are not being used in its business and supply chains.

Nanaimo Forest Products LTD reviews the most current List of Goods produced by Child Labor or Forced labour, published in the Bureau of International Labour Affairs on the US Department of Labor website, ([List of Goods Produced by Child Labor or Forced Labor | U.S. Department of Labor \(dol.gov\)](#)) on an ongoing basis.

Based on the review undertaken in section C above, Nanaimo Forest Products LTD believes that the diligence to use vendors based primary in Canada and the US, no further measures are needed. Nanaimo Forest Products LTD. will be instituting a policy that requires all future purchase orders to have a reference to the Act S-211 to ensure vendors are aware of our commitment to ensuring the reduction and elimination of Forced Labour and Child Labour



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 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: Frank Crucil

Title: Member of the Board of Directors, Nanaimo Forest Products LTD

Signature:

A handwritten signature in black ink, appearing to be "FC", written in a cursive style.

Date: May 20/24

Full name: Paul Guy Sadler

Title: General Manager & CEO, Nanaimo Forest Products LTD

Signature:

A handwritten signature in blue ink, appearing to be "P. Sadler", written in a cursive style.

Date: May 28, 2024

