
Supply Chain Risk Report

Fighting Against Forced Labour and Child Labour in Supply Chains Act, Bill S-211 Report to Canada's Federal Minister of Public Safety and Emergency Preparedness Reporting Period: January 1 to December 21, 2023

In accordance with Canada's Bill S-211, which came into effect January 1, 2024: Fighting Against Forced Labour and Child Labour in Supply Chains Act, please find our annual report for 2023 below. We have redacted certain details for general distribution on our website. This report is submitted to the Federal Ministry for the expressed purposes of filing compliance and may not be distributed without the written consent of FELLFAB Limited.

Corporate Organization Chart:

See attached. For employee privacy purposes, names have been removed and only titles are available.

Corporate Activity:

FELLFAB® is an innovative solutions provider, fostering growth through entrepreneurial spirit, engineered manufacturing processes and service standards, using textile products. Included in our Activity are Values that are core to our belief, they include:

- Integrity
- Customer Focus
- Collaborative
- Innovative
- Courageous

Overview of our Supply Chain:

Our Supply Chain department is responsible for the procurement of materials, inventory management and transportation of goods/services, to support finished products/services to our customers.

The steps in our procurement process include sourcing of raw materials from only approved suppliers based on defined engineering standards and quality defined certification requirements.

All materials ordered and received must comply with our approved purchase order, which was approved in compliance with our Signing Authority Policy.

To be an approved supplier, a Supplier Questionnaire must be completed and returned.

Suppliers are then approved by the Quality and the Supply Manager, added to our approved vendor's list and are valid for three years from the date of that approval.

Suppliers' QMS certification status is controlled through our internal ERP System. Approved vendors are often sourced based on specifications, as outlined by our customers.

Purchase orders are only issued to approved inventory suppliers. All purchase orders provide a link to our Terms and Conditions. Our Terms and Conditions advise suppliers that our orders cannot be assigned to any other party without our written approval and our Terms and Conditions refer to our Ethics Policy. All material purchases are received against an approved Purchase order.

When materials are received against an approved purchase order, the system assigns an inventory lot control number, which provides traceability back to the supplier of the material / service.

Every shipment of materials is vetted for compliance and quality certifications before released from Quarantine and used in our manufacturing process.

Lot control provides traceability of material usage on a work order to the purchase order receipt.

As an integral part of our AS 9100 re-certification, the supply chain process is audited annually by an outside independent Third Party in accordance with our documented policies and procedures, including but not limited to; the selection of suppliers, the approved inventory items ordered and the receipt of those items with the required supporting documentation. The adherence to our approved process is also audited annually by our Quality Department.

Policy Overview:

Full policy statement is available on request.

FELLFAB® is committed to identifying Forced and Child Labour, should it exist in our supply chain. We will take care to ensure that our business operations and our global supply chain partners are assessed for these practices and appropriate actions are taken.

Due Diligence related to the Policy:

As of March 1, 2024, our policy has been approved, and our procedures are being developed.

Breaches of our Policy and actions taken to mitigate:

Currently FELLFAB® is assessing its supply chain and training our staff to assess and manage risks and any breach of this policy.

Action taken:

Understanding the requirements of the legislation, actions needed, and training required.

Actions taken to remediate loss of income to the most vulnerable families:

Under review.

Training for our employees:

In development based on our policy and the legislation.

Assessment of effectiveness of this Policy:

At FELLFAB® for 70+ years we have honoured our Values and Ethics practices and believe our assessment of our historical practice has been exemplary. We will strive to continuously improve the effectiveness of our Vendor Relations.

Name Glen Fell
Title Chief Executive Officer

