



Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

1. Introduction

This is a joint report for The North West Company Inc., The North West Company LP, North West Company Holdings Inc. and North Star Air Ltd. (collectively, the “Reporting Entities”), which have an obligation to publish a report under Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) for the fiscal year ending January 31, 2025 (“FY2024”). The information provided in this report generally applies to all Reporting Entities. We note that North Star Air Ltd. (“North Star Air”) is in the process of adopting North West’s due diligence processes and training (both as described in Section 4). In this report, “we”, “us”, “our” and “North West” mean, as the context may require, either The North West Company Inc. or, collectively, the “Reporting Entities”.

North West is working to enhance its visibility over activities and business relationships that feed into our products and services. In FY2024, North West continued to take steps 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 North West or of goods imported into Canada by North West.

2. Structure, Activities and Supply Chain

Structure

The North West Company Inc. is a Canadian public company, with its head office located in Winnipeg, Manitoba and the shares of which are traded on the Toronto Stock Exchange (TSX: NWC). Through its subsidiaries, which are wholly-owned unless otherwise indicated, North West is a leading retailer to rural and developing small population communities in northern Canada, rural Alaska, the South Pacific and the Caribbean.

North West’s Canadian Operations, being North West’s retail stores offering food and everyday consumer goods and services to rural and developing small population communities in northern Canada, and including North West’s wholesale, logistics and distribution operations and airline in Canada, operate retail stores primarily through The North West Company LP.

North West’s International Operations, being North West’s retail stores which offer food and everyday consumer goods and services to rural communities and urban neighbourhoods in Alaska, the South Pacific and the Caribbean, and including North West’s wholesale and distribution operations outside of Canada.

This report is with respect to North West’s Canadian Operations.



Activities

North West delivers its products and services through the following retail, wholesale and complementary businesses:

- **121 Northern** stores, offering a combination of food, financial services and general merchandise to remote northern Canadian communities;
- **5 NorthMart** stores, targeted at larger northern markets with an emphasis on an expanded selection of fresh foods, apparel and health products and services;
- **30 Quickstop** convenience stores, offering extended hours, ready-to-eat foods, fuel and related services in northern Canadian markets;
- **5 Giant Tiger** junior discount stores, offering family fashion, household products and food in northern market locations;
- **3 Valu Lots** discount centers and direct-to-customer food distribution outlets for remote communities in Canada;
- **1 Solo Market** store, targeted at less remote, rural markets;
- **3 Pharmacy and Convenience** stores, stand-alone northern pharmacies and convenience stores;
- **2 NWC Motorsports** dealerships offering sales, service, parts and accessories for Ski-doo, Honda, Can-Am and other premier brands;
- **Crescent Multi Foods**, a distributor of produce and fresh meats to independent grocery stores in Saskatchewan, Manitoba and northwestern Ontario;
- **North West Tele-pharmacy Solutions**, the leading provider of contract tele-pharmacist services to rural hospitals and health centres across Canada; and
- **Transport Nanuk Inc.**, of which North West has a 50% ownership interest, and **North Star Air**, water and air-based transportation businesses, respectively, serving northern Canada.

Supply Chains

North West sources both food and general merchandise through its head office in Winnipeg, Manitoba from distributors and manufacturers located primarily in Canada and the United States. In addition to suppliers in Canada and the United States, North West also sources a portion of its general merchandise from overseas. We procure approximately 75% of our cost of goods sold through distributors, and approximately 25% directly from manufacturers. We import goods into Canada directly from manufacturers, which accounts for approximately 5% of our total cost of goods sold. We are committed to supporting local vendors in the communities we serve wherever possible. North West's Canadian Operations include both a wholly owned and third party distribution centre in Winnipeg, Manitoba.

For more information about North West's structure, activities and supply chain, please see the 2024 Annual Report and the 2024 Annual Information Form, which can be found at [Annual Filings | The North West Company](#).



3. Steps to Prevent and Reduce Risks of Forced Labour and Child Labour

In FY2024, North West held a workshop for leaders to gain an understanding of modern slavery trends and potential impacts to North West, and to develop a roadmap to develop and implement measures to manage risks of forced labour and child labour in supply chain activities. Measures that were implemented during FY2024 include:

- developing and assessing risk screening activities in our supply chain operations;
- creating an inventory of policies, procedures and other documents relating to risks of forced labour and child labour in supply chain activities for the purpose of review; and
- reviewing such policies, procedures and related documents: (1) for alignment with stated commitments on preventing forced labour and child labour in supply chain operations; and (2) to identify areas of risk, gaps and improvement opportunities.

4. Governance, Policies, Due Diligence Processes and Training

The following describes the individual elements of the framework North West has in place with the objective of preventing and reducing the risks of forced labour or child labour being used at any step of the production of goods in Canada or elsewhere by North West or of goods imported into Canada by North West.

Governance

The Board of Directors of The North West Company Inc. (the “Board”) is responsible for North West’s health and safety, environmental and social initiatives, and has delegated responsibility for:

- developing and exercising oversight with respect to our approach to environmental, social and governance (“ESG”) matters to the Governance and Nominating Committee of the Board;
- the social components of our ESG mandate to the Human Resources, Compensation and Pension Committee of the Board; and
- oversight of our exposure to principle risks (including with respect to ESG) and the steps management has taken to monitor and control such exposures to the Audit Committee of the Board.

North West’s ESG Steering Committee is comprised of company executives and is responsible for ensuring the adoption of ESG practices and programs, including preventing and reducing the risks of forced labour or child labour being used at any step of the production of goods in Canada or elsewhere by North West or of goods imported into Canada by North West.



Policies

North West has adopted policies relevant to the prevention and mitigation of forced labour and child labour in our operations and supply chain, including:

- Our Code of Business Conduct and Ethics (“Company Code of Conduct”) describes the standards of conduct required of our directors, officers and employees.
- Our Human Rights Policy Statement confirms our commitment to respecting and supporting the fundamental principles of human rights in our operations and supply chain.
- Our Young Worker Policy provides standards in regards to the employment and working conditions of employees designated as young workers.
- Our Supplier Code of Business Conduct & Ethics (“Supplier Code of Conduct”) is designed to ensure that our suppliers have a clear understanding of how we expect them to conduct business with, and on behalf of, North West.
- Our Whistleblower Policy provides a mechanism for any violations of North West and Supplier codes of conduct, including instances of forced labour or child labour, to be reported and remediated appropriately.

Due Diligence Processes

North West engages with direct and indirect suppliers to communicate expectations and to assess forced labour and child labour risks. North West requests suppliers to provide country of origin information for all new products purchased and asks all new suppliers to sign a statement of compliance with the Supplier Code of Conduct, which includes our expectation that our suppliers, and any of their subcontractors, will not use forced labour or child labour, and in which North West reserves the right to conduct compliance audits.

Training

North West has developed an online human rights training module that is available to all employees. This training module provides a basic overview of human rights and employee responsibilities and covers North West’s policies on hiring, on-boarding employees and our Company Code of Conduct. North West keeps a record of the employees who have completed the training.

5. Forced Labour and Child Labour Risks

North West recognizes that there is a risk that forced labour or child labour is used in the global supply chain. In the past, North West focused on risks to workers in our own operations, including respecting the safety and human rights of workers and protecting young workers in our retail stores and distribution operations.

In FY2024, North West expanded its risk management approach and initiated forced labour and child labour risk identification in our supply chain operations through mapping and risk screening of selected vendors and distributors. We remain committed to improving our understanding of the risks in our supply chain.



6. Remediation Measures and Remediation of Loss of Income

North West encourages the reporting and investigation of human rights violations to and by our Human Resources and Legal departments, as well as through the Whistleblower hotline. The hotline is available to workers, community members and customers to report any potential violations of company policies. North West does not tolerate direct or indirect acts of retaliation made in response to a good faith report.

To date, North West has not received any complaints relating to forced labour or child labour in our operations or supply chain. Therefore, the company has not taken remediation measures or remediation of loss of income measures as a result of forced labour or child labour.

7. Assessing Effectiveness

North West worked with an external organization to develop its roadmap to develop and implement measures to manage risks of forced labour and child labour in supply chain activities. North West regularly reviews the policies relevant to the prevention and mitigation of forced labour and child labour in our operations and supply chain. On at least an annual basis, North West conducts an ESG survey, which includes a question regarding risks of forced labour and child labour in supply chain activities, with internal and external partners, including local community members, employees and non-government organizations, measuring the level of importance and perception for each sustainability topic.

Approval and Attestation

This report is for The North West Company Inc. and its subsidiaries subject to the Act as set out in Section 1 (Introduction) and has been approved by the Board of Directors of The North West Company Inc. pursuant to subparagraph 11(4)(b)(ii) of the Act.

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.

I make the above attestation in my capacity as a director of the Board of Directors of The North West Company Inc. for and on behalf of the Board of Directors of The North West Company Inc.

I have authority to bind The North West Company Inc.

"Daniel McConnell"

Daniel McConnell
Director, President and Chief Executive Officer
April 9, 2025

"Brock Bulbuck"

Brock Bulbuck
Chair of the Board
April 9, 2025