Urban Impact Recycling Ltd.

Forced Labour and Child Labour in Supply Chains Company Assessment

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Introduction

This report is Urban Impact Recycling's response to Bill S-211, an Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act), sections 11(1) and 11(3).

The entities covered within this report include Urban Impact Recycling Ltd., Edworthy Way Holdings Ltd., and Pacific Materials Destruction Ltd., collectively the 'Entities'.

These Entities satisfy the definition of an Entity within the Act by having a place of business in Canada, doing business in Canada, having assets in Canada, and meeting both the revenue and asset thresholds.

The financial reporting year of the Entities covered by this report is for the year ending December 31, 2025.

Structure, Activities & Supply Chain

Structure

Urban Impact Recycling Ltd. (Business Number: 127380814) is a privately held corporation that is headquartered in New Westminster, British Columbia, Canada and provides the collection, processing, and sale of recyclable materials. Edworthy Way Holdings Ltd.'s (Business Number: 751826744) principal activities include commercial rental services and does not have any active employees at this time. Pacific Materials Destruction Ltd.'s (Business Number: 721122414) activities include the destruction, processing, and sale of recyclable materials. Pacific Materials Destruction Ltd. is a wholly owned subsidiary of Urban Impact Recycling Ltd. Both Urban Impact Recycling Ltd. and Pacific Materials Destruction Ltd. operate within the same business areas and supply chain. Therefore, for the purposes of this report, are collectively referred to as 'Urban Impact Recycling' or the 'Entities'.

Urban Impact Recycling's head office, located at 5 Capilano Way, New Westminster, British Columbia, V3L 5G3, services more than 4,500 locations across the province, from Whistler to Chilliwack. Pacific Materials Destruction shares this head office location with Urban Impact Recycling.

Activities

Urban Impact Recycling, a family-owned and operated business, specializes in comprehensive recycling solutions for a wide range of sectors, including commercial, industrial, institutional, and retail businesses, as well as educational institutions such as schools, colleges, and universities.

The Entities' services include the design and implementation of customized recycling programs, training, auditing, and waste diversion initiatives. In addition, Urban Impact Recycling offers specialized programs for specific materials such as office paper, batteries, and sporting equipment, and provides waste audit services. There are approximately 225 active employees of Urban Impact Recycling (including Pacific Materials Destruction subsidiary).

Supply Chain

To operate and manage its services, the company sources a range of goods, primarily encompassing equipment and parts, fuel, safety equipment, recycling, industrial supplies, and baling wire. As a local service provider, Urban Impact Recycling sources these materials from suppliers within Canada and the United States. To evaluate Urban Impact Recycling's supply chain, suppliers who account for at least 1% or more of the total procurement spend over the 2025 fiscal year were analyzed.

Of the material vendors used by Urban Impact Recycling, 91% of procurement was directed towards vendors located in Canada, while 9% was spent on vendors in the United States. See figure 1 for a breakdown of procurement by country.

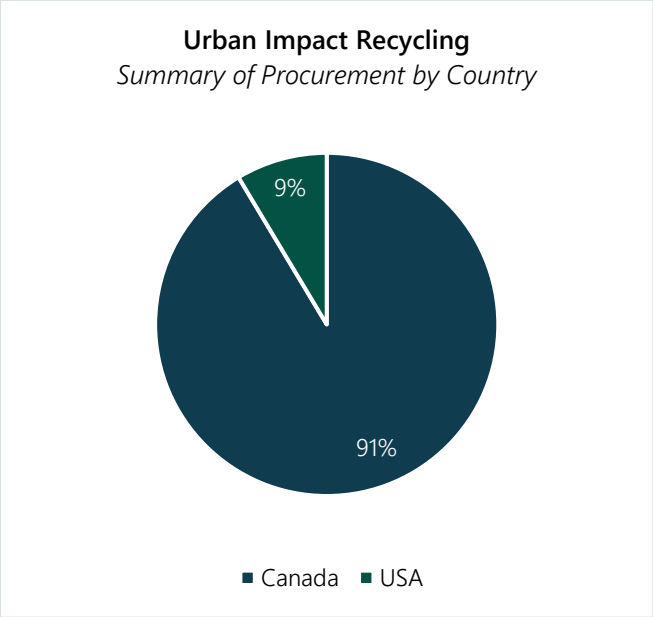


Figure 1: Summary of 2025 Procurement by Country.

In 2025, 44% of Urban Impact Recycling's procurement of goods was allocated to equipment supply and repairs and maintenance comprised of both Canadian and US suppliers.

Additionally, in 2025:

- 8% of material procurement was spent on baling wire, sourced entirely from Canadian suppliers.
- 14% was spent on fuel, also 100% sourced within Canada.
- Construction and equipment rentals accounted for 2% and 2% respectively, of total material spend – both categories fully procured from Canadian suppliers.

- Materials purchased to be recycled made up 31% respectively, of the company's material procurement and was comprised of only Canadian suppliers.

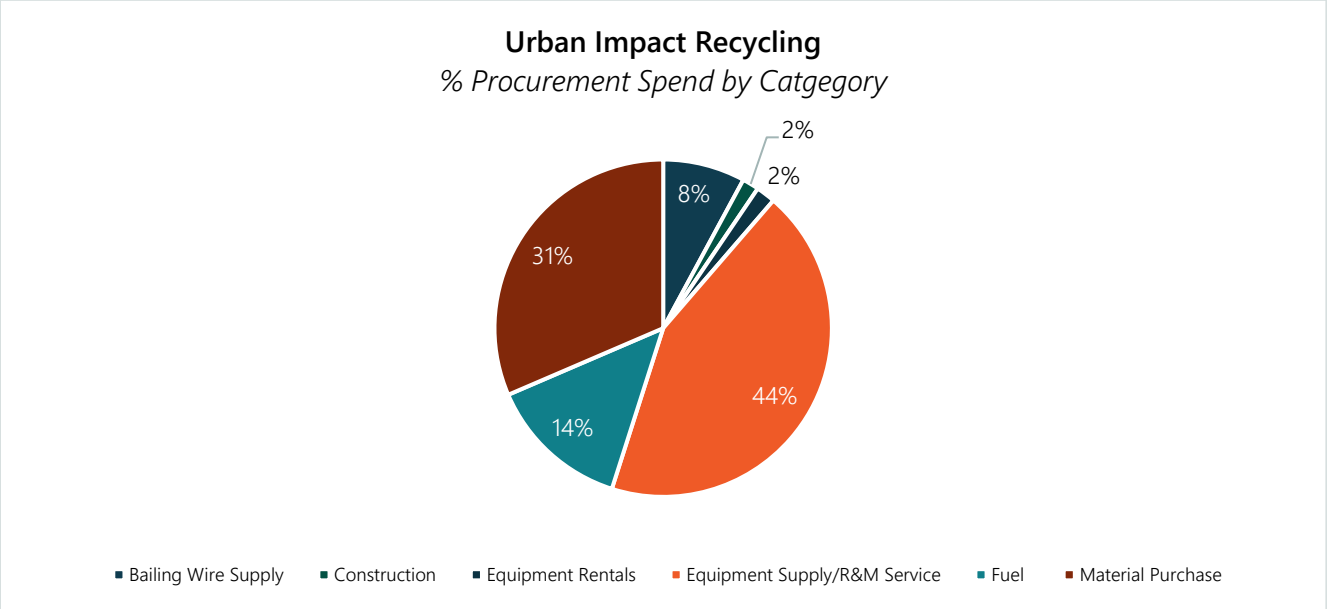


Figure 2: Summary of Procurement Spend by Category.

Policies & Due Diligence

The Entities have the following policies and due diligence procedures in place to mitigate the risk of child labour and forced labour within internal activities and their supply chain:

Internal policies

Employee Handbook & Employee Conduct Policy

Urban Impact Recycling's Employee Orientation Handbook is provided to all employees as part of the onboarding process and outlines the organization's standards and expectations, noting that the Urban Impact Recycling does not condone illegal activity, improper activity or behaviour, discrimination, harassment, or violence against or by any person. The Workplace Conduct Policy promotes equal employment free of discriminatory practices.

The handbook also identifies hours of work, overtime, vacation, and public holidays, all of which contribute to establishing fair and equitable working conditions.

Open-Door Policy

All Entities have incorporated an informal Open-Door policy. This enables individuals to raise concerns for management to address and mitigate as necessary. The informal approach empowers employees to

express their ideas, feedback, and concerns directly to colleagues, including management.

Operational Health & Safety Manual

The Health & Safety Manual is part of Urban Impact Recycling's Safety Program, for the use of all employees and contractors working on projects, locations, and property. It is to be used as a guide for health and safety rules and standards to ensure a safe working environment.

Workplace Violence and Harassment Policy

Abides by British Columbia's Workers' Compensation Act and Human Rights Code and is committed to building and preserving a safe, productive, and healthy working environment for all employees that is free from violence and harassment.

As specified within the policy, Urban Impact Recycling is committed to taking all necessary steps to prevent any form of violence or harassment towards job candidates, employees, managers, visitors, customers, suppliers, delivery persons, and volunteers. This statement extends across all areas of operations, encompassing training, performance evaluations, promotions, transfers, layoffs, compensation, and all other aspects of employment practices and working environments.

This policy defines workplace harassment as well as the responsibilities of Urban Impact Recycling, supervisors and employees regarding workplace harassment. All instances of violence or harassment are to be reported to the Company. Urban Impact Recycling ensures all employees are trained on workplace violence and harassment which include identifying a potential situation and responses to remediate or escalate the issue.

Respectful Workplace Policy & Training

Urban Impact Recycling's Respectful Workplace Policy recognizes the right of all employees to work in a safe and secure environment that is free from harassment. Urban Impact Recycling conducts annual training to all employees on respect in the workplace. The training is delivered in two distinct modules, one for workers and one for supervisors, each tailored to address the specific roles and responsibilities of their respective audiences. The supervisor module emphasizes supervisory responsibilities, actions and reporting obligations. The worker module, on the other hand, is tailored to the general workforce, emphasizing their rights and the reporting process. Both modules cover the definitions and examples of bullying, harassment, how to identify it in the workplace, and how to escalate it within the company.

Health, Safety, Environment (HSE) Policy

Urban Impact Recycling is committed to ensuring that all operations are carried out in a manner that prioritizes the health and safety of every employee. This policy reaffirms the Entities' dedication to maintaining a safe and healthy work environment through proactive measures, compliance with applicable regulations, and continuous improvement in our safety practices.

Code of Business Compliance Policy

Urban Impact Recycling's policy for code of business compliance sets the expectation that all employees are to conduct themselves in compliance with all legal, regulatory requirements, and business operations.

This includes complying with all federal, provincial, and local laws and regulations, including Bill S-211. Examples of violation of the policy are included, which indicate that offensive, aggressive, abusive conduct, including actions or behaviours that might be interpreted as actual or threatened violence are not to be tolerated.

Young & New Workers Training

Urban Impact Recycling mandates that all operational employees under the age of twenty-five (25) must receive additional safety orientation and training and agree to a mentorship program. This is completed to support younger and new workers to the workforce and provide additional training that will enable them to thrive in a safe working environment.

Due Diligence Processes

Identity Verification

Upon hiring an employee, the Human Resources team at Urban Impact Recycling verifies employee identify by collecting and storing a copy of government-issued identification, such as a driver's licence, to confirm both identity and age.

Supplier Code of Conduct

The Supplier Code of Conduct is intended to maintain the safety and security of Urban Impact employees and all suppliers, contractors, and/or distributors. All parties providing products and/or services must comply with Urban Impact Recycling's policies and procedures, including Health & Safety policies and standard practices. The Supplier Code of Conduct also includes provisions addressing human rights and child and/or forced labour, setting clear expectations that suppliers, contractors, and/or distributors conduct themselves in a professional manner and in compliance with applicable legal and business requirements. Measures of action, including immediate termination of services and potential legal recourse, are outlined in cases of non-compliance.

Supplier Contracts

Where supplier contracts are used, Urban Impact Recycling requires vendors to comply with all applicable laws, codes, regulations, standards, and judicial and administrative requirements related to their performance with the Entities. Suppliers are also expected to adhere to Urban Impact Recycling's Supplier Code of Conduct (stated above).

Supply Chain Risk Assessment

A risk assessment of Urban Impact Recycling's operation, goods procured, and countries goods are procured from has been performed over material direct suppliers. For the purposes of this report, material suppliers are those who account for at least 1% or more of the Entities' total procurement spend during the 2025 fiscal year.

This risk assessment used two separate indices to conclude on the inherent risk of child and/or forced labour related to goods and countries – (1) Walk Free's Global Slavery Index and (2) the US Department of Labours List of Goods Produced by Child Labor or Forced Labor.

Industry of Operations

Urban Impact Recycling operates within the waste and recycling industry. This industry has not been identified within the two indices above as having an inherent risk exposure to child and/or forced labour.

Goods Procured

Urban Impact Recycling procures the following categories of goods: baling wire; equipment and maintenance; fuel; industrial supplies; and recycling and waste materials. A risk assessment of goods within these categories identified an initial inherent risk of forced and/or child labour associated with aluminum and glass recyclable products, as well as aluminum used in equipment components. Equipment purchases account for 44% of Urban Impact's procurement of goods that incorporate upstream inputs identified on the List of Goods Produced by Child Labor or Forced Labor (TVPRA List) and may therefore be associated with labour risks; however, further evidence is required to link the production of these goods to specific countries of origin. All remaining goods were not identified in either index, indicating a low inherent risk.

Countries Which Goods Are Procured From

For the purposes of a risk assessment over countries goods are procured from, Urban Impact Recycling's material direct suppliers are located within Canada and the United States. According to the two indices noted above, both countries are noted as having a lower inherent risk of child labour or forced labour. This does not mean that no evidence of forced labour or child labour was found to support this risk analysis but that there is an inherent low risk and continued due diligence is required.

Table 1: Global Slavery Index, 2023.

Tier 1 Supplier Country	Estimated Prevalence of Modern Slavery (per 1,000 people)	Level of Vulnerability to Modern Slavery (%)	Share of Annual Procurement FY2025
Canada	1.8	11	91%
United States	3.3	25	9%

Remediation of Forced and Child Labour and

Vulnerable Family Income Loss

No instances of child or forced labour have been identified as at the time of this report within operations or those of Urban Impact Recycling's suppliers. To mitigate the risk of child labour and forced labour within supply chains, Urban Impact Recycling has identified the opportunity to develop and enhance existing due diligence mechanisms in relation to this Act. This includes integrating specific child and forced labour policies into the Employee handbook and the Supplier Code of Conduct. Urban Impact Recycling understands the value of discussing these risks with employees and vendors. These conversations will continue to bring awareness to this issue in an effort to remediate the risk within their activities and supply chains.

Urban Impact Recycling is in the process of understanding and evaluating their supply chains related to the risk of child labour and forced labour. To date, Urban Impact Recycling has not identified instances of the use of child labour or forced labour within its operations or those of suppliers. Urban Impact Recycling will continue to review its procurement practices to enhance the rigor of due diligence processes, including raising awareness with its suppliers.

Awareness Training

Urban Impact Recycling is committed to providing regular training and education to all employees on company policies. This ensures employees understand their rights and responsibilities, as well as the company's expectations for maintaining a respectful, safe, and healthy work environment.

Urban Impact Recycling has provided training on Canada's Law to Fight Child and Forced Labour to selected employees in key roles within Procurement, Finance, and Human Resources. These employees are encouraged to share the knowledge and information gained through this training with both existing and new employees.

Urban Impact Recycling recognizes the importance of continuous improvement in employee training related to modern slavery and supply chain transparency. The company will continue to evaluate additional relevant training opportunities for employees and suppliers in the future.

Assessing Effectiveness

To track Urban Impact Recycling's effectiveness of procedures to mitigate the risk of child labour and forced labour, the following mechanisms are in place:

1. Policy Review: All policies are reviewed regularly by Urban Impact Recycling's Executive Management Team to ensure its effectiveness and relevance. Urban Impact Recycling's Executive Management Team reviews policies at least annually, and more frequently as needed, to ensure their effectiveness and continued relevance.
2. Incident Reporting: Incident reporting regarding health and safety, harassment and sexual harassment and workplace violence are reviewed by Urban Impact Recycling's Chief Executive

Officer, President, and Human Resources Advisor immediately upon receipt.

3. Risk Assessment Updates: Supply chain risk assessments are reviewed periodically and updated as procurement practices, suppliers, or risk indicators change, to ensure continued relevance and effectiveness.
4. Supplier Engagement and Monitoring: Urban Impact Recycling monitors supplier alignment with its Supplier Code of Conduct through ongoing engagement and procurement oversight.

Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

Urban Impact has taken the following steps to prevent and reduce the risk of child labour or forced labour within their activities and supply chain:

1. Mapping activities: As part of this report, Urban Impact Recycling has mapped its activities to complete a risk assessment to align with the Act.
2. Mapping supply chains: As part of this report, Urban Impact Recycling has mapped its supply chains to complete an initial risk assessment to align with the Act.
3. Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains: As part of this report, Urban Impact Recycling has identified risks within its activities and supply chains that have inherent risks of child labour and/or forced labour.
4. Contracting an external assessment of risks of forced labour and/or child labour in the organization's activities and supply chains: An external assessment of Urban Impact Recycling's supply chain has been performed, to align with this Act.
5. 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: In 2025, Urban Impact Recycling developed specific human rights and modern slavery language within its Supplier Code of Conduct, affirming its commitment to ethical business practices and prohibiting the use of child and forced labour across its operations and supply chains. Where such practices are identified, remediation is undertaken in line with industry practice.
6. Ongoing training and awareness materials on forced labour and/or child labour: Urban Impact Recycling has implemented training for key personnel, which is subsequently disseminated throughout the organization. Employees who complete the training are encouraged to promote awareness of its importance and share key learnings with other employees and clients.

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 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.

N Stefanelli.	
Full Name	**Signature**
CFO.	May 31/2026
Title	**Date**

I have the authority to bind Urban Impact Recycling.