
May 28, 2025

Annual Report on Child Labor and Forced Labor for the Fiscal Year Ended July 31, 2024

Introduction

Endries Acquisition Holdings, Inc. and its affiliated entities (“Endries International”) support Canada’s commitment to addressing forced and child labor in global supply chains. This report outlines the steps we have taken to uphold human rights and promote ethical labor practices across our operations and extended network of suppliers.

We view respect for individuals and the safeguarding of labor rights as integral to responsible and sustainable business. Endries International operates in accordance with all applicable laws and regulations, ensuring that procurement and sourcing practices align with these standards. Our personnel are expected to uphold these values and contribute to a culture of integrity and accountability.

We remain attentive to potential risks within our operations and supply chain. In the event of suspected forced or child labor, we are equipped to act promptly to investigate and implement necessary corrective measures.

Structure, Activities, and Supply Chains

Founded in 1970 in Brillion, Wisconsin, by Bob and Patricia Endries, Endries International has grown into a global provider of OEM fasteners and production components. Our structure includes core functions such as procurement, logistics, quality assurance, and sales, all aligned to support operational excellence and supply chain reliability.

Our activities span product development, distribution, and strategic sourcing, with continued growth driven by innovation and targeted acquisitions. Fulfillment solutions include single- and multi-bin inventory systems, PULSE RFID technology, kitting and sub-assemblies, industrial vending, and dock-to-dock delivery programs. This flexible infrastructure ensures efficient order management and high-level technical support.

Approximately 70% of our procurement volume originates in the United States. Additional sourcing regions include Taiwan, China, India, and several European countries. We operate multiple regional distribution centers to enable timely deliveries and localized customer service.

Our supply chain is supported by advanced logistics platforms, disciplined inventory control, and ISO-certified quality systems. Together, these elements enable us to

consistently deliver reliable products while maintaining cost-effectiveness and agility in a dynamic global environment.

Policies and Due Diligence Processes

Responsible business conduct is embedded in Endries International's governance and operations. Our policies reflect a strong commitment to upholding labor rights, fostering equitable workplaces, and preventing any form of exploitation. We maintain a zero-tolerance approach to forced and child labor and promote inclusive practices that prohibit discrimination and harassment.

Our Supplier Code of Conduct sets clear expectations for ethical labor practices, legal compliance, and responsible sourcing. Suppliers are required to assess risks within their own operations and extended supply chains, including evaluating exposure to conflict minerals. Transparent recordkeeping is mandated, and adherence is subject to review.

To assess compliance, we conduct site visits, especially for new or higher-risk suppliers. These visits examine technical capacity and also allow for firsthand observation of working conditions. While prioritized during onboarding, oversight extends across our supplier base, with targeted reviews for our top 250–500 partners based on volume and risk level.

With approximately 2,000 active suppliers worldwide, we prioritize oversight where the strategic importance or risk profile warrants closer attention. Our diligence practices include:

- Credit and risk reviews through Creditsafe;
- Supplier participation in screening surveys;
- Ongoing documentation audits and compliance verification.

For conflict minerals, product specifications typically embed relevant requirements. Although many suppliers formally declare opposition to the use of conflict minerals, we require supporting documentation, reviewed case-by-case based on the supplier's role and the nature of goods provided.

To further strengthen oversight, a comprehensive, one-time supply chain risk mapping initiative is underway for the 2024–2025 period. The results will guide future risk mitigation strategies, whether targeted toward priority suppliers or scaled across our entire supplier base.

Although a formal, organization-wide training program has yet to be deployed, procurement teams, who are responsible for approving new suppliers, have participated in focused internal sessions to reinforce expectations around ethical sourcing.

Understanding these standards is a fundamental aspect of their role in maintaining supply chain integrity.

A structured training curriculum is being developed and will be introduced alongside the updated Supplier Manual and revised Code of Conduct, both scheduled for release within the next fiscal year. These initiatives will further institutionalize responsible practices and promote consistency across all supplier engagements.

Risks and Supply Chain Management

Endries International acknowledges that the risks associated with labor practices vary across sectors and regions. In the fastener and industrial components industry, disparities in labor protections, particularly in jurisdictions with limited regulatory enforcement, can elevate the risk of human rights abuses.

To mitigate these risks, we apply a tailored approach to due diligence, adjusting our evaluations based on geographic and sector-specific factors. We maintain close communication with suppliers to ensure transparency and traceability throughout the chain. As modern slavery often exists beneath the surface, continuous monitoring and engagement are essential.

All suppliers are expected to meet the standards outlined in our Code of Conduct, including performing internal risk assessments and adopting sustainable procurement practices. For direct suppliers, we conduct routine compliance checks. For those further down the chain, we verify country-of-origin data, even when procurement is routed through intermediaries, and conduct follow-up inquiries where necessary.

Site visits are central to our risk management strategy. These evaluations encompass both operational reviews and informal assessments of workplace conditions. Although no incidents of forced or child labor have been identified to date, we maintain rigorous standards and readiness to intervene as needed.

Remediation measures and loss of income

To date, Endries International has not conducted a full-scale risk assessment dedicated solely to forced or child labor. However, existing monitoring mechanisms have not revealed any such cases within our operations or supply network. Consequently, formal remediation or compensation measures have not been required.

Nonetheless, we maintain clear internal protocols to ensure a timely and effective response should a concern arise. These protocols are designed to minimize potential harm to affected individuals and support appropriate remedial action in line with international human rights expectations.

Training

As part of our broader human rights strategy, procurement teams have participated in targeted group meetings to reinforce their understanding of sourcing standards. Given their responsibility in supplier selection, these staff members are expected to recognize early warning signs and take appropriate action.

Assessing Effectiveness

We are committed to continually reviewing and improving our internal processes related to forced labor and child exploitation. This includes aligning our policies with both legal obligations and evolving best practices in supply chain governance. Collaboration with suppliers and industry peers remains a priority, as we seek to promote transparency and encourage widespread adoption of ethical standards.

Several key initiatives will serve as benchmarks for evaluating the effectiveness of our efforts. These include the forthcoming Supplier Manual, updates to our Code of Conduct, and the results of the risk mapping project. Together, these tools will help us measure progress, identify gaps, and ensure our sourcing framework continues to meet the highest standards of integrity and accountability.

Report Approval

This report has been reviewed and approved by the Endries Board of Directors. It reflects our ongoing commitment to ethical, responsible sourcing and to full compliance with Canada's Bill S-211.



Dan Crociata, President & CEO