



# Annual Report Under the Fighting Against Forced Labour and Child Labour in Supply Chains Act

New World Technologies Inc. (dba RAD Torque Systems)  
Reporting Period: January 1, 2025 – December 31, 2025



## Introduction

New World Technologies Inc. (“**New World**”, the “**Company**”, or “**We**”), doing business as and publicly known as RAD Torque Systems, is a Canadian manufacturer of industrial torque tools and related accessories used globally across industries such as mining, aerospace, wind power, oil and gas, construction, and manufacturing. We design, manufacture, assemble, calibrate, service and distribute pneumatic, battery-powered and electronic torque tools.

Having started in 1994 in the garage of its owner, Dan Provost, New World has grown to now employ more than 180 British Columbians at our modern production and administrative facilities in Abbotsford, British Columbia, from which New World sells industry respected torque products worldwide through a network of authorized distributors and service partners.

As a privately held, family-founded business, New World is guided by strong ethical values and a commitment to responsible business conduct. We recognize that forced labour and child labour are serious global issues that violate human rights and undermine responsible supply chains. We oppose all forms of forced labour and child labour and continue to develop and formalize policies, contractual controls and due diligence processes intended to identify and reduce these risks in our business and supply chains.

This report is prepared in accordance with Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act and outlines the measures taken in 2025 to identify, prevent, and reduce related risks.



## Structure, Activities, and Supply Chains

### Corporate Structure

New World Technologies Inc. is a privately held Canadian company incorporated in British Columbia since 1995 and headquartered at:

→ **100 – 30722 Marshall Road  
Abbotsford, British Columbia,  
Canada, V2T 0H9**

New World operates under the RAD Torque Systems brand and sells its products globally, on every continent except Antarctica, through a network comprised of both independent and affiliated territorial distributors as well as directly to large industry clients.

### Supply Chains

New World maintains a multi-tiered supply chain to support its manufacturing and distribution activities. Our supply chain includes direct suppliers of components and materials (“Tier 1 suppliers”), as well as upstream suppliers used by our direct suppliers further along the supply chain, including those providing subcomponents and raw materials (“Tier 2” and “Tier 3” suppliers).

Our supply chain spans multiple jurisdictions, including Canada, the United States, Europe, and Asia, reflecting the global nature of the industrial manufacturing sector. While a significant portion of our sourcing occurs in Canada and other jurisdictions with established regulatory frameworks, certain inputs are sourced internationally where availability, technological requirements, or cost considerations make this necessary.

### Business Activities

New World is a vertically integrated manufacturer engaged in the design, engineering, production, assembly, calibration, servicing and distribution of industrial torque tools and related equipment. The majority of our core manufacturing activities are conducted in Canada, including precision machining, assembly, testing, and calibration processes carried out at our Abbotsford facilities.

To support these operations, New World sources a range of components, materials, and subassemblies from third-party suppliers, both within Canada and internationally. These inputs include, among other things, raw materials such as steel, machined parts, and electronic components used in the manufacture of finished products. While our products are manufactured in Canada, and their components are often sourced in Canada, certain components are imported as part of a global supply chain.

Finished products are sold and distributed worldwide through a network of authorized distributors, service partners, and direct customer relationships. In addition to manufacturing and sales, New World also provides after-sale services including tool calibration, maintenance, and repair, supporting customers throughout the lifecycle of our products.

Through this combination of in-house manufacturing and global sourcing, New World maintains flexibility and responsiveness in meeting customer demand while continuing to assess and manage supply chain risks.



## Policies and Due Diligence Processes

New World recognizes the importance of implementing policies and due diligence processes to identify, prevent, and reduce the risk of forced labour and child labour in its operations and supply chains. As a growing business, the Company continues to formalize and enhance these measures, building on its existing practices and ethical culture.

### Internal Employment Practices

New World operates primarily in Canada and complies with all applicable federal and provincial labour laws which prohibit forced labour and child labour. The Company's internal employment practices are designed to ensure that:

- All employees are hired voluntarily and are free to terminate their employment in accordance with applicable laws;
- Employment standards are met or exceeded;
- Working conditions comply with all occupational health and safety requirements.

While these standards are embedded in the Company's operations, New World continues to assess opportunities to further formalize its policies relating specifically to forced labour and child labour.

In 2025, New World hired its first in-house legal counsel, who now oversees New World's compliance and ethical obligations. We expect this to further strengthen awareness of our corporate responsibilities across the organization, support the continued development of our policies and practices, and enhance our ability to operate as a responsible corporate citizen in the global markets in which we do business.

Also in 2025, New World developed an organizational restructure (implemented in early 2026) that established a new executive leadership level. This created greater centralization and accountability, which will allow us to improve best practices both internally and externally. Additionally, New World hired a new Procurement and Inventory Manager who has been instructed to be aware of and develop policies and practices relating to responsible sourcing and ethical supply chain management.

We expect the organizational changes made in 2025 to improve internal awareness of supply chain-related risks, support the development of more structured procurement processes, and further reinforce our commitment to responsible business practices across our supplier relationships.



## Distributor and Supplier Expectations

New World recognizes that its suppliers and distributors play an important role in supporting responsible business practices and reducing the risk of forced labour and child labour within its broader supply chain.

The Company has historically relied on engaging with reputable suppliers and maintaining long-standing commercial relationships with entities that operate in accordance with applicable laws and industry standards. In most cases, New World's direct suppliers are established businesses located in jurisdictions with recognized labour and employment frameworks.

During the 2025 reporting period, New World took steps to formalize its expectations by:

- Incorporating new contractual provisions in its distribution agreements requiring compliance with applicable forced labour and child labour laws; as existing distribution agreements come due for renewal and new agreements are negotiated, these provisions will form part of the basic contractual relationship we form with our distributors;
- Communicating its expectation that distributors conduct business in a manner consistent with applicable legal and ethical standards.

In addition, New World is in the process of developing a Supplier Code of Conduct, which is intended to apply to vendors supplying materials, components, and services. This Code is expected to:

- Outline the Company's expectations regarding compliance with labour laws, including the prohibition of forced labour and child labour;
- Set general standards relating to working conditions and responsible sourcing;
- Provide a foundation for future engagement and alignment with suppliers on ethical business practices.

The Supplier Code of Conduct remains under development and has not yet been formally implemented as of the end of the reporting period.

New World will continue to assess opportunities to enhance supplier and distributor engagement over time, including through contractual mechanisms, communication of expectations, and incremental improvements to procurement and onboarding practices.



## Due Diligence and Risk Management Processes

New World applies a risk-based approach to identifying and addressing potential exposure to forced labour and child labour within its operations and supply chains. While these processes are continuing to evolve, the Company has taken steps during the reporting period to improve its understanding of potential risks and to integrate responsible sourcing considerations into its business practices.

In 2025, New World continued efforts to map its supply chain, particularly with respect to components and materials sourced outside of Canada. As part of this process, New World has identified certain categories of inputs as areas of increased focus, including:

- Raw materials such as steel, where upstream extraction and processing may involve complex global supply chains;
- Electronic components, which may be sourced through multi-tiered supplier networks across various jurisdictions.

In evaluating suppliers, the Company considers factors such as supplier reputation, the nature of the goods supplied, and the jurisdictions in which suppliers operate. New World continues to assess appropriate and proportionate measures to enhance oversight as its due diligence framework develops.

New World acknowledges that visibility into upstream tiers of the supply chain remains limited, particularly beyond Tier 1 and, in some cases, Tier 2 suppliers. The Company continues to assess practical ways to improve transparency where feasible, while recognizing the inherent challenges associated with tracing the origin of certain raw materials.

Overall, New World's due diligence and risk management processes are in a stage of ongoing development. The Company intends to continue refining these processes over time, with a focus on improving supply chain visibility, strengthening internal procedures, and enhancing its ability to identify and address potential risks related to forced labour and child labour.

## Risk Identification, Assessment and Management

### Identified Risk Areas

Based on its supply chain mapping and general industry knowledge, New World has identified that potential risks may be associated with:

- The types of products and materials sourced, particularly raw materials such as steel and certain electronic components, which are commonly linked to complex, multi-tiered global supply chains;
- The geographic location of certain suppliers;
- Upstream supply chain tiers, where the Company has limited direct visibility or control, especially in relation to raw material extraction and early-stage processing.

These potential risks are not unique to New World but are widely recognized across the manufacturing sector.



### Risk Assessment

New World has undertaken preliminary steps to assess the potential risk of forced labour and child labour within its operations and supply chains. This assessment is informed by:

- The nature of the Company's industry and the types of products it manufactures
- The structure and geographic distribution of its supply chain
- The categories of materials and components used in production
- The Company's understanding of its Tier 1 suppliers and, where available, Tier 2 suppliers

The Company maintains a high degree of confidence in its direct operations in Canada, where robust labour laws, enforcement mechanisms, and an ethical company culture are in place. Similarly, New World has confidence in its Tier 1 suppliers, which are reputable businesses operating in established markets.

However, the Company acknowledges that its ability to assess risks decreases further upstream in the supply chain. In particular, visibility into Tier 3 suppliers and beyond is limited, especially with respect to raw material sourcing. The Company does not have direct access to information regarding the conditions under which certain raw materials are extracted or processed.

As a result, New World's risk assessment remains ongoing and subject to refinement as additional information becomes available and internal processes continue to develop.

### Risk Management

New World takes a measured and evolving approach to managing the risk of forced labour and child labour. During the reporting period, the Company has implemented or continued the following measures:

- Maintaining relationships with reputable suppliers and prioritizing procurement from entities operating in jurisdictions with recognized legal and regulatory frameworks;
- Enhancing contractual controls, including the introduction of provisions in distribution agreements requiring compliance with applicable forced labour and child labour laws;
- Developing a Supplier Code of Conduct, which is intended to establish clear expectations for suppliers regarding labour practices and responsible sourcing;
- Increasing internal awareness and oversight, including through internal reorganization for increased accountability and the appointment of in-house legal counsel and a Procurement Manager with responsibility for responsible sourcing considerations;
- Continuing efforts to map and better understand its supply chain, particularly for internationally sourced components.

New World recognizes that its current risk management framework is in a stage of ongoing development. We intend to continue refining our approach over time, including by strengthening policies, improving supply chain visibility wherever feasible, and enhancing internal processes to better identify and address potential risks.

## Remediation of Child Labour and Forced Labour

During the 2025 reporting period, New World did not identify any instances of forced labour or child labour within its operations or supply chains. As a result, no remediation measures were required or implemented during the reporting period and the Company did not undertake any corrective actions relating to confirmed instances of forced labour or child labour.

New World recognizes the importance of appropriate remediation in the event that such issues are identified in the future.



## Remediation of Loss of Income to Vulnerable Families

During the 2025 reporting period, New World did not identify any instances of forced labour or new child labour within its operations or supply chains. As no remediation measures were required or implemented, the Company did not take any measures to remediate loss of income to vulnerable individuals or families that may result from efforts to eliminate forced labour or child labour.

New World recognizes that actions taken to address forced labour or child labour in supply chains may, in certain circumstances, have unintended impacts on vulnerable individuals and communities and is committed to mitigating these impacts should it become needed in the future.

## Employee Training

During the 2025 reporting period, New World took steps to increase internal awareness of forced labour and child labour risks within its operations and supply chains. The issue of compliance with forced labour laws was discussed at management meetings. In addition, many of our employees are professionals who have to fulfill yearly Continuing Professional Education requirements mandated by their governing bodies, which always include an ethical component. In addition, the hiring of in-house legal counsel and a Procurement Manager in 2025 contributed to ongoing internal knowledge-sharing and informal training across relevant business functions.

New World recognizes that training is an important component of an effective compliance framework and is in the process of developing a more formalized training framework with regard to forced and child labour.

## Assessing Effectiveness

New World recognizes the importance of assessing the effectiveness of the measures it has implemented to identify and reduce the risk of forced labour and child labour in its operations and supply chains.

During the 2025 reporting period, the Company's ability to assess effectiveness has been primarily based on:

- Ongoing internal review of its policies, processes, and practices relating to responsible sourcing and compliance;
- Increased internal awareness and oversight resulting from the addition of in-house legal counsel and a dedicated Procurement Manager;
- Continued evaluation of supply chain visibility, including progress in mapping suppliers and identifying areas of potential risk.

As New World's policies and due diligence processes are still in a stage of development, the Company has not yet established formal performance indicators or audit mechanisms to quantitatively measure the effectiveness of its efforts.

New World intends to continue developing its approach to assessing effectiveness over time, including by:

- Establishing more formal metrics and internal controls; and
- Monitoring the implementation of contractual provisions and supplier expectations.

These efforts are intended to support a more structured and measurable approach to evaluating the Company's performance in addressing forced labour and child labour risks in the future.

## Attestation

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, and in particular section 11(4)(a) thereof, I attest that I have reviewed the information contained in this report for New World Technologies Inc.

Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate, and complete in all material respects for the reporting period indicated above.

*I have the authority to bind New World Technologies Inc.*



**Dan Provost**  
President  
May 28, 2026

