

## **2023 Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act***

This is a joint report filed on behalf of ABC Recycling Ltd., ABC Holdings Ltd., and 1384432 B.C. Ltd. (together, “**ABC Recycling**”) under Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) for our financial year ending December 31, 2023.

### **Organizational structure, business activities, and supply chain**

ABC Recycling is based in Burnaby, British Columbia. We operate in Canada and the United States, with locations in Abbotsford, Burnaby, Surrey, Campbell River, Nanaimo, Terrace, Kelowna, Prince George, Fort St. John, Grande Prairie, and Bellingham.

We have been in business for over 100 years, serving and supporting our communities through the recovery, processing and recycling of industrial metal.

We purchase ferrous and non-ferrous metals, including household, industrial, and demolition metal. Our facilities process appliances, end-of-life vehicles, and most other metal products that might otherwise end up in landfills. We sell new and salvaged metals as well as resale equipment in Canada, the United States, and Southeast Asia. We offer a variety of services including industrial metal pick-up through our container service, off-site demolition and clean-up, brokerage, and derailment clean-up and transportation.

We employ approximately 250 employees, including unionized workers in our Burnaby, Nanaimo, and Campbell River facilities. We outsource work on our projects to qualified subcontractors in Canada. Our employees, subcontractors and their workers are required to comply with our workplace policies and applicable employment standards and safety laws.

We purchase industrial metal for recycling from individuals, corporations, and other organizations on our project sites and in the communities where our processing facilities are located. We purchase equipment and supplies for our processing facilities from Canadian manufacturers and distributors, and import capital equipment from suppliers in the United States and Europe.

ABC Recycling’s business model involves the sale of industrial metal for recycling, which we acquire from a variety of sellers. We do not have a relationship with the original manufacturer of the metal that we recycle. Our commitment to responsible business conduct focuses on the health and safety of our employees, contractors, and our customers, and to environmental stewardship and protection.

### **Steps to prevent and reduce the risks of forced labour and child labour**

In this reporting year, ABC Recycling took steps to prevent and reduce the risks of forced labour or child labour in our operations and supply chain by maintaining a high standard of workplace safety, which is monitored by our internal systems and audited at least once a year under the Certificate of Recognition program requirements in British Columbia and Alberta. We comply with applicable laws relating to hours of work, working conditions, and minimum age requirements.

## **Policies and due diligence processes**

ABC Recycling has an established Safety Program that affirms our commitment to protecting the safety of our employees, contractors, and customers. Our Health, Safety and Environmental Policy sets our expectation that each site will carry out workplace safety audits, identify hazardous practices and hazardous conditions, make necessary changes to correct conditions, and provide employees with information, preparedness and aid to enable them to work safely. We have established Job-specific Safe Work Practices and Procedures to implement health and safety standards specific to the risks of our projects. We identify the hazards associated with the jobs, provide training to supervisors and employees, implement, and maintain the safe work practices and procedures, and evaluate the effectiveness of the standards.

ABC Recycling participates in the Certificate of Recognition (COR) program in British Columbia and Alberta, which is awarded to employers who develop health and safety programs that meet established provincial safety standards. ABC Recycling Group is audited by an independent, certified auditor at least once a year to maintain its status under the COR program requirements.

We use a third-party whistleblower platform for our employees to report any violation of, *inter alia*, safety or ethical concerns that involve our employees and contractors of the Company without concern of retaliations. Our unionized employees report incidents or complaints through their union representative.

## **Assessing the risk of forced labour and child labour**

ABC Recycling Group operates in Canada and United States. We conduct business with our long-term reputable suppliers and subcontractors who are responsible for complying with health and safety standards and employment laws protecting workers from forced labour and child labour. Many of our workers are represented by a bargaining agent. We have established reporting mechanisms for workers to report any conduct that is contrary to our policies. For these reasons, we have assessed the risks of forced labour and child labour in our operations to be low.

We rely on the manufacturers and suppliers of our equipment and parts to respect the rights of workers impacted by their operations. We are not aware of any risks of forced labour and child labour in this supply chain but acknowledge that certain factors elevate the risks of forced labour or child labour, such as suppliers of products using materials sourced in geographic locations that are conflict affected, have weak governance or weak rule of law, and a lack of visibility over indirect suppliers. We are committed to reviewing these risks in the future as transparency over the risks of forced labour and child labour in the Canadian supply chain increases.

## **Remediation measures and remediation of loss of income**

Our safety policies and processes set expectations regarding the confidential reporting and remediation of any violation of worker rights. We encourage reporting so that complaints or concerns relating to health and safety, or other worker protections are heard and adequately addressed. If any of our suppliers or contractors fails to comply with standards relating to workplace safety, we will advise of the breach of contracts and the action that will be taken as a result of the breach, including to stop the work until corrective actions are implemented.

To date, ABC Recycling has not received reports or identified incidents relating to forced labour or child labour in our operations or supply chain, and as such has not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

## **Employee training**

ABC Recycling is committed to educating workers on our compliance standards and identifying hazards and indicators of unsafe working conditions. All employees and contractors undertake a range of onboarding training and ongoing education, delivered online and on-the-job. This training is designed to share information and build knowledge on how to comply with our standards, expected conduct when interacting with others, and channels for raising and resolving issues and complaints.

## **Assessing effectiveness**

ABC Recycling monitors compliance of our workers, contractors and suppliers with the standards set out in our Safety Program. We have adopted an internal assessment mechanism through our Human Resource Department, including regular safety audits of our sites, to ensure compliance with our safety policies on our work sites. Our operations are audited regularly under the COR program in British Columbia and Alberta.

## **Approval and 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 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.

Dated in the City of Burnaby, British Columbia, this 28<sup>th</sup> day of May, 2024.



Warner Fong, CFO

I have the authority to bind ABC Recycling

