

# Bailey-Hunt Limited and its Subsidiaries Supply Chains Act Report

## 1. Introduction

This joint report (“the Report”) is the first Forced Labour and Child Labour Report submitted pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“**Act**”) by Bailey-Hunt Limited (“**Bailey-Hunt**”) and certain of its subsidiaries listed below (collectively the “Company” or “we” or “our”). It covers the Company’s most recently completed financial year ending November 30, 2023 (“Reporting Period”). The following subsidiaries are reporting entities under the Act and are referred to as “Subsidiaries” in this Report:

- Bailey Metal Products Limited (“**Products**”)
- Bailey Metal Processing Limited (“**Processing**”)
- Bailey West Inc. (“**West**”)
- Agway Metals Inc. (“**Agway**”)

The Report outlines the steps that Bailey-Hunt and its Subsidiaries have taken during the reporting period to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada, distribution and selling of goods in Canada and outside of Canada and importing of goods into Canada produced outside of Canada.

## 2. Steps Taken in the Previous Financial Year to Prevent and Reduce Risks of Forced Labour and Child Labour

Bailey-Hunt and the Subsidiaries (the “**Bailey Group**”) believe ethical business practices are fundamental to long term sustainability. We strive to create a place where all agents working on behalf of Bailey-Hunt Limited and the Subsidiaries uphold and respect human rights as reflected in the UN Universal Declaration of Human Rights and the Canadian Charter of Rights and Freedoms. We uphold and support stringent ethical standards and principled business conduct throughout all our operations and respect the dignity and human rights of individuals globally.

## 3. Our Structure, Activities and Supply Chains

### 3.1 Structure

Bailey-Hunt, based in Concord, Ontario, Canada, is incorporated under the *Business Corporations Act* (Ontario) within the Province of Ontario. Bailey-Hunt operates as a holding entity encompassing the Subsidiaries: Products, Processing, West, and Agway, which are all incorporated under the *Business Corporations Act* (Ontario) within the Province of Ontario. As of the Reporting Period, Bailey-Hunt had operated as a family-owned Canadian company since 1950, serving the Canadian market with innovation, quality, and value. We are proud to be recognized as the industry leader for over 60 years.

### 3.2 Activities

#### **Bailey-Hunt Limited**

Bailey-Hunt operates as a holding entity and does not engage in the production, sale, distribution, or importation of goods and is not involved in direct operational or commercial activities. Bailey-Hunt controls and manages the Subsidiaries. The governance structure of Bailey-Hunt is designed to ensure proper oversight, strategic decision-making, and effective management of the company and its subsidiaries’ business interests. Our governance structure comprises executive and non-executive roles, including a Chairman, Chief Executive Officer, President, Chief Financial Officer, Treasurer, Secretary and a board of six directors. Bailey-Hunt has no employees.

#### **Bailey Metal Products Limited**

Since 1950, Products has served Canada's commercial and residential constructions markets, combining hard work, leadership and unrivaled customer service. Products provides exceptional products and service to contractors and builders through partnerships with specialty dealers, distributors, and retailers. We are a manufacturing company specializing in roll-forming operation. Products employs 465 people across Canada, servicing the construction industry.

Products employees serve customers across Canada providing service that meets the exacting standards of its customers. Through facilities housing state of the art equipment, along with its highly skilled operators and technicians, Products creates innovative high-quality products that meet or exceed all applicable industry codes and standards. The inkjet stamp of approval that its products exhibit guarantees the quality and code compliancy that Products is known for in the industry. Products continues to lead the industry with a proactive approach to research, development and manufacturing.

Products has a head office in Concord, Ontario, with additional locations in Princeton, Ontario, Dorval, Quebec, Calgary and Edmonton, Alberta.

### **Bailey Metal Processing Limited**

Processing is a dedicated service centre specializing in providing slitting services to Products and other customers. It is a preferred flat-rolled carbon steel metal, metal service center provider. Known for its slitting services, Processing has built a reputation on quality service and value. Processing has a strategically located steel processing facility in Burlington, Ontario, to better serve its customers across Canada. It is a leading provider of lightweight steel products with customers from a broad range of industries serving a variety of markets. Processing has 64 employees.

Processing strives to build upon its record of consistent quality by providing precise tolerances, excellent edge condition, tight winding, camber control and minimum scrap. Processing continues to demonstrate its commitment to quality through its rigorous process of Quality Management Systems (QMS) implementations and compliance.

### **Bailey West Inc.**

West is a manufacturer of light gauge steel products, serving the construction industry out of its manufacturing facility located in Surrey, British Columbia. West's facility is equipped with advanced technology and operated by a team of skilled professionals, enabling it to produce a wide range of high-quality steel products and steel slitting services that meet the dynamic needs of its customers. West proudly distributes its superior steel products across Western Canada. This distribution network ensures that our clients have timely access to the materials they need, facilitating the progress and completion of projects with efficiency and reliability.

West's head office is located in Concord, Ontario and employs 62 people.

### **Agway Metals Inc.**

For over 40 years, Agway's diverse solutions comprise a range of product lines focused on residential, agricultural, industrial, commercial, and institutional market applications. Agway strives to have its steel solutions meet or exceed the specific demands and expectations of its customers.

It is the expertise, diligence and responsiveness of Agway's people that allow it to deliver steel solutions that work. From cladding, roofing and decking, to specialized accessories and custom-formed shapes for innovative construction projects, Agway's industry leadership and product lines are complemented by the specialized knowledge, commitment and responsiveness of our people, who make it so that each and every customer finds Agway easier to do business with.

Agway has plants in Brampton, Exeter, and Oakville, Ontario and employs 203 people.

Bailey-Hunt Limited Supply Chains Act Report | May 30, 2024 | 3

### 3.3 Supply Chains

Outside of the Reporting Period, Bailey-Hunt and its Subsidiaries have initiated the process of mapping our tier 1 suppliers and categorizing our supplier spend. This is an essential step towards enhancing the transparency and robustness of our supply chains. As we continue to map our tier 1 suppliers, we will gain a better understanding of our supply chain in future reporting periods.

For the 2023 financial year, this is our initial mapping of Bailey-Hunt and its Subsidiaries' tier 1 suppliers:

#### **Bailey-Hunt Limited's Supply Chain**

Bailey-Hunt is the parent company and operates as a holding company. Our primary role is to control and manage Products, Processing, West, and Agway. Currently, Bailey-Hunt is not directly involved in the day-to-day operations or commercial activities such as procurement of goods and services. We only provide strategic oversight to our subsidiaries and do not partake in the purchasing or sourcing of materials, products, or services that are typically associated with the operational aspects of a business. This allows Bailey-Hunt to focus on broader business strategies, and long-term planning without engaging in the direct or indirect management of supply chains or the intricacies of procurement processes.

#### **Bailey Metal Products Limited's Supply Chain**

For the Reporting Year, Products had a diverse portfolio of steel suppliers, totaling approximately 13 distinct entities. Among these, 10 suppliers are located in Canada, and 3 in the United States. This extensive sourcing strategy helps us achieve a robust and reliable supply of steel for our manufacturing processes. In addition, we had approximately 249 non-steel suppliers in the Reporting Year. Of these suppliers, 235 operate in Canada and 9 in the United States, with the remaining suppliers located elsewhere in the world including Spain, United Kingdom, and India. A majority of these suppliers are categorized into procurement categories including, freight, repair and maintenance, third party resale, factory expenses, and consulting fees.

#### **Bailey Metal Processing Limited's Supply Chain**

Processing maintains a robust network of direct suppliers, to assist in securing a steady supply of materials for the production of the organization's high-quality steel products. Its supplier agreements are crucial for meeting the demands of our customers and maintaining our competitive edge in the market. For the Reporting Year, Processing had approximately 15 steel suppliers. Among these, a majority of 11 suppliers were located in Canada and 4 in the United States. The steel it procures is of the highest standard, sourced from a variety of regions including North America, Europe, Asia, and the Middle East. In addition, Processing has approximately 32 non-steel suppliers for the Reporting Year. Of these 32 non-steel suppliers, 31 are located in Canada and one in the United States. The majority provide maintenance and construction services, followed by packaging, health & safety products, and production consumables.

#### **Bailey West Inc.'s Supply Chain**

For the Reporting Year, West had approximately 1 strategic steel supplier located in Canada, optimizing both quality and efficiency in its procurement process. West's approach is centered on quality and reliability, with its suppliers being chosen for their proven track records and commitment to excellence. The steel sourced for its manufacturing processes is primarily selected based on stringent standards that align with West's high-quality benchmarks. By doing so, the company strives to satisfy its customers with the range of products it offers. We have identified approximately 59 non-steel suppliers, of which 57 are located in Canada and 2 in the United States. A majority of these suppliers are categorized into procurement categories including, factory expenses and repair and maintenance.

#### **Agway Metals Inc.'s Supply Chain**

Agway has identified 383 suppliers used during the Reporting Period. These suppliers offer a vast array of goods and services that are integral to Agway's success. Agway's suppliers provide it with steel, transportation

services, marketing services, equipment rental and repairs, facility maintenance, health and safety services, industrial equipment, office supplies, packaging materials, plant supplies, truck repair and maintenance, utilities, and more. Of Agway's approximately 383 suppliers, 358 are located and operate in Canada and 25 are located and operate in the United States.

Among the approximately 383 suppliers it engages with, 10 are steel suppliers known for their high-quality steel products. These suppliers provide it with steel coils, flat steel sheets, and various other steel products. Agway's steel suppliers are strategically located in Canada, allowing it to have reliable and consistent access to premium materials. The steel is mainly sourced from Canada and the United States. Together, Agway's steel suppliers enable it to deliver excellence to its customers.

#### **4. Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour**

The Bailey Group is committed to conducting business with the highest ethical standards and integrity. As part of this commitment, we are currently undertaking a comprehensive review of our existing policies related to child labour and forced labour. Our goal is to enhance our policies and due diligence procedures to proactively identify, mitigate, and address any instances of forced labour or child labour that may arise within our operations or throughout our supply chains. To date, we have implemented several policies and processes that reinforce the Bailey Group's stance on maintaining high ethical standards. These include our Code of Conduct Policies, Supplier Compliance Agreement, Human Rights Policy (Agway), Ethics Policy (Agway), and an Internal Investigation Policy, which serve as the foundation of our responsible business practices.

##### **4.1 Code of Conduct**

Bailey-Hunt shares a Code of Business Conduct with Products, Processing, and West, that is the cornerstone of our commitment to a professional work environment of unwavering quality and integrity. All employees are expected to comply with the letter of the laws and refuse to take part in all forms of improper business practice. Full compliance with the Code of Business Conduct for Bailey-Hunt, Products, Processing, and West is expected from all of their respective employees.

In line with our values, Agway, as one of our subsidiaries, is equally committed to fostering a safe and healthy work environment where respect, fairness, and trust are present through its own Code of Conduct. At Agway, their Code of Conduct collectively highlights the shared responsibility of all employees to enhance our workplace, behave ethically, and avoid any conduct that is hazardous, criminal, or detrimental to our collective morale and success. Agway's policies are clear and apply to every employee, regardless of their employment status, as it strives to uphold the standards that will lead to job satisfaction and mutual trust within its diverse and dynamic team. Agway employees are responsible for adhering to the Agway Code of Conduct.

Should there be any breaches of the companies' applicable Codes, their respective employees should immediately report those breaches which can result in a confidential investigation. Failure to report may result in termination. We ask our employees to seek guidance from their managers on any potential violations to maintain the high standards set in their applicable Codes.

##### **4.2 Supplier Compliance Agreement**

The Bailey Group has a longstanding commitment to integrity, honesty, and respect, and we seek to uphold these values by working to have our supply chains free from forced and child labour. In response to the Act, although outside of the Reporting Period, we are actively developing and testing a Supplier Compliance Agreement (the "Agreement") to reinforce our dedication to ethical practices. This Agreement sets out our expectation that our suppliers will be fully compliant with any reporting obligations under the Act. By signing

Bailey-Hunt Limited Supply Chains Act Report | May 30, 2024 | 5

this Agreement, suppliers declare that their workforce is employed willingly, that they do not engage in forced labour and/or child labour, and that the goods sold to us are not sourced from entities violating these standards. We expect our suppliers to maintain transparency and immediately inform us via email of any non-compliance.

This Agreement underscores the Bailey Group's commitment to sustainable and ethical sourcing, aligning with international standards to combat forced and child labour.

#### **4.3 Human Rights Policy (Agway)**

Agway has established a Human Rights Policy which outlines its commitment to maintaining non-discriminatory employment practices, creating an open, inclusive, and healthy work environment free from discrimination and harassment. This policy is applicable to all employees of Agway and expects employees to report any policy violations promptly. Agway offers both informal and formal channels for reporting grievances and conducts confidential investigations, with corrective actions including dismissal. Agway is also focused on safeguarding the privacy and ensuring the fair treatment of all involved parties.

#### **4.4 Ethics Policy (Agway)**

Agway's Ethics Policy is dedicated to open and ethical business conduct, fostering a workplace of trust, accountability, and integrity, and protecting all its employees, vendors, customers, and the company itself from illegal or damaging actions. This policy applies to all employees, outlines expected roles in maintaining ethics, defines unethical behavior, and details corrective actions for violations to the policy. Management and executives maintain honest and open discussions, and report conflicts of interest or ethical violations, while all employees contribute to an ethical environment and report any conflicts or violations, with protection against retaliation. Any violation of this policy will lead to corrective action, which may include termination or legal proceedings.

#### **4.4 Internal Investigation Policy**

Products, Processing, and West have implemented an internal investigation policy to address non-routine issues such as misconduct and complaints made by internal and external parties swiftly and impartially. Qualified individuals designated by executives conduct investigations. Under this policy, we expect individuals be aware of such issues to report them to management, who then coordinate with Human Resources to oversee the investigation, including gathering evidence and conducting the appropriate analysis. Maintaining confidentiality throughout the process is crucial. Upon completion of the independent and impartial investigation, findings are shared confidentially, and corrective measures are carried out to minimize the risk of similar incidents. Human Resources keeps logs of all incidents, reviewed biennially to enhance the policy continuously.

As the Bailey Group, we recognize the importance of safeguarding human rights and the need for a mechanism that empowers employees and suppliers to report unsuitable business practices without fear of retaliation.

### **5. Forced Labour and Child Labour Risks**

Outside of the Reporting Period, the Bailey Group has initiated the process of mapping its supply chain and operational activities. To date, neither Bailey-Hunt nor any of the Subsidiaries has conducted an assessment to identify areas within their respective business and supply chains that may have a potential risk of forced and child labour and hence, has not taken any steps to assess and manage those risks.

## 6. Measures Taken to Remediate Forced Labour or Child Labour

Bailey-Hunt, Products, Processing, West, and Agway have not identified any instances of forced labour or child labour in their respective activities or supply chains and therefore have not undergone steps to remediate any harms of child labour or forced labour in the current reporting period.

## 7. Remediating the Loss of Income to the Most Vulnerable Families

Bailey-Hunt, Products, Processing, West, and Agway acknowledge that efforts to prevent and reduce the risks of forced labour and child labour can have the unintended consequences of contributing to a loss of income for the most vulnerable families. Currently, neither Bailey-Hunt nor any of the Subsidiaries is aware of any instances to date where their respective efforts to mitigate the risk of forced labour and child labour in their activities and supply chains may have contributed to a loss of income for vulnerable families.

## 8. Training Provided to Employees on Forced Labour and Child Labour

The entities within the Bailey Group acknowledge the importance of empowering their staff with the learnings required to support their procurement personnel to understand, identify and competently manage the risks of forced labour and child labour throughout their operations and supply chains. However, as of the current Reporting Period, neither Bailey-Hunt nor any of the Subsidiaries have implemented a training program for our employees specifically addressing the risks of forced or child labour.

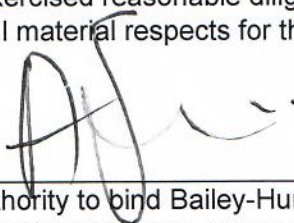
## 9. Assessing Our Effectiveness

The entities within the Bailey Group have yet to establish a framework for measuring the effectiveness of our forced labour and child labour risk mitigation efforts. They are committed to developing a methodology for effectively assessing and addressing forced labour and child labour risks in their operations and supply chains and aim to continually improve their ability to assess these risks over time.

## 10. Board of Directors Approval and Attestation Statement

This Report was Approved by the Board of Directors of Bailey-Hunt Limited, pursuant to section 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 have the authority to bind Bailey-Hunt Limited, Bailey Metal Products Limited, Bailey Metal Processing Limited, Bailey West Inc. and Agway Metals Inc.

Angelo Sarracini

Director, Bailey-Hunt Limited

[Date] 5/30/2024