



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

May 15, 2024

Business number (BN) 104784426RC0002

NAICS 541990



Introduction

This report has been prepared by BluMetric Environmental Inc. (“BluMetric”) and its subsidiaries in response to the reporting requirements under Canada’s Fighting Against Labour and Child Labour in Supply Chains Act (the “Act”) for our financial Year ending September 30, 2023.

BluMetric recognizes that the environmental services and cleantech industries can play a vital role in preventing and assessing the risk of forced labour and child labour in Canada’s supply chain. We acknowledge the risks of forced labour and child labour in the cleantech sector, and we are committed to implementing continual improvements in our diligence, risk assessment, remediation, and training processes.

BluMetric is committed to respecting the human rights of people integral to our supply chain, consistent with the International Bill of Human Rights, ILO Core Conventions, UN Guiding Principles on Business and Human Rights, and OECD Guidelines for Multinational Enterprises.

BluMetric is a world class environmental consulting and water technology firm with world class people. From remote northern mines to urban workplaces, we deliver with an interdisciplinary team best suited to solving unique challenges in Canada and abroad. BluMetric provides high quality professional services and goods in the field of environmental geosciences and engineering, industrial hygiene, occupational health and safety, energy, water and wastewater treatment, environmental contracting, and management services.

BluMetric Environmental Inc., a Canadian corporation, is the amalgamation of Envir-Eau, WESA, Seprotech, WESAtech, and WESAtecnologias. BluMetric has been in business since 1976 and is publicly traded on the Toronto Venture Exchange under the symbol BLM.

BluMetric is an interdisciplinary team of approximately two hundred and our culture is inclusive and non-bureaucratic, respecting diverse opinions and valuing role over rank. We believe that we create better solutions as a team in which everyone is challenged with meaningful and rewarding work. We are committed to innovation, agility, responsiveness, continual improvement, and being client centric.



The Company's success has benefited from this diversity and our people have worked together to define the company's core values of:

- PARTNERSHIP:** Trust and respect for our clients, shareholders, and staff, the public, and other stakeholders.
- INTEGRITY:** Commitment to the delivery of quality products and services based on the highest possible degree of scientific and professional ethics.
- INNOVATION:** Embrace new ideas that will arise from collaboration, initiative, and a culture of continual improvement
- ENVIRONMENT:** Improve the ecology of the world in which we live.
- WELL-BEING:** A safe, healthy, and respectful work environment and a balance of personal and professional goals.
- SUCCESS:** Achieve personal, professional, corporate, and collective growth through the success of BluMetric.

BluMetric has professional services offered from various offices in Ontario, Quebec, Nova Scotia, the Northwest Territories, and the Yukon Territories; however, the procurement and resale of goods is limited to its cleantech operations in Ontario. BluMetric's cleantech operations are primarily focused on the production and maintenance of water systems. This group is managed as a separate business unit with its leadership team reporting directly to the CEO. Most of our suppliers are North American with less than 1% of our product supply coming from Italy. All of our suppliers are from countries that do not currently carry inherent risk of forced labour according to the [Walk Free index](#).

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

Using voluntary standards and principles, BluMetric has integrated human rights measures into our business activities, including social and environmental management, health and safety, procurement, security, and human resources. Aspects of these measures are highlighted below and represent a sincere people focus on all aspects of our business activities.

BluMetric maintains a zero-tolerance policy, with respect to modern slavery, including



forced labour and child labour, or forms of human trafficking. The following relevant documents govern the conduct of our business:

Code of Business Ethics

The Code affirms the commitment of the Company to uphold high ethical standards and to specify the basic norms of behaviour for those who engage in representing the Company.

Whistleblower Policy

This policy has been adopted to ensure that all employees, directors, or contractors understand that they are to report any wrongdoing that may adversely impact the Company, the Company's customers, shareholders, employees, investors, or the public at large, and that this may be done without fear of retaliation or a negative impact on their employment status at BluMetric.

Employment Equity and Diversity Policy

The Corporation believes that it is important to ensure that members of the Board and the executive provide the necessary range of perspectives, experience and expertise required to achieve the Corporation's objectives and deliver for the Corporation's stakeholders. The Corporation also recognizes that the Board and its executive appointments must be based on performance, ability, merit and potential. BluMetric recognizes that employment equity is a value at the core of our mandate as a community leader and as an industry leading employer. The company will strive to ensure that historically disadvantaged groups will be employed in proportion to their representation in community.

Preventing Violence and Harassment Policy

We place a high value on creating a positive working environment in which all individuals are treated with respect and dignity. We are committed to take all reasonable measures to protect and support our employees while they are at work, and to meet or exceed our legal obligations regarding workplace violence and harassment.

Environmental Health & Safety Policy

Our employees are provided with and encouraged to have a safe and healthy work environment. Management is committed to the implementation of all reasonable and practical initiatives to protect the



health and safety of its employees, other persons, and the natural environment whose health and safety may be affected by BluMetric business. Employees will receive appropriate general and specific health and safety training relevant to their work tasks and will be advised of potential or actual danger in the conduct of their work. Every employee must protect their own health and safety, and that of their coworkers, by conducting themselves in a manner that complies with the law, safe work practices and other safety procedures established by BluMetric, striving for zero incidents.

Quality Management System - ISO 9001-2015

We will measure our success by monitoring our systems and services against requirements, by assessing the level of customer satisfaction with our efforts, and by comparing financial results with those expected by our shareholders. We will use these data to plan improvements and increase the value of systems and services delivered to our clients. We believe that quality is the responsibility of every employee. Management will ensure that this Quality Policy and our commitment to the process to achieve quality is communicated, understood, implemented, and maintained across the Organization at all levels.

Procurement and Vendor Evaluation Policy

The Code affirms the commitment of the Company to uphold high ethical standards and to specify the basic norms of behaviour for those who engage in representing the Company.

Disclosure Policy

The Chair and Chief Executive Officer (“**CEO**”) and Chief Financial Officer and Corporate Secretary (“**CFO**”) and such other members of management and/or the Board of Directors as designated by the CEO from time to time (collectively, the “**Responsible Officers**”) will oversee BluMetric’s corporate disclosure practices and ensure compliance to this policy. It will make recommendations on this disclosure policy to BluMetric’s Human Resources & Governance Committee (“**HR&G Committee**”) and will keep the Corporation’s recent public statements under review to determine whether any updating or correcting is appropriate.

Integrated Accessibility Standards Regulation Employment Policy



Applies to the provision of accessible employment services for persons with disabilities. All employment services provided by BluMetric shall follow the principles of dignity, independence, integration, and equal opportunity.

BluMetric is committed to a safe and ethical work environment throughout all of its operations. BluMetric relies on 3rd party parts suppliers in the production of water and wastewater treatment systems. Production is limited to the Carp Road facility in Ontario where they are focused primarily on the servicing and production of equipment primarily for the Canadian market. Sourcing is nearly entirely through North American suppliers as outlined below.

ITEM	CANADA	USA	ITALY
LABOUR	100%		
ELECTRICAL/ELECTRONICS	89.8%	10%	0.2%
PIPE FITTINGS	90 %	10%	
HOUSING/CONTAINERS	100%		
FILTERS	10%	90%	
MECHANICAL (PUMPS. MOTORS)	15%	85%	

Forced Labour Risk in Supply Chain

BluMetric has mitigated operational risks of forced labour and child labour in the production of good or services in Canada since BluMetric conducts scheduled reviews for internal and external government purposes to assess age, pay equity and the removal of systemic bias in our compensation arrangements.

BluMetric holds an EcoVadis Certificate, which is one of the most comprehensive sustainability rating tools in the world, evaluating private and public companies according to their social, ethical and environmental impacts. The company is committed to achieving employment equity as part of the Federal Contractors Program (FCP) for Employment Equity. BluMetric is certified, ISO 9001-2015, which defines the processes followed in our Quality Management System (“QMS”).

There is no inherent risk of forced labour in BluMetric’s supply chain since 99% of procurement is from Canada and the United States with less than 1% from Italy. Despite



this, the full extent of where our suppliers source their goods from is not fully known at this point; therefore, BluMetric is developing and will be implementing due diligence and preventative controls in our QMS for identifying, addressing, and prohibiting the use of forced labour and child labour in our supply chain, which shall include the requirement of our suppliers and contractors to have in place policies and procedures for identifying and prohibiting the use of forced labour and child labour in their respective activities. These will be embedded in our vendor onboarding process and included in our contractual agreements. While most of the components sourced by BluMetric are not listed by the U.S. Department of Labor as being associated with child labour or forced labour, we recognize that the risks are higher with electronics which will be the first of our target markets for the implementation of preventative controls as they carry a higher downstream supply chain risk.

BluMetric will continue with its ongoing commitment to only purchase from suppliers in countries that are identified as having a negligible risk of forced labour and/or child labour according to the Walk Free index. Further BluMetric would immediately sever a supplier relationship if it became aware of the use of forced labour and/or child labour.

An Approved Vendor Process (“AVL”) for identifying, approving reputable suppliers in the markets we procure from exist in our current QMS. We vet suppliers based on their expertise, experience, and public supplier information. Suppliers must demonstrate their capabilities and reputation through provision of certifications related to components. The pandemic has limited our ability to perform onsite evaluations, however we have conducted visits with local suppliers, with the competency to expand as required.

Forced labour and child labour risk

BluMetric operations are in low-risk jurisdictions. To date our approach to identifying the risks of forced labour and child labour has focused on the sector we operate in, as well as the location of our activities and operations, and on employees, contractors, and direct suppliers.

Our policies and procedures include the following risk identification factors:

- The collection and review of government supplied proof of identification and age.
- The location of the contractor or supplier and the strength of the rule of law in those



jurisdictions.

- The industry and type of goods and services provided.
- The vendor history of know human rights violations and public complaints.
- BluMetric's relationship with the supplier.
- Suppliers must demonstrate their capabilities and reputation through provision of certifications related to components.

Remediation measures and remediation of loss of income

BluMetric is enhancing policies and processes to set expectations regarding remediation and ensure that complaints or concerns relating to forced labour and/or child labour are heard and adequately addressed.

Our expectations regarding remediation are that where we have caused or contributed to adverse human rights impacts, we will contribute to their remediation. This is in line with the UN Guiding Principles on Business and Human Rights. BluMetric expects the same level of sufficient and appropriate remediation from its suppliers and will be adding language to this effect in its binding supplier agreements. Our Whistleblower policy ensures that that all employees can report human rights issues without fear of reprisal, and they will be investigated, escalated appropriately, and remediate as appropriate.

To date, there are no known instances or reports of forced labour or child labour in our operations or our supply chain, and as such, no remediation measures or remediation of loss income to families have been actioned (and/or necessary).

Employee Training

BluMetric will be implementing a module on forced labour and child labour to its ongoing training and employee onboarding process to supplement existing materials supporting its core values.

The training will aim to provide participants with a deeper understanding of forced labour and child labour, international standards, common indicators of risk, how to identify forced labour and child labour, and what to do if they suspect an issue or violation. This mandatory



training will be made available for all employees and be completed in 2024.

Assessing Effectiveness

BluMetric conducts regular audits of its QMS and procurement systems to maintain ISO 9001-2015 certification. In addition, BluMetric is audited by 3rd parties with respect to its commitment to several types of assessments of effectiveness related to the management of human rights including an EcoVadis Certificate highlighting BluMetric's commitment to the environment, sustainability, and good governance to drive impact at scale by guiding the sustainability performance improvement of our company and value chain. BluMetric is committed to achieving employment equity as part of the Federal Contractors Program (FCP) for Employment Equity.

BluMetric uses the results of these audits and assessments to inform future actions and opportunities for continual improvement.

BluMetric intends to extend the QMS audit of the organization's policies and procedures related to forced labour and child labour, ensure that all employees receive awareness training and will be collaborating with suppliers to ensure they are monitoring their effectiveness in eliminating forced labour and child labour from their supply chains.

BluMetric discloses our performance regarding human rights on our website and this annual disclosure allows BluMetric and our stakeholders to monitor our performance over time.

Steps Taken

In our fiscal year ending September 30, 2023, BluMetric has taken the following steps to prevent and reduce the risks of forced labour and child labour in our operations and supply chains:

- We have worked with a third party to identify the risks of forced labour and child labour in our operations and supply chains.
- We are developing and implementing an action plan where gaps have been identified.
- We are developing and implementing due diligence and preventative controls for




identifying, addressing, and prohibiting the use of forced labour and child labour in our supply chain, which shall include the requirement of our suppliers and contractors to have in place policies and procedures for identifying and prohibiting the use of forced labour and child labour in their respective activities.

- We are developing and implementing anti-forced labour and anti-child labour clauses for our direct suppliers.
- We are limiting our supply chain to countries that are identified as negligible risk for child exploitation and forced labour.
- We continue to manage control systems for monitoring employees to verify the age and legal work status on the production of goods.
- We continue to ensure through our existing policies that complaints or concerns relating to forced labour and child labour are heard and adequately addressed.
- We are including training and awareness materials on forced labour and child labour throughout the organization.

Approval and Consultation

The preparation of this report has included consultation and review by the senior leadership team and Board of Directors who are committed to the prevention and elimination of human rights violations at BluMetric.

In accordance with the requirements of the Canada’s Fighting Against Labour and Child Labour in Supply Chains Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for BluMetric Environmental Inc. and any subsidiaries. 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.

<p>Scott MacFabe</p> <hr/> <p>Full Name</p>	 <hr/> <p>Signature</p>
<p>CEO</p> <hr/> <p>Title CEO/CFO</p>	<p>May 30, 2024</p> <hr/> <p>Date</p>

I have the authority to bind BluMetric Environmental Inc. and this report covers fiscal year 2023 and applies to BluMetric



Environmental Inc. and all entities considered reporting entities in terms of the Act and any controlling subsidiaries of BluMetric Environmental Inc. if they apply.