

2024 Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

2024 Report – Introduction

This joint report has been prepared by Cascadia Metals Ltd. (**Cascadia**) and North American Pipe & Steel Ltd. (**NAPSteel**) in response to the requirements under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the **Act**) for the financial year ending December 31, 2023.

Cascadia and NAPSteel, as related entities, have developed the same policies, management systems and controls to prevent and mitigate the risks of forced labour and child labour. Unless specifically noted, the information in this report applies to both Cascadia and NAPSteel, who are collectively referred to as “we” or “our”.

We have zero tolerance for forced labour or child labour in our operations and supply chains. We place great importance on promoting labour practices that protect the human rights of workers in our operations and supply chains, including preventing and mitigating the risks of forced labour and child labour.

Organizational structure, activities, and supply chain

Cascadia Metals Ltd.

Cascadia is a premium metal distributor of coil and sheet products headquartered in Delta, British Columbia. Cascadia operates in 16 different communities across Canada and in the Pacific Northwest of the United States. In Canada, branches are located in Delta and Surrey, British Columbia; Calgary and Edmonton, Alberta; Saskatoon, Saskatchewan; Brandon and Winnipeg, Manitoba; Hamilton and Mississauga, Ontario; and Montreal, Quebec. In the United States, branches are located in Kent, Longview, Pasco and Spokane, Washington; Hubbard, Oregon; and Nampa, Idaho. Cascadia has approximately 394 employees in Canada and approximately 125 employees in the U.S. Cascadia occasionally hires contract workers through reputable labour agencies.

Cascadia procures metal coil and sheet products from suppliers, arranges for shipment of these products into Canada, and then transports these products to Cascadia's branches for purchase by customers. Cascadia also provides services to customers, including cutting metal into flat sheets or smaller coils, as well as delivery of coils, slit coils and sheets directly to our customers.

Cascadia's products include aluminum coil and sheet, aluminized coil and sheet, anodized aluminum coil and sheet, cold rolled coil and sheet, copper coil and sheet, galvalume coil and sheet, galvanized coil and sheet, galvalume coil and sheet, hot rolled coil and sheet, hot rolled pickled and oiled coil and sheet, perforated galvanized and aluminum coil and sheet, pre-painted galvalume/galvanized/aluminum coil and sheet, and stainless steel coil and sheet.

Cascadia procures these products from Canadian and overseas suppliers, through trading companies that represent mills, or directly from the mills themselves. From highest to lowest total spend, the countries Cascadia procures from are South Korea, Canada, Taiwan, Australia and New Zealand, and China. Cascadia also procure products from Pakistan, Egypt, Vietnam, and the UAE.

North American Pipe & Steel Ltd. (NAPSteel)

NAPSteel is a leading distributor of steel pipe across North America. NAPSteel is headquartered in Delta, British Columbia. NAPSteel has approximately 30 employees and operates in British Columbia, Alberta, Washington State and Idaho.

NAPSteel distributes steel pipe and offers a range of fabrication solutions to customers, including auto band saw cutting, mechanical torch cutting, machine beveling, roll grooving, shot blasting, and double end welding. Products and services are provided to customers in a number of industries, including oil and gas, mining, water treatment, forestry, construction, chemicals, manufacturing, and agriculture.

NAPSteel procures steel pipe from Canadian and overseas suppliers. From highest to lowest total spend, the countries NAPSteel procures from are Thailand, South Korea, UAE, India, Canada and Taiwan. NAPSteel also procures pipe from the Philippines and Brunei.

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

In the financial year ending December 31, 2023, our approach to preventing and reducing the risks of forced labour or child labour in our operations has focused on maintaining a culture of safety and continuously improving our safety management systems. We recognize that protecting the safety, security of workers, and identifying and protecting young workers, as required under Canadian and U.S. laws, prevents and reduces the risks of forced labour and child labour in our operations.

In our supply chain, starting in 2024, we are developing and implementing a *Supplier Code of Conduct* to set our standards and expectations of preventing and mitigating the risks of forced labour and child labour in our suppliers' operations. Our approach also includes reviewing publicly available information about our suppliers relating to their due diligence and risk assessment programs to increase our visibility over working conditions in the extended supply chain.

Policies and due diligence processes

We recognize indicators of forced labour and child labour include unsafe working conditions, threats, workplace violence and other hazardous working conditions that are contrary to Canadian and U.S. health and safety regulations. Across our operations, we adhere to provincial and state employment, human rights and safety standards, including with respect to hours of work, wages, minimum age of employment and safety of our employees and contract workers.

We have established and implement safety programs and policies in accordance with applicable laws. Our safety management programs include policies and due diligence processes that, *inter alia*, require monitoring the safety of workers at our operations and require contractors to comply with applicable laws relating to employment, human rights and safety.

In 2024, we started developing and implementing a *Supplier Code of Conduct* that outlines the principles and rules that our direct suppliers will be required to adhere to. The *Supplier Code of Conduct* specifically prohibits child labour and forced labour in our suppliers' operations and expressly states that no work activities may be imposed on individuals under threat of punishment or demanded as repayment for debts if they have not willingly volunteered to perform them. It prohibits suppliers from withholding worker property, wages, or personal documents (such as passports, personal IDs, social security IDs,

employment papers, or training certificates) and from charging recruitment fees to workers. The *Code* specifies that suppliers must maintain official documentation verifying each worker's date of birth and comply with all applicable child labor laws, including those governing hiring practices, wages, working hours, overtime, and working conditions.

Any instance of non-compliance or breach of the *Code* must be promptly reported to Cascadia or NAPSteel (as applicable). In the event of a violation, we reserve the right to request the removal of individuals involved in the transgression. Additionally, we may conduct audits at our discretion to assess compliance levels. The *Code* requires our direct suppliers to comply with this standard in their employment policies as well as adhere to all laws and regulations within their jurisdictions.

Assessing risks of forced labour and child labour

In the reporting year, our approach to assessing risks of forced labour and child labour was focused on employees and contractors working at our operations. Given that we operate in jurisdictions that have well-established employment laws, hours of work, and health and safety protections for workers, the risks of forced and child labour in our Canadian and U.S. operations are low.

We recognize that the use of labour agencies or other intermediaries can raise the risk of forced labour or child labour. In our operations, we occasionally use labour agencies to meet our staffing requirements. To address any potential risks to workers, we use agencies that have strong reputations in the industry for ethical workplace practices.

In our supply chain, we have not identified risks of forced labour or child labour with respect to our direct suppliers. Our visibility beyond our direct suppliers is limited.

Our approach to increasing transparency of working conditions in the extended supply chain is to establish long-term relationships with reputable suppliers. Many of our suppliers are large, well-established international trading companies. As a relatively small distributor for these substantially larger companies, our leverage to impact these suppliers' transparency with respect to forced and child labour is limited.

Starting in 2024, our approach to identifying and managing risks will involve implementing our Supplier Code of Conduct and reviewing available information about our suppliers' due diligence processes and risk assessments. A number of our suppliers have published statements and reports regarding ethics, human rights and responsible procurement, which we will review and rely upon in evaluating any risks of forced labour and child labour in our extended supply chain.

Remediation measures and remediation of loss of income

To date, there have been no identified or reporting incidents of forced labour or child labour in our operations or supply chain. Consequently, we have not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

Employee training

During the onboarding process, our employees are provided with training on health and safety. We have not yet established a formal training program to educate our employees about the risks of forced labour and/or child labour.

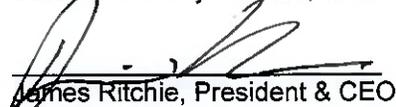
Assessing effectiveness

Beyond applying our existing programs to assess workplace safety in our operations, we have not developed programs to assess the effectiveness of our approach to preventing and assessing the risks of forced labour and child labour in our operations and supply chains.

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 joint 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 Delta, British Columbia, this 15 day of May, 2024.



James Ritchie, President & CEO

Cascadia Metals Ltd. and North American Pipe and Steel Ltd.

I have the authority to bind Cascadia Metals Ltd. and North American Pipe & Steel Ltd.