



CEMATRIX CORPORATION
2023 Forced and Child Labour Report

About this report

This is a joint report by CEMATRIX Corporation and all of its Canadian subsidiaries (see Appendix 1) in order to comply with the Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the “Act”) for the period covering January 1 to December 31, 2023. Note that the policies and descriptions contained herein are applicable to CEMATRIX Corporation and its subsidiaries as a whole (hereinafter “CEMATRIX”).

Structure, activities, and supply chains

Structure and activities

CEMATRIX Corporation (“CEMATRIX”) was incorporated March 22, 2005, pursuant to the Alberta Business Corporations Act as Moonshoot Capital Corp. The articles of the Corporation were amended May 31, 2006, to change the name of the Corporation to CEMATRIX Corporation. The common shares of CEMATRIX (“Common Shares”) are publicly traded on the TSX Venture under the symbol “CVX.V”. The Common Shares are also traded on the over-the-counter market in the United States under the symbol “CTXXF”. CEMATRIX’s head office is located at 9727 - 40 Street SE, Calgary, Alberta, Canada.

Through its operating subsidiaries CEMATRIX (Canada) Inc., CEMATRIX (USA) Inc., MixOnsite USA Inc., and Pacific International Grout Co., CEMATRIX is an on-site manufacturer and supplier of cellular concrete products with applications in numerous infrastructure construction markets throughout North America. Cellular concrete is a construction material consisting of Portland Cement, water, specialized pre-formed foaming agent, and compressed air. Fresh cellular concrete is highly flowable and can be pumped into place over large distances through flexible hoses. In most cases, cellular concrete is cast-in-place.

CEMATRIX employs over 60 individuals, approximately half in Canada and the other half in the United States of America. In 2023, we generated \$53 million in sales.

Supply chains

CEMATRIX is a small company that has grown its operations through acquisitions. Currently, each entity is responsible for its own supply chain activities. The components we purchase are used to produce our cellular concrete and associated gear to operate our equipment efficiently.

In 2023, our supply chains are comprised of companies specializing in the manufacture of cement, cement-based product, the production of foaming agents, and local tools and equipment stores to maintain our equipment and fleet. The main countries where these companies’ suppliers are located is indicated below:

- Cement and cement-based products: Canada, United States
- Foaming agent: Canada, United States
- Tools & supplies: Canada, United States

We believe that some of the products purchased from our suppliers may contain components manufactured in other countries than Canada and the United States, these would form part of a very small portion of our annual spend.

Policies and due diligence processes

At CEMATRIX, we apply due diligence practices that are aligned with the risks involved in our activities, our supply chains, and our business relationships.

Our policies outline that we are committed to conducting our operations and professional practice in a manner that respects the following:

- Health, safety & welfare of the public and our employees;
- Our core values of Safety First, Integrity, Do it Right, Stronger Together, Pride & Enjoyment, and Keep our Commitments;
- Statutes, regulations, and bylaws;
- Environment.

We are committed to partnering with stakeholders who make it a priority to doing the same; and we also have a whistleblower policy, reporting the various forms of misconduct accessible to all CEMATRIX employees and allows for anonymous treatment of complaints and concerns.

Forced labour and child labour risk

Our workforce is located in Canada and the United States, we believe that the risk of forced labour or child labour is negligible or non-existent. We are compliant with recruiting and employment standards in place in Canada and United States. We also have a Compensation Committee of the Board of Directors overseeing our human resources processes.

Regarding the risk of forced labour and child labour in our supply chains, we believe that directly there would be minimal risk within our key suppliers, however it would be a complex exercise to measure the risk of forced labour and child labour practices among indirect suppliers over whom we have little control or visibility.

We intend to further analyze forced and child labour risks in our supply chains in 2024 and beyond as outlined in the section “Plans for the Future”.

Remediation measures

Based on our operations, our activities, the location of our workforces, and the identification of our key suppliers, we do not believe that the issue of remediation is applicable. Our whistleblowing policy also supports us as a reporting mechanism should an event be identified. Nonetheless, in the future, we intend to consider the appropriate remediation strategies should we encounter any incident of force labour or child labour in our activities or supply chain.

Remediation of loss of income

As indicated in the previous section, we do not believe that there was loss of income for vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour within our supply chains.

Training

Although fundamentally CEMATRIX takes a zero-tolerance stance on modern-day slavery, we didn't have a tangible training program in place for 2023. In 2024, we intend to formalize a training curriculum available to all employees and board members addressing labour rights and forced and child labour.

Assessing effectiveness

CEMATRIX will be introducing measures in 2024 aimed at reducing the risk that forced labour or child labour will be used in our activities and our supply chains. Employees who work closely with our suppliers and are privy to conversations or incidents that raise doubts about the use of forced labour or child labour, are, and will be encouraged to report their concerns using our whistleblowing reporting tool.

One of the key performance indicators that will be used by CEMATRIX will be the percentage of employees and/or board members who have completed the training program outlining our zero-tolerance stance on modern-day slavery, forced labour and child labour.

Plans for the future

In 2024, we plan to undertake the following actions to reduce the risk of forced and child labour in our operations and supply chains:

- Educate our employees and board members on our responsibility with regard to modern-day slavery, forced and child labour in our activities and supply chains;
- Re-issue our whistleblowing policy to our employees;
- Connect with our critical suppliers to improve our understanding and risk exposure of forced labour and child labour;
- Add a section in our corporate policy specifically addressing forced labour and child labour and our zero-tolerance stance to modern-day slavery.

Approval and attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in the report for the entity or entities listed above. Based on our knowledge, and having exercised reasonable diligence, we 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 2023.

"Jeff Kendrick"

Jeff Kendrick

President and Chief Executive Officer, CEMATRIX Corporation

I have the authority to bind CEMATRIX Corporation and its applicable subsidiaries

"Minaz Lalani"

Minaz Lalani

Chairman of the Board of Directors, CEMATRIX Corporation

I have the authority to bind CEMATRIX Corporation and its applicable subsidiaries

May 8, 2024