

2023

FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

ANNUAL REPORT



STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

STRUCTURE

Canam Group Inc. (“**Canam Group**”) and Canam Bridges Canada Inc. (“**Canam Bridges**”) are two corporations incorporated and governed by the Business Corporations Act of Quebec (R.S.Q. Chapter S-31.1).

Until September 2023, Canam Bridges was a subsidiary of Canam Group, which held 100% of the shares. Since September 2023, Canam Bridges and Canam Group, although distinct, share a common supply chain for major purchases, including steel purchases, which are reported in this report. As a result, Canam Group and Canam Bridges jointly submit a report containing procurement and risk data applicable to both companies.

In addition to the teams responsible for manufacturing in plants and construction on jobsites, the organisational structure of Canam Group and Canam Bridges consists of several departments (procurement, credit, sales, insurance, legal, engineering, project management, etc.), which ensure a level of service compliance at all stages of their activities. Many of these activities are shared between Canam Group and Canam Bridges.

Canam Group employs nearly 3,000 people, primarily in Canada, but also in the United States, Romania, India, and the Philippines. Canam Bridges employs approximately 500 people, primarily in Canada and the United States.

ACTIVITIES

Canam Group designs, manufactures, and installs steel structures for commercial, industrial, institutional, and multiresidential buildings. Design is provided through engineering services and preparation of drawings or plans. Manufacturing involves a series of steps including cutting, drilling, assembly, welding, and painting of steel products. Some components are preassembled in the plant. Steel structures are installed on jobsite, either by subcontractors or by teams from Canam Group. Components of the structures or preassembled parts in the plant are delivered and assembled for building erection.

Canam Bridges operates in the field of design and manufacturing of steel components for bridges and civil engineering infrastructures. Its activities include providing engineering services, such as preparing plans and technical drawings. The manufacturing process involves cutting, welding, and painting steel parts. Some components may be preassembled in the plant before shipping. The structural or preassembled elements are transported to the jobsite, where they are then assembled by subcontractors to complete the construction of the structure.

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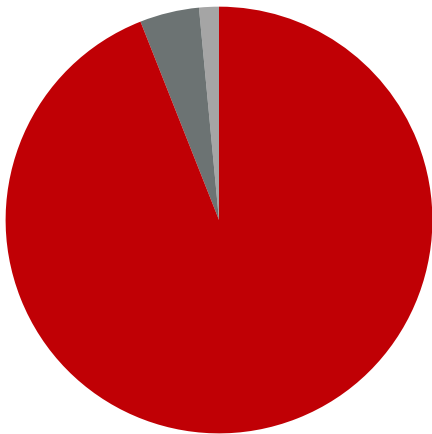
Canam Group operates a total of seven plants located in Canada, as well as three design and shared services offices located in Romania, India, and the Philippines. Canam Group also has business locations in the United States for its American activities.

Canam Bridges operates a total of three plants, two in Canada and one in the United States. The operations of the American plant are completely separate from those of the Canadian plants and have a supply chain that is independent of Canadian activities. No goods purchased in the United States and used by the American plant are incorporated into Canadian production or sold in Canada.

	Joists	Steel Deck	Steel Structure	Bridges	Drawings, Engineering and corporate services
Canada	3 plants	3 plants	4 plants	3 plants	Yes
United States				1 plant	
Romania					Yes
India					Yes
Philippines					Yes

SUPPLY CHAINS

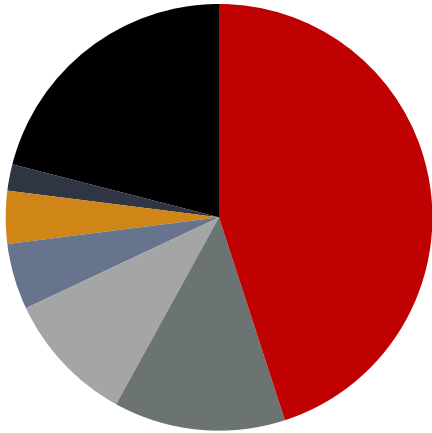
As shown in the following graph and table, Canada is the primary supplier country for both Canam Group and Canam Bridges. Purchases from Canadian suppliers account for 94% of purchasing expenses (across all categories of products/services). The United States accounts for 4.5% of expenses, and Europe (Austria, United Kingdom, Finland, United Kingdom, Spain, and Germany) represents the remaining 1.5%.



Country	Percentage of procurement spend
Canada	94 %
United States	4.5 %
Europe (Austria, United Kingdom, Finland, Spain et Germany)	1.5 %

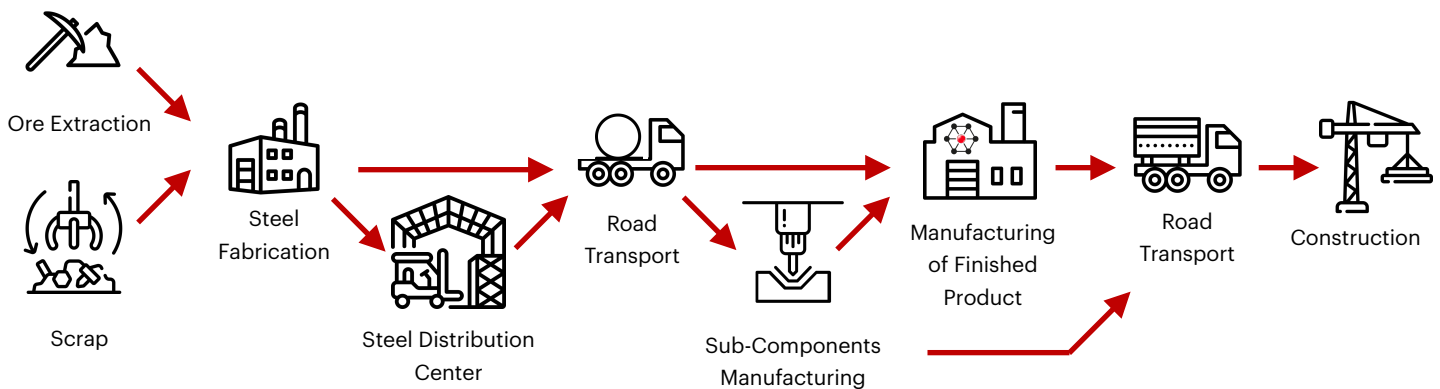
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The purchase of steel represents 55% of the monetary value of purchasing expenses (products and services) for both Canam Group and Canam Bridges. Of this 55%, the vast majority (80%) is directly purchased from steel mills. The remaining portion (20%) is purchased from distribution centres. The following graph and table demonstrate the breakdown of purchasing expenses according to the business sectors of the suppliers.



Secteur d'activités fournisseurs	Pourcentage des dépenses d'achat
Fabrication de fer et d'acier de base	45 %
Construction de bâtiments	13 %
Commerce de gros de métaux et minerais métalliques	10 %
Transport routier de marchandises	5 %
Fabrication de produits métalliques de charpente	4 %
Commerce de gros de matériaux de construction, quincaillerie, d'équipements et de fournitures de plomberie et de chauffage	2 %
Autre (moins de 2% par catégories)	21 %

The supply chain for steel purchased by Canam Group and Canam Bridges begins either with the extraction of ores or the recovery of steel scraps. Ores and scraps are then transformed into steel in various geometries. Canam Group mainly purchases steel in coil form, while Canam Bridges mainly purchases beams and plates. These products are either stored in a distribution centre (external to Canam Group and Canam Bridges) or sent directly to the Canam Group or Canam Bridges plants, or to their subcontractors who manufacture subcomponents necessary for Canam Group and Canam Bridges operations. In some cases, subcontracted parts or steel geometries are sent to the Canam Group or Canam Bridges plants for final fabrication. Canam Group and Canam Bridges or subcontractors structural components are finally delivered to the jobsite for erection, either by our client, subcontractors, or Canam Group's erection teams.



POLICY AND DUE DILIGENCE PROCESS

Canam Group implemented a sustainable development policy and a supplier code of conduct in 2023. Canam Bridges implemented a supplier code of conduct similar to Canam Group in 2024.

The sustainable development policy of Canam Group is an expression of commitment to consider sustainable development in the company's business decisions. Canam Group develops a strategy and action plan related to sustainable development.

The supplier code of conduct states, among other things, that suppliers of Canam Group and Canam Bridges are required to:

1. Refrain from engaging in forced labour practices, including the use of force or threats to compel individuals to work, retaining employees' identity documents, and ensuring that employees receive fair working hours, wages, and benefits in accordance with legal and industry standards.
2. Maintain a strict zero-tolerance policy towards child labour.

In 2024, the goal is to publish these policies and develop governance principles to ensure supplier compliance.

RISK OF FORCED LABOUR AND CHILD LABOUR

A key action taken in 2023 regarding the reduction of the risk of forced labour or child labour in our operations and supply chains was subscribing to the Sedex database. This platform provides us access to audit reports published by our suppliers who are also Sedex members, as well as various data allowing us to assess the risk level by country, industry sectors, and even at the level of individual suppliers in some cases. This measure will serve as the basis for our future actions in terms of reducing the risk of forced labour or child labour. The following data has been extracted from Sedex and represents the inherent risk associated with the country and industry sector.



RISKS IN THE INTERNAL ACTIVITIES OF CANAM GROUP AND CANAM BRIDGES

Canam Group and Canam Bridges operate structural steel component manufacturing plants in Canada. In Romania, India, and the Philippines, Canam Group's activities involve architecture, engineering, and related technical consultancy. Therefore, the inherent risk in the internal activities of Canam Group and Canam Bridges is moderate in terms of forced labour and low to moderate in terms of child labour, as demonstrated by the following table :

Country	Inherent risk according to site activity (from 1 to 10) ¹	
	Forced Labour	Child Labour
Canada	4.1	4.1
Romania	4.4	1.9
India	5.6	3.3
Philippines	4.6	3.1

RISKS IN THE SUPPLY CHAINS OF CANAM GROUP AND CANAM BRIDGES

According to the Sedex database, the combinations of Country-Industry Sectors presenting the highest risks for Canam Group and Canam Bridges are presented in the following table:

Forced Labour (from 1 to 10) ¹		Child Labour (from 1 to 10) ¹	
Canada - Other human resources provision	5.5	United States - Construction of buildings	5.7
United States- Construction of buildings	5.0	United States - Manufacture of basic iron and steel	5.7
United States - Freight transport by road	5.0	United States - Manufacture of basic precious and other non-ferrous metals	5.7

Suppliers in these categories will undergo further analysis to establish their actual risk levels.

In conclusion, Canam Group and Canam Bridges did not identify any instances of forced labour or child labour in their activities or supply chains in 2023. Furthermore, based on the data collected, the risk of forced labour or child labour is considered low to moderate.

¹ Scale from 1 to 10, 1 being the lowest inherent risk level and 10 the highest

REMEDIATION MEASURES

Since no instances of forced labour or child labour were identified in its activities and supply chains in 2023, Canam Group did not take any remediation measures.

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REMEDIATION IN CASE OF REVENUE LOSS

Since no instances of forced labour or child labour were identified in its activities and supply chains in 2023, Canam Group did not take any remediation measures in case of revenue loss.

Since no instances of forced labour or child labour were identified in its activities and supply chains in 2023, Canam Bridges did not take any remediation measures in case of revenue loss.

TRAINING

No training on forced labour and child labour was provided to raise awareness among the leaders or employees of Canam Group and Canam Bridges in 2023. However, providing such training to the leaders and employees of Canam Group and Canam Bridges will be a priority in 2024, especially for Canam Group, through the multiple training opportunities offered by the Sedex platform that we can take advantage of.

EVALUATION OF EFFECTIVENESS

No evaluation of effectiveness was conducted by Canam Group or Canam Bridges in 2023. However, defining a process and governance to evaluate the effectiveness of our procedures in place to reduce the risk of forced labour or child labour will be a priority for the companies in 2024.

APPROVAL OF THE REPORT

CANAM GROUP INC.

This report was approved pursuant to subparagraph [11(4)(b)(i)] of the Act by the Board of Directors of Canam Group Inc.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for the above mentioned entity. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects, for the purposes of the Act, for the aforementioned reporting year.

I make the above attestation in my capacity as a director of the Board of Directors of Canam Group Inc. for and on behalf of the Board of Canam Group Inc.

I have the authority to bind Canam Group Inc.



Marcel Dutil

Chairman of the Board of Directors

April 24th, 2024

CANAM BRIDGES CANADA INC.

This report was approved pursuant to subparagraph [11(4)(b)(i)] of the Act by the Board of Directors of Canam Bridges Canada Inc.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for the above mentioned entity. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects, for the purposes of the Act, for the aforementioned reporting year.

I make the above attestation in my capacity as a director of the Board of Directors of Canam Bridges Canada Inc. for and on behalf of the Board of Canam Bridges Canada Inc.

I have the authority to bind Canam Bridges Canada Inc.



Marcel Dutil

Chairman of the Board of Directors

April 24th, 2024