

**HOUSE OF METALS COMPANY LTD.**

**BILL S-211 REPORT**

An Act to enact the Fighting Against Forced Labour and  
Child Labour in Supply Chains Act and to amend the Customs Tariff

For the fiscal year ended June 30, 2024



**May 20, 2024**

## House of Metals Company Ltd.: Bill S-211 Report

House of Metals Company Ltd. and its subsidiaries Eccomelt LLC, and Eccomelt Texas LLC (collectively, “Eccomelt” or the “Company”) is a Canadian specialty aluminum alloy recycling and manufacturing company. Eccomelt is a privately held Canadian company with operating subsidiaries in Georgia and Texas, USA. The Company and its subsidiaries qualifies as a reporting “*entity*” as defined under Bill S-211 with assets over \$20 million and annual revenues of over \$40 million in the past fiscal year.

Eccomelt and the entities listed in this report are committed to conducting business in adherence with the highest standards of integrity, responsibility and ethical behaviour. The Company’s commitment to protecting human rights and responsible labour practices is founded on its strong belief in doing the right thing. The manner in which its operations and supply chain partners uphold these commitments to human rights, including preventing forced labour and child labour, is critical to the Company’s long-term business success.

The Company’s primary source of raw material is post-consumer aluminum automotive wheels for the production of *eccomelt356.2*, its primary product. This raw material is sourced in Canada and USA from automotive wreckers and wholesale aggregators of automotive recycled material located throughout both countries.

The Company operates in Canada under House of Metals Company Ltd. and has two U.S. operating companies, Eccomelt LLC (in Georgia) and Eccomelt Texas LLC (in Texas) that are subsidiaries of House of Metals Company Ltd. For further information on the Company’s Corporate Structure and a Description of the Business, please visit Eccomelt’s website at [www.eccomelt.com](http://www.eccomelt.com), or contact our corporate office at [administration@eccomelt.com](mailto:administration@eccomelt.com).

### Addressing Child Labour and Forced Labour

The Company is committed to engaging in employment practices that meet all ethical and legal standards, including laws and regulations related to forced and child labour, in the markets in which it operates. Similar to its internal commitment to preventing child labour and forced labour, the Company expects its suppliers to share and uphold these same commitments across their business operations as well. The Company also expects its suppliers to cascade these expectations through their supply chains – including to raw material, component, or consumable suppliers.

#### Forced Labour

All workers across the Company’s operations and its suppliers’ operations, must work under voluntary conditions. The Company and its suppliers will not use any form of forced or involuntary labour, including prison labour, indentured labour, bonded labour, military labour, slave labour or any form of human trafficking.

#### Child Labour

The use of child labour that contravenes local labour laws within the Company’s operations or by the Company’s suppliers is strictly prohibited. Management is responsible for ensuring that child labour does not occur at any of the Company’s locations and managing the risk of child labour in the Company’s supply chain relationships.

#### Governance, Accountability and Remediation

The Company has internal policies including a Code of Conduct for its employees and a Supplier Sustainability Policy that further reinforce and clarify its commitments to responsible labour practices,

including preventing the use of forced labour and child labour. The Company's governance structure ensures that its policies related to forced and child labour are effective.

### The Company's Operations

The Company's executives and management teams are required to review and sign-off on the Company's Code of Conduct annually, and to ensure it is upheld with all employees in each of the Company's operating facilities. Violations of the Company's policies will result in the Company taking effective remedial actions, such as disciplinary actions up to and including termination.

The Company assesses risks of forced labour or child labour across its supply chain, and determines priorities based on areas of highest risk. The Company's operations reside in North America, and its supply chain is primarily in Canada and USA. However, the Company does source consumables globally such as bulk bags from India and steel shot from Turkey, which can pose additional risk. Since labour practices (including forced and child labour) can vary significantly by geographic location, industry and business activity, the Company continually assesses and monitors its own operations and supply chain partners to mitigate and manage these risks.

### The Company's Suppliers

In 2024, the Company formalized and introduced its Supplier Sustainability Policy. Under the Supplier Sustainability Policy, the Company reserves the right to monitor and verify compliance. This may include information requests to validate conformance and/or on-site visits or inspections. Suppliers must report any known or suspected breaches of Eccomelt's Supplier Sustainability Policy and may require corrective action(s) to ensure compliance. Where possible, the Company will work with suppliers in violation of the Supplier Sustainability Policy to develop and implement a plan for remediation. However, if a supplier is either unwilling or fails to make necessary changes to their practices, the Company may cease its relationship with that supplier.

### Governance

The Company has several mechanisms in place to ensure compliance with its policies and to continue mitigating the risk of forced and child labour being used in the Company's operations and supply chains.

The Company carries out regular assessments of the Company's operating businesses on a variety of measures. The executive team also conducts on-site visits to the Company's operating businesses to ensure compliance and identify areas for improvement. A Quality Team reports directly to the Company's Executive Team, who oversee the management of the Company's key business risks and concerns. The Company's Executive team comprises of the President and Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer, and oversees all aspects of its ESG reporting processes, including oversight of the Company's referenced policies.

Additionally, the Company has a Whistleblower Policy and an independent HR hotline where any concerns or issues of non-compliance or questionable practices can be reported anonymously and without fear of reprisal.

### **Training and Awareness Building**

In 2023, the Company continued to build on its ethical business practices, including key human rights considerations, by focusing on further awareness, engagement and knowledge building across the Company's businesses. A formalized training session regarding forced and child labour in supply chains has been developed for the Company's management team. The training covers various topics including business responsibilities, common language and defined terms, locale-specific regulation and reporting requirements. The Company also initiated a project to improve its understanding of specific due diligence

processes regarding forced and child labour, and to monitor the Company's current practices. The Company's also now annually reviews the need to create additional programs and best practices to fortify its approach to addressing child labour and forced labour and mitigating associated risks in the Company's business and supply chains.

The Company also continues to explore traceability systems to monitor its supply chains. The Company's Supplier Sustainability Policy encourages increased transparency and values alignment with the Company's suppliers, inclusive of standards relating to forced and child labour. The Supplier Sustainability Policy outlines a supplier code of conduct that establishes clear protocols for cases of non-compliance and demonstrates the Company's commitment to collaborating with its suppliers on conflict resolution through corrective actions and/or potential remediation measures. The Supplier Sustainability Policy has been implemented by the Company and its procurement teams are in the process of tracking its adoption rate with their supply chain partners.

### **Summary**

The Company remains committed to preventing child labour and forced labour within the Company's operations and by its suppliers. The Company is committed to engaging with its employees, suppliers and stakeholders on these concerns and continues to fortify its approach to reducing the risks associated with forced or child labour in the Company's business and supply chains, while ensuring compliance with applicable labour laws.

For more information on the Company's Code of Conduct, its Supplier Sustainability Policy, and Whistleblower Policy as referenced, please see Eccomelt's website ([www.eccomelt.com](http://www.eccomelt.com)). To learn more about the steps the Company is taking to further its commitments to Responsible Sourcing, please see Eccomelt's Sustainability report on its website ([www.eccomelt.com](http://www.eccomelt.com)).

**Reporting entity's legal name:** House of Metals Company Ltd.

**Financial reporting year:** Fiscal Year-Ended June 30, 2024

**Joint report for the following entities:** House of Metals Company Ltd.  
Eccomelt LLC  
Eccomelt Texas LLC

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 House of Metals Company Ltd.

**Date:** May 20, 2024

**Signed** \_\_\_\_\_

**Mr. Daniel Bitton**  
**Board Director, House of Metals Company Ltd.**