



## Magris Performance Materials Inc.

### **Modern Slavery Act Report**

(Year ended December 31, 2023)

#### Introduction

This report is prepared by Magris Performance Materials Inc. (“**Magris**” or the “**Corporation**”) for the financial year ended December 31, 2023 (the “**Reporting Period**”) and constitutes the first report prepared by the Corporation pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). The Act requires that businesses report on the steps taken to prevent and reduce the risk that forced labour or child labour is used within their business or their supply chains. This is a joint report for the Corporation and its subsidiaries<sup>1</sup> which have an obligation to publish a report under the Act (collectively, “**we**”, “**us**”, “**our**” or the “**Companies**”).

#### 1. Steps to prevent and reduce risks of forced labour and child labour

Respect for human rights is a key component of our core values of *Respect, Integrity, Safety, and Excellence*. We place the highest importance on respecting human rights within our operations and we expect the same of our value chain partners, both suppliers and customers.

In 2022, Magris became a signatory to the United Nations Global Compact, an action that demonstrates our commitment to incorporating sustainability principles into our business, including the respect for human rights.

During the Reporting Period, we took the following steps to prevent and reduce the risk of forced labour or child labour in our business and supply chains:

- Adopted new policies across our organization including our Human Rights Policy and our Responsible Supply Chain Policy.
- Engaged with our supply chain partners to have them acknowledge and adhere to our Supply Chain Partner Expectations Statement.
- Commenced development of a screening tool and review process (collectively, our “**Screening Tool**”) to assess and evaluate the practices and priorities of our suppliers and customers, including evaluating the risk of forced labour or child labour.

Further details of these and other actions taken during the Reporting Period are set out in this report.

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<sup>1</sup> The entities required to publish a report under the Act and therefore covered by this report are Magris Performance Materials Inc., Niobec Inc., Magris Talc Holdings Inc., Magris Talc USA, Inc., and Magris Talc Canada Inc.

## 2. Structure, activities and supply chains

Magris is a privately-owned company incorporated under the *Canada Business Corporation Act*. Headquartered in Toronto, Ontario, Magris is a North American-based performance materials producer supplying manufacturers with key inputs for their essential products. We own a portfolio of manufacturing facilities and aim to build and grow a leading materials platform.

We produce niobium and talc, two critical products used in a variety of industrial applications to enhance performance and improve sustainability in everyday products. We supply 50% of North America’s talc market and 10% of the global niobium market from our vertically integrated mining and manufacturing facilities in the United States and Canada.

Our executive offices are located in Toronto, Ontario, and Denver, Colorado. Niobec owns and operates a niobium mining, processing, and metallurgical complex in the Saguenay region of Quebec, with niobium sales offices in Longueuil, Quebec and Duesseldorf, Germany. Our Magris Talc operations are located in Montana, Vermont, Texas, and Ontario. Magris employs approximately 850 people across all our locations.

The Companies’ global supply chains consist of various suppliers, providing raw materials, packaging supplies, mechanical systems and equipment, and non-product services. The raw materials and other supplies and services necessary to produce niobium and talc are procured from suppliers around the world. Most of these materials, supplies and services are provided by suppliers with whom we have long-standing relationships, as the Companies typically seek long-term relationships with major direct and indirect suppliers wherever possible. Within their supply chains, the Companies have built relationships with numerous suppliers and in 2023 the Companies did business with approximately 1,000 suppliers.

## 3. Policies and due diligence processes

### ***Sustainability initiatives***

We define sustainability as “our ability to manage the environmental and social impacts of our activities so we create value in the long-term—meeting the needs of the present without compromising the ability of others and future generations to meet their needs”.

Our approach to managing sustainability risks within our business is grounded in Magris’ four core values of *Respect, Integrity, Safety, and Excellence* that we describe in this Report. Adhering to our values is how we believe we can maintain and grow Magris into a leading materials business that creates long-term value for all stakeholders.

While having appropriate systems in place is necessary to manage risk, the long-term sustainability of Magris requires that we build and maintain relationships based on trust and credibility. We therefore look to have our actions grounded in our core values, including engaging openly with those who will be affected by our actions and taking into account their different and sometimes competing perspectives before we act. Additional information regarding our approach to sustainability and associated priorities can be found in our 2022 ESG Report, available at [www.magrispm.com/sustainability](http://www.magrispm.com/sustainability).

Magris is a signatory to the United Nations Global Compact (UNGC), an action that demonstrates our commitment to incorporating sustainability principles into our business. As a signatory, we are committed

to conducting our business activities in accordance with the 10 fundamental principles of the UNGC which address human rights, environmental protection, anti-corruption and labour rights, and in particular the elimination of all forms of forced labour and child labour.

### ***Human Rights Policy***

Magris is committed to promoting and protecting human rights throughout our policies and governance framework. Magris' Human Rights Policy states that, as a business, it is expected that we operate acknowledging and respecting internationally recognized human rights. Our responsibility towards human rights covers not only our operations and direct activities but also our business relations with clients, suppliers, and other partners.

We respect and support human rights based on established, well-recognized international principles, including:

- the UN Guiding Principles on Business and Human Rights;
- the International Bill of Human Rights;
- the ILO Declaration on Fundamental Principles and Rights at Work;
- the UN Universal Declaration of Human Rights;
- the OECD Guidelines for Multinational Enterprises; and
- the International Labour Organization Conventions 138 and 182.

A fundamental aspect of our Human Rights Policy is the prohibition on employment of any person under the age of 18 unless such employment complies with International Labour Organization Conventions 138 and 182 and all applicable laws and regulations concerning age, hours, compensation, health and safety, and the prohibition of forced labour and acknowledgment that overtime is voluntary in accordance with legally permitted norms.

### ***Responsible Supply Chain Policy***

As part of our broader sustainability initiatives, we believe that we have an obligation to responsibly manage the challenges and opportunities of being a producer of performance materials in the global market. Doing so assures us and our customers – who are increasingly attuned to managing risks in their own supply chains – that we are acting consistently within our values.

Our Responsible Supply Chain Policy establishes our framework for ensuring that we have a responsible supply chain. Our Responsible Supply Chain Policy states that we strive to interact with our supply chain partners to have relationships with them that create mutual benefit and long-term value. Our responsible supply chain framework integrates our key sustainability commitments into the overall management of our supply chain. We prioritize working with supply chain partners who share our values and commitment to operating responsibly and ethically. We focus on potential impacts related to human rights, health and safety, environment, and legal and regulatory compliance in the areas of anti-corruption, competition, and sanctions as critical risks in our supply chain.

In accordance with our Responsible Supply Chain Policy, we set and use evaluation criteria aligned with our values and sustainability commitments to choose our business partners. We work with our partners to identify, assess and mitigate potential supply chain risks, including the risk of forced labour or child labour. This includes prioritizing local procurement of materials and services, clearly communicating and

reinforcing our expectations via our Supply Chain Partner Expectations Statement, and declining or withdrawing business with any potential or current supply chain partner who does not meet our expectations or does not comply with legal and/or regulatory requirements.

### ***Supply Chain Partner Expectations Statement***

In line with our Responsible Supply Chain Policy, we actively engage with our supply chain through requiring adherence by our suppliers to our Supply Chain Partner Expectations Statement. Our Supply Chain Partner Expectations Statement sets out our expectation that our supply chain partners act in accordance with our core values of *Respect, Integrity, Safety and Excellence*.

Our Supply Chain Partner Expectations Statement specifically includes provisions that we expect that our supply chain partners:

- not use forced or involuntary labour, including prison labour, indentured labour, bonded labour, or slave labour in their business and prohibit the use of such labour in their own supply chain; and
- comply with all applicable child labour laws.

### ***Code of Conduct***

Our Code of Conduct (“**Code**”) applies to everyone at Magris, including our board of directors, officers and employees. We also expect our contractors, suppliers, consultants, agents and others acting on Magris’ behalf to know of and generally abide by our Code. As with our other policies, our Code is grounded in our core values of *Respect, Integrity, Safety, and Excellence*.

The Code provides a guide to ensure that we, through our employees and other stakeholders, conduct our business ethically and appropriately. It requires that we meet or exceed all legal and regulatory requirements that apply to what we do. Magris’ Code is available at [www.magrispm.com/sustainability](http://www.magrispm.com/sustainability).

### ***Reporting and Non-Retaliation Policy***

Our Code sets out the expectation that anyone who believes that a violation of the Code or any of our other policies has occurred or is about to occur has an obligation to report the violation. This specifically includes any concerns that employees, suppliers or other stakeholders may have regarding forced labour or child labour within our business or our supply chain.

Employees may report any concerns they have to their manager or supervisor, and anyone, including employees who are not comfortable reporting to a manager or supervisor, may make a report by:

- calling the Magris reporting hotline 1-833-696-0487; or
- making a report on the Magris reporting website at [www.clearviewconnects.com](http://www.clearviewconnects.com).

In accordance with our Code, we will not tolerate anyone acting against any person who makes a report in good faith regarding unethical conduct. We therefore prohibit retaliation, in any form, against anyone who, in good faith, reports violations or suspected violations of our Code or other policies or who assists in the investigation of a reported violation.

#### **4. Assessing and managing the risk of forced labour or child labour**

We conduct our business in North America where there is a relatively low risk of forced or child labour. However, we recognize that such risks could exist anywhere, and we use a risk-based approach to assess and manage the risk of forced labour and child labour in our business and supply chains. This allows us to prioritize our efforts and adjust our actions to focus on areas with higher risks. Our process considers country risk indicators, a supplier's category, and the type of products/services offered by a supplier. While we have not yet implemented a system for scoring or grading suppliers based on identified risk factors, we place a higher level of scrutiny on suppliers where indicators of possible higher risks are identified.

In 2023, we implemented our Supply Chain Partner Expectations Statement, requesting acknowledgement of and adherence to that document by all our suppliers. While we had strong engagement from our suppliers on this initiative, the extent to which a supplier did not respond to our request or was unable to acknowledge and adhere to our Supply Chain Partner Expectations Statement is a factor in assessing the level of risk associated with that supplier, in particular with respect to the risk of forced labour or child labour in that supplier's business or own supply chain.

Additionally, during 2023 we started developing our Screening Tool to assess and evaluate the practices and priorities of, as well as the risks associated with, our suppliers and customers and their respective supply chains. In 2024, our objective is to deploy our Screening Tool with our largest and most critical suppliers which will provide greater insight into those suppliers' policies and practices, including with respect to the risk of forced labour and child labour. The Screening Tool will form a key part of our ongoing process of risk assessment across our supply chain, with the objective of ultimately having all existing suppliers complete the Screening Tool and using the Screening Tool for the onboarding of any new suppliers.

#### **5. Measures to remediate forced labour or child labour**

Concerns regarding forced labour or child labour can be reported by employees, suppliers, other stakeholders, or any other person at any time, either informally through regular interactions with the Companies, or through any of the reporting channels referred to under "*Reporting and Non-Retaliation Policy*" above. During 2023, no instances of forced labour or child labour in our business or our supply chains were reported or identified. If any situation of non-compliance, but especially any concern of forced labour or child labour, is identified, we will work to develop and implement a corrective plan to improve and remedy the situation, and where such a remedy is not possible may terminate our relationship with such a supplier.

#### **6. Measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour**

To date there have been no identified or reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in our business or supply chains.

#### **7. Training on forced labour and child labour**

Our employees receive regular mandatory training on our policies and practices, including as part of the onboarding process for new employees. During 2023, all our employees received training on our Code,

which covers our expectations regarding compliance with all laws and regulations, including in respect of forced labour and child labour. We intend to refresh this organization-wide training on a regular basis, and to update the program to explicitly include training on forced labour and child labour risks in our business and in our supply chains. Furthermore, on an annual basis, all employees are required to acknowledge the obligation to comply with our Code.

## **8. Assessing effectiveness**

As described in this report, we have in place various measures to prevent and reduce the risk of forced labour or child labour in our business and our supply chains. However, we have not yet identified any specific measures to evaluate the effectiveness of our efforts. We intend to formalize a program for assessing the effectiveness of our measures at a later stage.

## **9. Approval and Attestation**

This report was approved by the board of directors of the Corporation. The Corporation controls each of the other entities that are covered by this report (*see footnote 1 above*).

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 entities listed above. 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 Reporting Period listed above.

I have the authority to bind Magris Performance Materials Inc.



Matthew Fenton  
President and Chief Financial Officer and  
Director of Magris Performance Materials Inc.  
May 15, 2024