

# SAAM Towage Canada Inc.

## 2023 Modern Slavery Report

### 1 Introduction

This report constitutes the first report prepared by SAAM Towage (as defined below) pursuant to the Canadian *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). It is a joint report (“**Report**”) made by SAAM Towage Canada Inc. (“**SAAM Canada**”), SAAM Towage Inc. (“**SAAM Holdco**”) and SAAM Towage Mexico S.A. de CV. (“**SAAM Mexico**”) (together, the “**Reporting Entities**”) for the financial year ended December 31, 2023 (the “**Reporting Period**”).

This Report relates to the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere or of goods imported into Canada by the Reporting Entities (collectively, the “**SAAM Towage**”, “**our**”, “**us**” or “**we**”).

### 2 Structure, activities, and supply chains

#### 2.1 Structure and activities

SAAM Canada and SAAM Holdco are corporations existing under the laws of British-Columbia, whereby SAAM Holdco is SAAM Canada’s direct parent company. As a holding company, SAAM Holdco is not engaged in any activities nor does it have any employees.

SAAM Canada, a provider of towage and maritime services, is involved in ship docking and ship escorting services, assisting third-party companies that transport their products in and out of a total of nine ports in British-Columbia. With our main operations located in Vancouver, SAAM Canada’s marine professionals respond to customer and operational needs at ports located on the shore of British-Columbia.

SAAM Canada also has three controlled subsidiaries, which are also involved in ship docking and ship escorting services located in British-Columbia.

SAAM Canada employs approximately 130 full- and part-time employees, all of whom are located in Canada, with roles ranging from marine technicians, marine electricians, deckhands, captains, dispatchers, engineers, administrators, management and executive members, whereas SAAM Mexico employs approximately 138 employees, the majority of whom are located in Mexico, with roles ranging from captains, coast maters, chief mates, chief engineers, seamen and cooks.

SAAM Canada is an indirect subsidiary of SAAM Mexico, which is a corporation existing under the laws of Mexico with its head office in Mexico City, is involved in harbour towage services which consists of berthing, unberthing at different terminals servicing container, general cargo, mineral and bulk carriers as well as oil, chemical and gas tankers. Further, SAAM Mexico operates approximately 14 tugboats at five different ports, in addition to seven tugboats in the offshore oil and gas industry located at one port,

all of which are located in Mexico.

During the Reporting Period, SAAM Canada imported battery electric tugs into Canada, originating from Turkey, and for itself and on behalf of SAAM Canada subsidiaries, imported various equipment and parts for tug fleet into Canada from Europe and the United States.

## **2.2 Supply Chains**

SAAM Canada sources goods for internal business use from suppliers operating in a variety of industries, including tugs, shipyard equipment, tug parts, office supplies and software. We source the majority of our goods from direct suppliers located in Canada, and certain goods from Europe and the United States. SAAM Canada's service suppliers are managed through our procurement operations and consist primarily of providers for consulting, legal, software and information technology services, mainly located in Canada, and with respect to service providers for insurance services, mainly located in the United Kingdom. SAAM Canada also has service suppliers for vessel repair services mainly located in Europe and the United States.

We aim to work with suppliers who share our commitment to conducting business in a sustainable, ethical, legal and socially responsible manner.

## **3 Policies and due diligence processes**

SAAM Towage endeavours to conduct its business responsibly in areas of environmental, social, and corporate governance.

### **(a) Supplier Policies**

The Supplier Relationship Code states that SAAM Towage expects suppliers to: not use any child labour or involuntary, prison or forced labour; comply with all applicable local laws and regulations with respect to worker rights, freedom of association, compensation and maximum working hours; and promote a safe and healthy workplace that does not tolerate discrimination, harassment or retaliation. SAAM Towage does not provide hard copies of the Supplier Relationship Code to its suppliers. However, such code is published on the SAAM corporate website and SAAM Corporate Procurement includes a reference to the corresponding link into the agreements that regulate the contractual relation with its suppliers.

In addition, SAAM's Subcontracting Policy provides that SAAM Towage commits to conducting its relationships with suppliers in a manner that promotes the sustainability of its business.

### **(b) Corporate Procurement Guidelines**

SAAM Towage's Corporate Procurement Guidelines aim to establish procedures that govern the procurement activities of SAAM Towage. These set out SAAM Towage's commitment to building relationships with suppliers based on trust, communication and collaboration and to maintaining quality and compliance. Among other things, the Corporate Procurement Guidelines provide that SAAM

Towage endeavours to reject any child labour at any phase within our supply chain or to reject any work that violates international treaties, human rights or that may be considered as a crime, which includes human trafficking.

**(c) Whistleblower System**

SAAM Towage’s Whistleblower System provides an electronic channel for any individual to report concerns with respect to violations of the Code of Ethics. Concerns of potential violations can be done anonymously by web reporting or email. <https://www.saamtowage.com/whistleblowing-channel/>

**(d) Code of Ethics**

The Code of Ethics sets out company wide values which guide interactions with customers, suppliers, stakeholders and employees. Among other things, the Code of Ethics provides that SAAM Towage aims to adhere to the Universal Declaration of Human Rights with respect to human rights, such as prohibitions on the use of forced labour. Further, in accordance with the commitment made by our parent company, we adhere to and respect the 10 Global Compact Principles, grouped in the areas of human rights, labour relations, environment and anti-corruption. Companies that adhere to these principles are expected to support the effective abolition of child labour.

**(e) Internal Code of Conduct**

The Internal Code of Conduct sets outs expectations with respect to the prohibition on the use of child labour and provides guidance on the standards expected with respect to working hours and breaks, in addition to other health and safety matters.

**4 Risks of forced labour and child labour in our business operations and supply chains**

**4.1 Operations**

While SAAM Towage has not begun the process of identifying risks in our operations or supply chains, we consider there to be a low risk of modern slavery in our operations. With respect to SAAM Canada, all our workforce is employed in Canada, we have policies in place to help ensure compliance with all applicable local laws, we do not hire any individual under the age of 18 and over half of our employees are unionized. With respect to SAAM Mexico, due to the nature of our operations and the policies in place aimed at mitigating these risks, such as policies to help ensure compliance with all applicable local laws, and that we do not hire any individual under the age of 18, we consider the risk of forced labour and child labour in our operations to be relatively low. However, we acknowledge that industries with lower skilled workers are more prone to risks of forced labour and child labour.

Given that SAAM Holdco is a holding company and therefore does not have any employees or operations, we do not consider there to be any risk of child or forced labour in its direct operations.

**4.2 Supply Chains**

SAAM Towage strives to work with suppliers that are aware of and share our values with respect to managing their business in an ethical, legal and socially responsible manner.

While we have not yet undertaken any specific supplier mapping activities or undertaken any formal processes to identify risks of forced labour and child labour in our supply chain, we consider such risk among our tier one suppliers to be relatively low as they are mainly located in Canada, Europe and the United States. However, we acknowledge that certain regions carry a higher risk of forced labour and child labour due to its prevalence in specific countries and industries. However, we have policies in place in order to mitigate these risks.

## **5 Steps taken to assess and manage the risks of forced labour and child labour in our operations and supply chains**

### **5.1 Operations**

While we have not yet taken any formal steps to assess the risk of forced labour and child labour in our operations, we are committed to treating all employees with respect and dignity and to promoting a safe and healthy work environment in all our facilities and activities, as provided by our Code of Ethics. Further, SAAM Towage's hiring process requires all new hires to present valid proof of identification and to confirm legal working status and we comply with applicable local employment and labour laws.

### **5.2 Supply Chains**

While SAAM Towage has not completed a risk assessment of forced labour and child labour in our supply chains, we strive to work with suppliers that are aware of and share our values with respect to managing their business in an ethical, legal and socially responsible manner.

Further, as provided by our Code of Ethics, we intend for our suppliers and contractors to share our values and principles, and share our commitment to respect the human and labour rights of workers. Our Supplier Relationship Code and Subcontracting Policy also outline these expectations.

## **6 Remediation measures**

There is nothing to report with respect to measures taken during the Reporting Period to remediate (i) instances of any forced labour or child labour, or (ii) 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 in our activities and supply chains.

## **7 Training**

SAAM Towage did not offer any formal training to its employees on the issues of forced labour and child labour during the Reporting Period.

The Code of Ethics and Internal Code of Conduct is provided to all employees at the time of onboarding, which sets out SAAM Towage's expectation that all employees are treated in accordance with applicable local labour and employment laws and that we respect all applicable local laws with respect to worker

rights.

**8 Assessing the effectiveness of our actions**

SAAM Towage endeavours to further understand and address the risks of forced labour and child labour in our business and supply chains.

As described in this Report, SAAM Towage has a policies in place that are aimed to prevent the risks of forced labour and child labour in our business and supply chains. However, to date, no actions have been taken to formally assess the effectiveness of these measures.

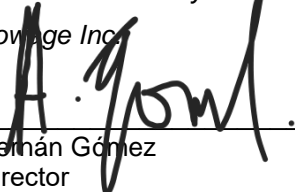
**9 Approval**

This Report was approved by the board of directors of SAAM Towage Canada Inc., SAAM Towage Inc. and SAAM Towage Mexico SA de CV., respectively, for the financial year ended December 31, 2023 pursuant to subparagraph 11(4)(b)(i) of the Act.

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 Reporting 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 make the above attestation in my capacity as a director of the board of directors of each of SAAM Towage Mexico SA de CV., SAAM Towage Canada Inc. and SAAM Towage Inc. for and on behalf of the board of directors of each Reporting Entity.

*I have the authority to bind SAAM Towage Mexico SA de CV., SAAM Towage Canada Inc. and SAAM Towage Inc.*

  
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Hernán González  
Director

SAAM Towage Mexico SA de CV., SAAM Towage Canada Inc. and SAAM Towage Inc.  
May 31, 2024