

Saskarc Inc. Forced Labour or Child Labour Report

INTRODUCTION AND APPLICATION

This report (the “Report”) is prepared by Saskarc Inc., (collectively, “Saskarc Inc.”, “Entity”, “we” or “our”) in compliance with the requirements of the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) with respect to the period from January 1, 2023, to December 31, 2023.

STEPS TAKEN TO PREVENT AND REDUCE THE RISKS THAT FORCED LABOUR OR CHILD LABOUR IS USED

At the end of 2023, Saskarc Inc. began formalizing our ESG strategic plan, which includes specific measures to address the risks of forced labour and child labour in our supply chain. The initial steps taken include:

- **Initial Risk Assessment:** We completed an initial risk assessment focused on governance, identifying potential areas within our supply chain where forced labour or child labour might be present. This involved analyzing our suppliers' geographical locations, the nature of their operations, and their labor practices.
- **Training Programs:** Development of training programs for our procurement team and other relevant employees is underway. These sessions will focus on recognizing signs of forced labour and child labour and understanding the legal and ethical implications. We aim to roll out awareness campaigns within our organization to ensure that all employees understand our stance on forced and child labour.
- **Transparency and Reporting:** We are committed to transparent reporting on our efforts to combat forced labour and child labour. Our reporting complies with the requirements of the Act, providing stakeholders with clear and accurate information about our actions and progress.
- **Ongoing Risk Assessment:** Identifying and mitigating risks within our supply chain is a continuous process. We have initiated a comprehensive supply chain risk assessment to identify potential vulnerabilities, including the risks of forced labour and child labour. This assessment will inform our future strategies for risk management and supplier selection.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Saskarc Inc., incorporated under the laws of the Province of Saskatchewan, is engaged in design, manufacturing and delivery of steel products for the Infrastructure Temporary/EarlyWorks markets. Our operations include:

- **Manufacturing:** Based in Saskatchewan, we design and manufacture steel components used in the Infrastructure Temporary/EarlyWorks markets.
- **Sales and Distribution:** Our primary markets include Canada and the West and Midwest regions of the United States.
- **Procurement:** We source raw materials and components from reputable suppliers based in North America, Europe, Middle East, and Asia. Our supply chain involves key elements such as raw materials, logistics and transportation, supplier relationships, quality control, and risk management.

Saskarc Inc.

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POLICIES, GOVERNANCE AND DUE DILIGENCE PROCESSES

Currently Saskarc Inc. has not implemented any specific policies, governance, or due diligence processes in relation to the use of forced labour or child labour in our supply chains, other than as identified above.

Looking ahead, we are committed to enhancing the sustainability and ethical integrity of our supply chain through the following initiatives:

- **Comprehensive Supplier Audits:** Initiate a rigorous audit program to assess our suppliers' compliance with labour standards. This will include virtual and in-person site inspections, document reviews, and audit reports. We plan to expand these audits to cover more suppliers in high-risk areas.
- **Supplier Code of Conduct:** Introduce a Supplier Code of Conduct that explicitly prohibits forced labour and child labour. This Code will be a mandatory part of our supplier agreements and will require suppliers to adhere to international labour standards.
- **Supplier Development:** Work closely with our suppliers to help them improve their labour practices and meet our ethical standards.
- **Technology Integration:** Invest in advanced supply chain management technologies to increase transparency and traceability.
- **Collaboration and Advocacy:** Participate in industry-wide initiatives aimed at improving labour standards and promoting transparency in supply chains.
- **Grievance Mechanism:** Implement a whistleblower policy providing a safe and anonymous way for employees and suppliers to report suspected cases of forced or child labour. Ensure all reports are taken seriously and investigated promptly.
- **Training and Awareness:** Develop training programs for our procurement team and other relevant employees. Roll out awareness campaigns to ensure that all employees understand our stance on forced and child labour.

PARTS OF ENTITY'S BUSINESS AND SUPPLY CHAINS THAT CARRY A RISK OF FORCED LABOUR AND CHILD LABOUR AND STEPS TAKEN TO ASSESS AND MANAGE THE RISK THAT FORCED LABOUR OR CHILD LABOUR IS BEING USED IN ENTITY'S OPERATIONS AND SUPPLY CHAIN

Saskarc Inc. has started the process of identifying parts of our activities and supply chains that carry a risk of forced labour or child labour. This process involves mapping our supply chain to pinpoint areas where these risks are most prevalent. We are working towards completing this mapping exercise and implementing risk management strategies. Our planned and ongoing initiatives are mentioned in above sections of the report.

REMEDATION MEASURES

As of the date of this Report, we have not identified any instances of forced labour or child labour in our activities and supply chains. Consequently, no measures have been necessary to remediate or eliminate such practices, including any actions that might impact the income of vulnerable families.

TRAINING

We do not currently provide training to employees on forced labour and/or child labour. However, as part of our ESG strategic plan, we intend to develop and implement training programs to raise awareness and educate our employees on these critical issues.

ASSESSING EFFECTIVENESS

We currently lack formal policies or procedures to assess our effectiveness in ensuring that forced labour and child labour are not used in our activities and supply chains. Developing such assessment mechanisms is a priority for our ongoing ESG strategy. This will include establishing performance indicators, conducting regular reviews, and adjusting our strategies based on findings.

APPROVAL AND ATTESTATION

This Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the board of directors of Saskarc Inc. for the financial year ended December 31, 2023.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, hereby attest that I have reviewed the information contained in this Report for the entity listed above. Based on my knowledge, and having exercised reasonable due 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 year listed above. I am providing this attestation in my capacity as a director of Saskarc Inc., and not in my personal capacity.

Dated as of May 27, 2024.

Signature: _____

Name: Roy Drever

Title: Managing Director