

REPORT ON FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

Introduction

Samco Machinery Limited ("Samco" or "the Company") is committed to maintaining transparency and ethical conduct throughout its business dealings. In adherence to Section 11 of Fighting Against Forced Labour and Child Labour in Supply Chains Act ("the Act"), this document has been prepared for the financial year ending December 31, 2024, for Samco Machinery Limited, business number 104703681. This report provides transparency on the actions that Samco has taken in the last financial year to address and reduce the risks of forced and child labour within its operations and across its supply chain.

While there has been no evidence of forced labour or child labour in Samco's operations to date, Samco continues to take proactive measures to detect and mitigate the risks associated with forced and child labour. This includes incorporating due diligence measures in supplier onboarding and internal training.

These initiatives ensure that Samco's procurement practices reflect Samco's core values of integrity and responsibility, as well as enable the Samco team and partners to actively contribute to its collective goal of eliminating exploitative labour practices.

Samco aims to enhance transparency and promote ethical standards across its supply chain, while also supporting a foundation for a sustainable and responsible global business environment.

Section A: Legal and Organizational Structure

Samco Machinery Limited is a rollforming equipment manufacturer that serves a wide range of industries across the world, including Building and Construction, Racking and Shelving, and Transportation. Samco's Rolling Division offers its customers custom rollforming services through its in-house rolling mills. Samco's Fabrication Division is an industry leading Canadian Welding Bureau ("CWB") certified precision fabricator. Its mandate is to customize and create end products that meet customer metal bending needs. Samco is an ISO 9001 company that provides innovative customized solutions built around standard modules to our global clients.

Legal Structure: Samco is established as a private corporation under Canadian law. It is a wholly owned subsidiary of Rainspeck Industries Limited.

Organizational Structure: Samco is divided into several key functional areas including Finance and IT, Human Resources, Quality, Sales & Marketing, Engineering, Spare Parts, Project Management, and Operations.

Workforce Composition: Samco proudly employs approximately 200 staff out of its office in Toronto, Ontario, Canada. Samco's team includes a range of skilled professionals including engineers, project managers, sales, and back-office support staff.

Partner Organizations and Supply Chain Overview: Samco has established strong relationships with suppliers, collaborating to enable a commitment to quality and operational efficiency. Approximately 90% of Samco's goods are sourced from Canada and the United States. In the last full financial year Samco serves customers predominantly located in Canada, the United States, and Mexico.

Section B: Policies and Due Diligence Processes

Samco has not identified any risks of child or forced labour to date, including over the last full financial year. However, with a commitment to continuous improvement Samco has carried out the following as it relates to policies and due diligence:

- a) Contracting a third-party to review operations and supply chains to identify risks related to child labour and forced labour, outlining opportunities for improvement going forward
- b) Contracting a third-party to support training related to child labour and forced labour. This training was contracted in the last full financial year and was administered in April 2025.
- c) Requesting new suppliers to provide an overview of their processes and policies to address risks of child and forced labour in our supplier onboarding process.

These initiatives demonstrate Samco's commitment to upholding a high standard of ethical labour practices and maintaining a responsible supply chain.

Section C: Forced Labour and Child Labour Risks

In Samco's last full financial year, it reviewed risks of forced or child labour within its supply chain by conducting a risk assessment guided by insights provided in the *Walk Free Global Slavery Index* and the *US Department of Labour's List of Goods Produced by Child Labour or Forced Labour*. This enabled Samco to evaluate where risks of forced and child labour may arise within the supply chain, allowing for proactive steps to mitigate against them.

In this assessment, Samco leveraged the *Walk Free Global Slavery Index* to identify suppliers operating in specific geographical areas that have a higher risk of forced and child labour. The *US Department of Labor's List of Goods Produced by Child Labour or Forced Labour* was also used to identify specific product risks.

Samco's assessment of risk over the last financial year indicated that purchases from India and Mexico, collectively representing less than 11% of total supplier spend, may have a heightened risk of child labour or forced labour based on the geography they operate in. Purchases from lower risk countries such as Canada and the United States represent over 89% of Samco's total supplier spend. There were no risks triggered by

a comparison of purchased products against the *US Department of Labour's List of Goods Produced by Child Labour or Forced Labour*.

The results of this assessment indicate that the likelihood of encountering forced and child labour risks within Samco's supply chain is low in the context of our total supplier spend. However, mindful of its exposure to India and Mexico Samco maintains its commitment to monitoring these risks over time.

Section D: Remediation Measures

Samco has not found any evidence of forced or child labour in its operations or supply chains to date, and as a result, it has not had to implement any corrective actions within and prior to the last financial year. Samco acknowledges the critical need for effective remediation measures if such issues arise in the future. Should Samco identify signs of child labour or forced labour within its supply chain, it commits to engaging in remediation efforts, which may include:

- working with suppliers to understand the nature of the issue to identify ways to prevent forced labour and child labour from reoccurring in Samco's supply chain;
- evaluating alternative suppliers that demonstrate stronger policies and processes to mitigate forced labour and child labour.

Section E: Remediation of Loss of Income

Samco has not found any evidence of forced or child labour in its operations or supply chains within and prior to the last financial year. Samco understands that in the event a related issue arises in the future, taking corrective actions to address the issue may result in potential socio-economic consequences such as the loss of income for vulnerable families. Samco is committed to ensuring a thoughtful and tailored approach to remediation and in the event an issue related to child or forced labour arises, Samco may seek guidance from advisors and local non-profit organizations.

Section F: Training

Over the last financial year, Samco contracted a third-party to provide training on supply chain risks relating to forced and child labour risk management and mitigation. This training is mandatory for all supply chain and procurement staff and was administered in April 2025. The training focused on understanding country, operational, and purchase-based risks, and identifying red flags and their respective management.

Section G: Assessing Effectiveness

During the reporting year, Samco did not maintain formal processes to measure the effectiveness of its efforts to prevent and reduce the risk of forced labour and child labour in its activities and supply chain. However, Samco recognizes the importance of ongoing evaluation to ensure continuous improvement. The

Company intends to monitor and assess the need for further development of effectiveness evaluation processes going forward.

Attestation

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 listed above, and that it has been approved by the governing body of the entity. 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.

Robert Repovs

Full Name

President & CEO

Title

May 20, 2025

Date



Signature

I have the authority to bind Samco Machinery Limited.