

1. Introduction

Samco Machinery Limited (“Samco” or “the Company”) is highly dedicated to maintaining transparency and ethical conduct throughout its business dealings. In adherence to Section 11 of Bill S-211 (“the Act”), this document has been prepared for the financial year ending December 31, 2023. This report aims to provide transparency on the actions that Samco has taken within and prior to the last financial year, as well as future initiatives to be implemented, to address and reduce the risks of forced and child labour within its operations and across its supply chain.

Samco has a strong commitment to proactively mitigating risks associated with forced and child labour across its operations and supply chain.

While there has been no evidence of forced labour or child labour in our operations to date, we plan 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 and monitoring.

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

Through these efforts, we will enhance transparency and promote ethical standards across our supply chain, while also supporting a foundation for a sustainable and responsible global business environment.

2. 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 Machinery’s Rolling Division offers its customers custom rollforming services through its in-house rolling mills. Samco Machinery’s Fabrication Division is an industry leading Canadian Welding Bureau (“CWB”) certified precision fabricator. Our mandate is to customize and create end products that meet our customers’ metal bending needs. We are 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.



Global Innovators in Rollforming and Value-Added Solutions

Workforce Composition: We proudly employ approximately 200 staff out of our office in Toronto, Ontario, Canada. Our team includes a range of skilled professionals including engineers, project managers, sales, and back-office support staff.

Partner Organizations and Supply Chain Overview: We have established strong relationships with our suppliers, collaborating to enable our commitment to quality and operational efficiency. Most of our goods are sourced from Canada and the United States. We place great importance on ensuring that all materials purchased adhere to our high quality standards. We serve customers predominantly located in Canada, the United States, Mexico, and Chile.

3. Section B: Policies and Due Diligence Processes

As Samco has not identified any risks of child or forced labour to date, including over the last full financial year, we have not formalized any policies and due diligence processes related to these issues. However, with a commitment to continuous improvement in this area, we will implement certain initiatives going forward that may include:

- Contracting a third-party to review our operations and supply chains to identify risks related to child labour and forced labour, outlining opportunities for improvement going forward,
- Training employees to look for signs of child labour and forced labour in supplier site visits, with a supporting process to report any risks, and
- Requesting suppliers to provide an overview of their processes and policies to address risks of child and forced labour in our supplier onboarding process.

These proposed initiatives, along with others outlined in this report, demonstrate our commitment to upholding a high standard of ethical labour practices and maintaining a responsible supply chain. They contribute to our efforts to embed responsible business conduct into policies and management systems.

4. Section C: Forced Labour and Child Labour Risks

To identify potential risks of forced or child labour within Samco's supply chain, we conducted a risk assessment guided by insights provided in the Walk Free Global Slavery Index, the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor, and the OECD Due Diligence Guidance for Responsible Business Conduct. This enables us to evaluate where risks of forced and child labour may arise within our supply chain, allowing us to take proactive steps to mitigate against them.

In our assessment, we 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 Labor or Forced Labor was used to identify specific product risks.

Our assessment of risk over the last financial year indicated that purchases from India, Poland, and Mexico, collectively representing less than 10% 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 90% of our total supplier spend. There were no risks triggered by a comparison of purchased products against the US Department of Labor’s List of Goods Produced by Child Labor or Forced Labor.

The results of our assessment indicate that the likelihood of encountering forced and child labour risks within our supply chain is overall low when analyzing our supplier spend. However, we maintain our commitment to proactively addressing these risks and incorporating risk management procedures and policies to prevent child labour and forced labour in our business operations.

5. Section D: Remediation Measures

We have not found any evidence of forced or child labour in our operations or supply chains to date, and as a result, we have not had to implement any corrective actions within and prior to the last financial year. However, we acknowledge the critical need for effective remediation measures if such issues arise in the future, in alignment to the United Nations Guiding Principles on Business and Human Rights. Should Samco identify signs of child labour or forced labour within our supply chain, we commit 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, and
- evaluating alternative suppliers that demonstrate stronger policies and processes to mitigate forced labour and child labour.

6. Section E: Remediation of Loss of Income

We have not found any evidence of forced or child labour in our operations or supply chains within and prior to the last financial year, but we understand 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 in the case an issue related to child or forced labour arises, and we will seek guidance from advisors and local non-profit organizations as needed.

7. Section F: Training

Over the last financial year, we have not provided any mandatory training for our employees on the topics of forced labour or child labour. However, recognizing the importance of such initiatives, we will incorporate mandatory training on ethical sourcing and identification of forced

and child labour risks for our procurement team. To assess training effectiveness, we will incorporate a test at the end of the training module to ensure employee understanding.

8. **Section G: Assessing Effectiveness**

While Samco did not have any processes in place to evaluate its effectiveness against preventing child labour and forced labour within its supply chain and operations over the last financial year, we will continue to evolve our maturity in this area. We will partner with an external organization to conduct an independent review of Samco's supply chain and operations to identify any risks related to child or forced labour and continue to improve our risk management processes accordingly.

9. **Conclusion**

Samco places great importance in adhering to the highest standards of ethical conduct and compliance with Bill S-211. While no signs of forced labour or child labour have been identified in our operations within and prior to the last financial year, we will continue to implement preventative measures to reduce the likelihood of any potential related risks arising in the future.

10. **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, President & CEO

Name and Title

May 29, 2024

Date



Signature

I have the authority to bind Samco Machinery Limited.