

BELLEMARE

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

May 2024

1. INTRODUCTION

This report is presented by 9451-5939 Québec Inc (hereinafter the “**Groupe Bellemare**” or the “**Company**”) for the fiscal year ending November 30, 2023. This is the first report prepared by the Company in accordance with Canada's new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (hereinafter the “**Act**”).

SDF Abrasif Inc, a subsidiary of Groupe Bellemare, is the only entity required by law to prepare an annual report. However, Groupe Bellemare's policies apply to all its subsidiaries, and respect for human rights is important to the entire company, which is why this report covers Groupe Bellemare as a whole.

2. MEASURES TAKEN TO PREVENT AND REDUCE THE RISK OF FORCED LABOUR AND CHILD LABOUR

Groupe Bellemare is firmly committed to protecting human rights and providing a fair and ethical working environment, and we expect the same from our business partners.

During the Reporting Period, Groupe Bellemare developed new policies in relation to forced labour and child labour, which will apply both within its plants and in its supply chains.

In addition, Groupe Bellemare carried out a face-to-face audit in two supplier regions where the risk of forced labour and child labour is higher. The classification of supply chains risk level according to the risk of use of these practices will be discussed later in this report. This two-week audit enabled Groupe Bellemare to observe the reality of working conditions at these suppliers (environment, working conditions, etc.).

During this audit, Groupe Bellemare did not identify any use of forced labour or child labour. Furthermore, the company noted that some of the suppliers audited offer a high degree of flexibility in working hours, particularly for mothers.

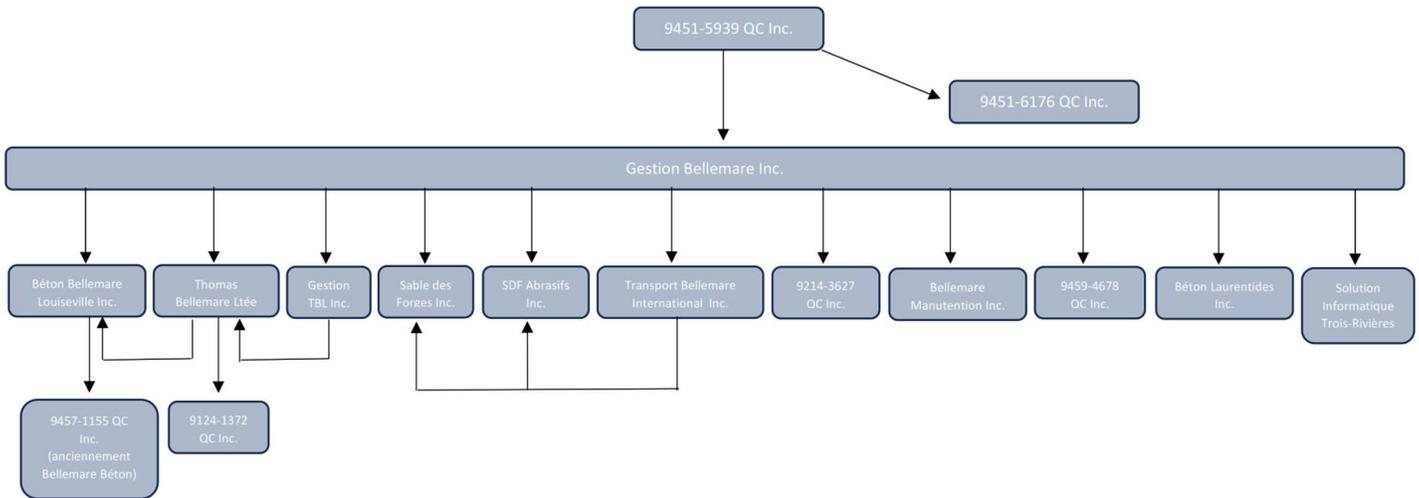
3. COMPANY PRESENTATION

Groupe Bellemare is a joint-stock company with 450 to 500 employees, depending on the season. The head office is located at 8750, boulevard Industriel in Trois-Rivières, Québec (Canada).

The Company has several business segments, including the following:

- Specialized and non-standard trucking.
- Manufacture and transport of concrete and concrete products.
- Roller-compacted concrete paving.
- Heavy haul & rigging.
- Container rental.
- Sales and transportation of sand and aggregate products.
- Processing, distribution and sale of abrasives and specialty minerals.

SDF Abrasif Inc. specializes in the processing, distribution and sale of a range of specialty minerals for industrial, commercial and residential use. The main applications for these products are for sandblasting, waterjet cutting, filtration, grouting and foundry sands. A list of SDF Abrasif Inc. products and services is provided on the following page.



SDF ABRASIF INC. LIST OF SERVICES AND PRODUCTS

- Sandblasting
 - Bellemare Pro-Grit
 - Iron Silicate
 - Natural Sand
 - Bellemare Eco-Grit
 - Recycled Glass
 - Primeblast
 - Specular hematite
 - Steel Beads
 - Steel Grit
 - Glass Beads
 - Aluminum Oxide
 - Garnet
 - Emery
 - Traprock
- Filtration and Pool Salt
 - Filtration Glass
 - Filtration Sand
 - Pool Salt
- Waterjet Cutting
 - Garnet

List of products:

- De-icing and Anti-skid
 - Sand and Salt Mix
 - Anti-skid Stone
 - De-icing Salt
- Pre-mix Concrete and Ciment
 - Pre-mix Concrete
 - High-Strength Premixed Concrete
 - Cement-Sand Mix
 - GU TYPE 10 Portland Ciment
- Sandpits and Aggregates
 - Natural and Sieved Sand
 - Natural Stone
 - Crushed Stone
 - Sieved Topsoil
 - Recycled Aggregates
 - Recycled Glass Mulch
 - Stone Dust
 - Bulk Products Transport
- Bagging Service

4. CODES AND POLICIES

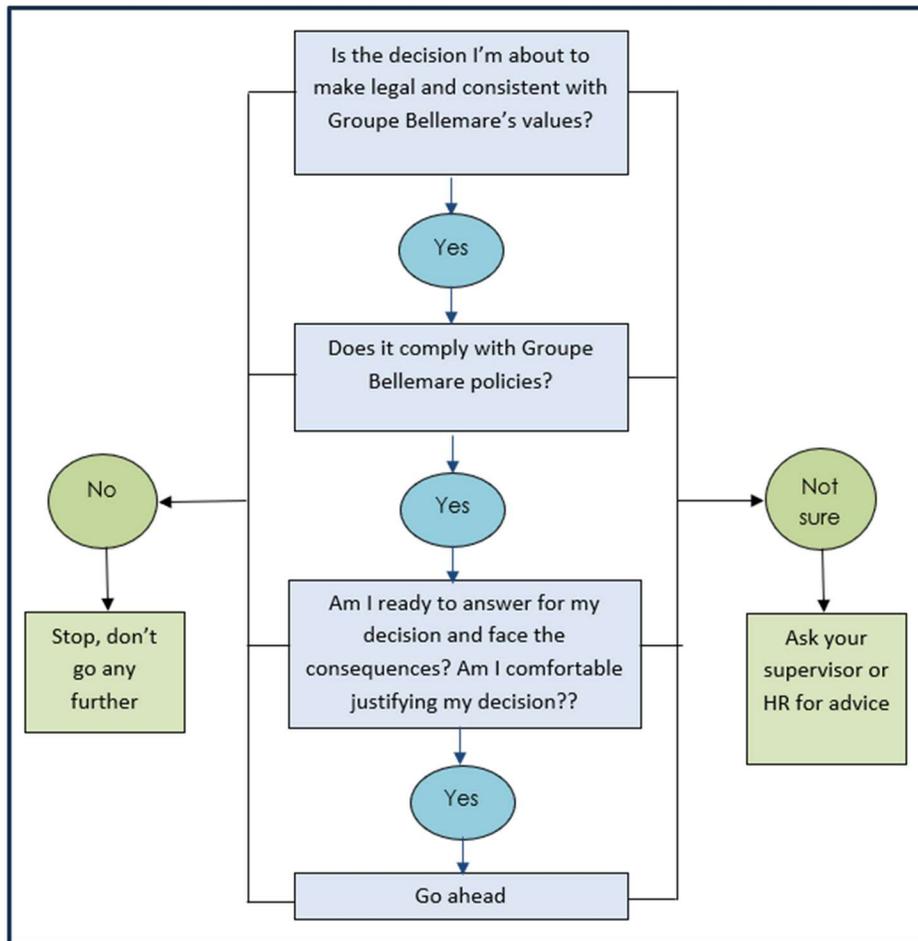
During the Reference Period, the rights and obligations of Groupe Bellemare employees were governed by the Employee Manual, particularly with regard to working hours, compensation, vacation, disciplinary measures, psychological harassment, sexual harassment and violence in the workplace, as well as occupational health and safety.

In addition, during the Reporting Period, Groupe Bellemare developed new policies, namely the *Supplier Code of Conduct*, the *Code of Organizational Ethics*, and the *Code of Responsible Conduct*, to firmly support its stance against all forms of forced labour and child labour. Over the next few months, these new policies will come into effect to provide a better framework for Groupe Bellemare's commercial activities, supply chains and business relationships.

The *Supplier Code of Conduct* will set out the expectations Groupe Bellemare has of its suppliers, including the following: to respect laws governing child labour and ensure that work does not interfere with the education and development of children, and to prohibit any use of forced labour, withholding of official documents (such as a passport), or threatening or intimidating an employee for the purpose of forcing him or her to work.

The *Code of Organizational Ethics* will serve as a guide for all Groupe Bellemare employees, to ensure healthy and respectful working relationships. It will outline employees' duties and commitments, such as promoting and encouraging the use of the highest standards of conduct, and actively supporting Groupe Bellemare by adhering to all its values and policies.

The *Code of Responsible Conduct* will set out moral and ethical guidelines for all employees regarding operational aspects of work and procurement choices. Among other things, it will mention the duty of care and vigilance of all employees, whatever their hierarchical level, particularly with regard to issues of human rights, ethics, modern slavery and child labour. The decision tree reproduced on the following page will be included to assist Groupe Bellemare employees in their decision-making.



These codes do not constitute a complete inventory of the various rules and procedures, but rather an informative framework that facilitates the analysis of a situation and improves decision-making in order to respect the fundamental values of Groupe Bellemare as well as the legislation applicable in the various relevant jurisdictions.

5. SUPPLY CHAINS

Groupe Bellemare's production is based entirely in the Mauricie region of Quebec, Canada. However, the company imports raw materials from many regions, including North America, Southeast Asia, South Asia and Europe.

The vast majority of Groupe Bellemare's suppliers come from North America, where the prevalence of modern slavery is considered low according to the *Global Slavery Index* of the *Walk Free Foundation*¹.

¹ <https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>

However, some of Groupe Bellemare's suppliers come from countries where the prevalence of modern slavery is considered medium to high according to the *Global Slavery Index*. Groupe Bellemare is well aware that these parts of its supply chains are more likely to be affected by modern slavery and child labour.

Groupe Bellemare therefore took the initiative, during the Reporting Period, to hold an in-person audit at suppliers located in the two regions most at risk. Groupe Bellemare was able to verify working conditions at these suppliers, and identified no use of forced labour or child labour.

In addition, during the Reporting Period, Groupe Bellemare developed a virtual auditing system to more accurately categorize the risk of its suppliers using forced labour or child labour. Over the coming months, this system will classify suppliers into one of three risk categories (low, medium or high). This categorization will essentially be based on the content of suppliers' policies: Groupe Bellemare will ask them about their regulations on organizational ethics, corporate responsibility and procurement. The analysis of their answers will deepen Groupe Bellemare's knowledge of the working conditions they offer their employees, and facilitate the implementation of appropriate measures, if necessary.

Groupe Bellemare will also be sending out its *Supplier Code of Conduct* to all its suppliers in the coming months, in order to clarify its expectations of them, as set out above.

Groupe Bellemare wishes to reiterate that it does not and will never knowingly support any supplier who violates human rights and who does not adopt ethical conduct that respects human rights.

6. CORRECTIVE MEASURES

During the Reporting Period, Groupe Bellemare did not identify any situations of forced labour or child labour, nor did the company receive any reports of such prohibited practices.

As a result, Groupe Bellemare has not had to implement any measures to remedy forced labour, child labour or the loss of income caused by such measures.

In the event that a situation of forced labour or child labour is identified, Groupe Bellemare undertakes to implement a plan to effectively correct the situation. In particular, the company undertakes to work with any supplier who uses such practices to eradicate them.

7. EVALUATING THE EFFECTIVENESS OF MEASURES

During the Reporting Period, Groupe Bellemare held a face-to-face audit in two regions where the risk of forced labour and child labour is highest, enabling us to assess to a certain level the effectiveness of measures put in place to reduce the risk of forced labour at the audited suppliers.

Groupe Bellemare has not put in place any other specific methods to judge the effectiveness of the measures deployed, but will evaluate this possibility in the future.

8. TRAINING

During the Reporting Period, no training on forced labour or child labour was provided to Groupe Bellemare employees.

Over the coming months, Groupe Bellemare will determine whether it is appropriate to train some of its employees and managers involved in procurement on human rights, forced labour and child labour.

9. APPROVAL AND CERTIFICATION

This statement applies to Groupe Bellemare as a whole. It has been approved by the Board of Directors of Groupe Bellemare and is signed by the President of Groupe Bellemare and a member of its Board of Directors.

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada), only SDF Abrasif Inc. is obliged to publish a report on its activities.

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada), and in particular section 11 thereof, I, the undersigned, certify that I have examined the information contained in this report for the entity listed above. To the best of my knowledge and having exercised due diligence, I confirm that the information contained in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reference year mentioned above.

I have the power to bind 9451-5939 Québec Inc. and SDF Abrasif Inc.



Serge Bellemare, president

May 29, 2024