

FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS - ANNUAL REPORT of BURNCO ROCK PRODUCTS LTD.

Introduction

BURNCO Rock Products Ltd. and its affiliates (“**BURNCO**”) are committed to meeting their obligations under Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) to contribute to the ongoing international fight against forced labour and child labour.

This report (the “**Report**”) sets out the actions that we have taken to understand potential forced labour and child labour risks related to our business and to implement steps to reduce those risks during the financial year ended April 30, 2024.

Our Business and Supply Chains

BURNCO has a Forced Labour and Child Labour Risk Policy (the “**Policy**”) which applies to all persons working for BURNCO or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, agents, contractors, external consultants, third-party representatives and business partners.

We work to establish relationships of trust and integrity with all our suppliers. We have taken steps to improve our supplier selection and onboarding procedure in pursuit of a process that includes due diligence regarding the supplier’s reputation, respect for the law, compliance with health, safety and environmental standards, and business references.

Our recruitment processes are transparent and reviewed regularly. New employees are vetted to ensure that we can confirm their identities and that they are paid directly into an appropriate, personal bank account.

Our standard contracts and purchase agreements include forced labour and child labour undertakings when applicable. We expect our supply chain to respect and comply with all applicable laws, including the Act, and BURNCO reserves the right to terminate its relationship with a supplier which is found to be in breach of the Act.

Policies

BURNCO operates the following policies for identifying and preventing forced labour and child labour in our operations:

1. **Forced Labour and Child Labour Risk Policy** - we provide guidance on the various manifestations of forced labour and child labour, risk assessment and due diligence.
2. **Whistleblower Hotline and Whistleblowing Policy** - we encourage all employees, customers, and suppliers to report any suspicion of forced labour or child labour without fear of retaliation.
3. **Employee Code of Conduct** - we encourage employees to do the right thing by clearly stating the actions and behaviors expected of them when representing the business. We strive to maintain the highest standards of employee conduct and ethical behavior.



Risk Assessment and Due Diligence

BURNCO will undertake a review of our current supply chain and assess the same against key forced labour and child labour risk indicators.

If any suppliers are identified as representing a higher level of forced labour or child labour risk further inquiries will be required of them to determine whether they have appropriate policy and processes respecting these risks in place, and whether the level of due diligence they undertake and protection they afford their supply chain and employees is sufficient to meet the requirements of the Act and BURNCO's Policy.

Once fully implemented, our due diligence process for suppliers will investigate and confirm that suppliers meet minimum standards for employment conditions, their own supply chain management and governance and that appropriate grievance and redress mechanisms exist.

Reporting

BURNCO's Whistleblower Hotline is hosted by an independent external organization, allowing individuals to report any issues they may encounter in BURNCO's business easily and anonymously.

The process ensures the reporter can remain anonymous if they wish and that the report is reviewed at the most senior level of management within the business. Should any member of BURNCO's senior management be the subject of a report, another appropriate individual within the business will lead the resulting investigation.

Our Employee Code of Conduct and Whistleblowing Policy contains guidance on how to raise any questions or concerns about forced labour and child labour in our business or supply chain.

Training

BURNCO has provided forced labour and child labour education to its personnel, including what the risks are, to ensure personnel are aware of and informed about the Policy. We similarly require all new employees to familiarize themselves with the Policy.

BURNCO is continuing to educate employees and third-party suppliers on these risks which could arise in our supply chains and will provide regular refresher training sessions on this issue moving forward.

Our Next Steps

While BURNCO is pleased with the progress that has been achieved over the course of the past year, we strive to continually improve our systems and policies that mitigate the risks of forced labour and child labour taking place in our business and supply chains.

Our key aims for this are:

1. BURNCO will be expanding our supplier checks.
2. BURNCO will also be reviewing any current purchasing practices to ensure that we are not putting undue pressure on suppliers that may increase the risk of forced labour and child labour.

3. BURNCO will reassess our policies and processes (including the implementation of a Supplier Code of Conduct) to identify whether any improvements can be made to further mitigate against forced labour and child labour risks.

Responsibility and Compliance

BURNCO's Board of Directors has overall responsibility for this Report. Our Procurement and Human Resources Department have primary and day-to-day responsibility for monitoring its use and effectiveness, dealing with any queries about it, and ensuring that BURNCO's internal control systems and internal auditing procedures are effective in countering forced labour and child labour risks within our business and supply chain.

Any concerns about forced labour or child labour taking place in any part of our business or supply chain can be raised directly with our General Counsel, the legal department or anonymously via our Whistleblower Hotline.

This Report is made pursuant to Section 11.1 of the Act and constitutes BURNCO's Annual Report thereunder for the financial year ended April 30, 2024.

Approved by the Board of Directors on May 27, 2024.

And signed on its behalf by Scott Burns, Executive Chairman

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Scott Burns

I have the authority to bind BURNCO Rock Products Ltd.

