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2024 Report on the Fighting against Forced Labor and Child Labor in Supply Chains Act

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1. About this report / introduction

This report is the second written by Groupe Somavrac Inc. and its associated subsidiaries (Fonbrai Inc., Servitank Inc., Somavrac Inc., Somavrac (C.C.) Inc., Javel Bois-Francs Inc. (JBF), Servichem Inc., Chloretech Inc., Porlier Express Inc., Manutention Porlier Inc., UBA Inc., Transport Somavrac Inc., Transport Servitank Inc., Transport O.S.I. Inc., Somavrac Aviation Inc., Équipements Prommel Inc. and Immobilisations Prommel Inc.) on forced labor and child labor in the supply chains for the fiscal year ending April 30, 2025 (hereinafter the "Reporting Period"), as required by the new *Fighting against Forced Labor and Child Labor in Supply Chains Act* (Canada) (hereinafter the "Law"). Groupe Somavrac Inc. and its subsidiaries are hereinafter collectively referred to as "Groupe Somavrac".

2. Measures taken to prevent and reduce the risks of forced labor and child labor

Both in our company and among our business partners, respect for human rights is of primordial importance for Groupe Somavrac.

During the 2024-2025 financial year, Groupe Somavrac ensured the compliance of its policies relating to forced labor and child labor with the legislation in force for all of its sectors.

During the Reporting Period, we took the following measures to prevent and reduce the risks of forced labor and child labor within Groupe Somavrac and in our supply chains:

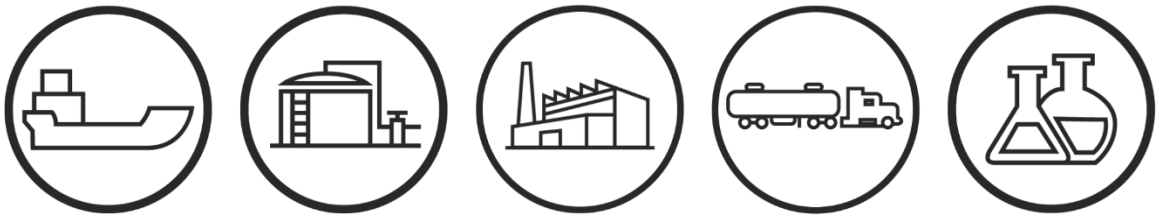
- Conception of a procurement policy adapted to current regulations, currently undergoing final validation and scheduled for deployment and sharing with employees by September 2025.
- In this policy, we refer to an online analysis form that will be sent to our suppliers to validate the scope of their procurement policies.

- Research and implementation of training programs to raise employee awareness on the matter, for the procurement, sales, human resources, accounting and management departments of our various subsidiaries.
- Receipt and completion of several forms validating our sourcing practices on modern slavery.
- A code of civility has been put in place and is now presented and signed by each new employee upon induction.

3. Our company, our structure and our activities

Groupe Somavrac was founded in 1963; it is a family business whose head office is located in Trois-Rivières. Groupe Somavrac works mainly in the areas of stevedoring, warehousing, handling, transformation, transport and distribution of chemical products in various industrial sectors, including the mining industry, cement plants, energy, pulp and paper, steel and aluminum production and processing, chemicals/petrochemicals and the agricultural and agri-food sectors.

Whether solid or liquid bulk, dangerous materials, project cargo or others, the safe handling of goods is at the heart of the Groupe Somavrac's know-how.



Since its foundation, Groupe Somavrac has developed commercial activities with remarkable dynamism and integrity. Innovation, investments and technology are part of the growth strategy of Groupe Somavrac, which is now well established in many regions of Quebec as well as in Ontario.

Groupe Somavrac and its subsidiaries have over 500 employees, many of whom work in its various terminals. Our employees are therefore able to offer a turnkey service adapted to the needs and realities of each customer.

The motto of Groupe Somavrac is "*together we are the strategic extension of our customers' operations and we contribute daily to creating value by simplifying their logistics activities and supply chains*"; it is much more than a statement. This motto guides every decision we make and every action we take. Rooted in our corporate DNA, our values define our identity and guide our daily actions. Guided by a family spirit, we create with our employees a positive and dynamic living space where collaboration and kindness ensure collective and individual development. Our thirst for excellence pushes us to always aim higher, to seek perfection in all facets of our organization through our know-how and our recognized fields of expertise. Finally, our passion for our customers is at the heart of everything we do. Their needs and concerns are our main motivation.

4. Policies, governance and due diligence processes

4.1. Recruitment Policy

During the Reporting Period, Groupe Somavrac ensured compliance with its recruitment policy, which stipulates that employees working in our operations must be at least 18 years of age. This initiative aims to ensure an adequate level of maturity and understanding among our staff, thereby reducing certain health and safety risks among employees. This policy ensures that no child labor is used at Groupe Somavrac.

4.2. Policies applicable to employees

All employees of Groupe Somavrac are subject to our Policy against Harassment and Violence in the Workplace, to our Policy against Theft, Fraud and Breach of Trust and to our Health and Safety Policy. Our employees are committed to behaving in an ethical and caring manner, and Groupe Somavrac is committed to providing them with a healthy and safe working environment that complies with applicable standards.

Our hiring processes require that all these policies be explained in detail to each and every one of our employees when they join Groupe Somavrac. All employees are required to read these policies and sign to attest their commitment to abide by them.

In addition, due diligence policies and processes are reviewed annually and adapted to new legislation and operational realities.

4.3. Upcoming policy

Groupe Somavrac has created a procurement policy in which it specifically addresses forced labor and child labor in supply chains. This policy is currently being approved and will be implemented by the fall.

5. Supply chains

The risk factors in Groupe Somavrac's supply chain are low, as its suppliers are located in North America, a region with a low prevalence of modern slavery, as noted in the *Walk Free Foundation's Global Slavery Index 2023*.

However, as we have not yet implemented a sourcing policy, we are aware that some of our suppliers may source from countries where the risk of forced or child labor is higher.

This year, Groupe Somavrac worked on drafting a qualification process and a procurement policy which, when deployed, will aim to improve understanding of the risks and improve control and intervention methods in relation to our supply chain, in order to reduce the risk of forced labor and child labor.

6. Corrective measures

During the Reporting Period, Groupe Somavrac did not identify any situation of forced labor or child labor in its supply chain and Groupe Somavrac did not receive any reports in this regard.

As a result, no remedial action was required. That being said, should a situation of modern slavery or child labor be identified, we are committed to implementing effective corrective measures to remedy the non-compliance situation.

7. Training

All employees of Groupe Somavrac are required to take certain training courses, including one on civility in the workplace.

This year, we have implemented a code of civility which must be presented and signed by all new employees.

We have also worked to find specific training on modern slavery, forced labor and child labor. We have identified two suppliers, Cognibox and Trace, and by the end of summer 2025, all employees concerned will be trained on the subject.

We are currently examining the possibility of introducing training for certain key employees who are more likely to be concerned by the issues of modern slavery, forced labor and child labor, particularly those whose functions involve procurement.

Specific training on modern slavery, forced labor and child labor will cover topics such as recognizing the signs of these practices, reporting procedures and prevention measures.

The objectives of these training courses are to raise employee awareness on the risks of modern slavery and forced labor, to provide them with the necessary tools to identify and report such cases, and to promote a culture of respect and compliance within the company.

8. Measures effectiveness assessment

Now that the procurement policy is almost finalized, we will be able to work on and develop our assessment form for the selection of our suppliers, in order to assess the risk of forced labor and child labor in our supply chains.

Groupe Somavrac is working to deepen its knowledge on the subject, and to improve its capacity to prevent modern slavery. We will assess opportunities to evaluate the effectiveness of our measures and processes in the future.

9. Attestation / Approval

This statement applies to Groupe Somavrac Inc. and all its subsidiaries. In accordance with the requirements of the Act, and in particular with section 11(4)(a) thereof, this report has been approved by the Board of Directors of Groupe Somavrac Inc. and is signed by the President of Groupe Somavrac inc.

In accordance with section 11 of the Act, I, the undersigned, certify that I have reviewed the information contained in the report for the entity or entities 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 indicated above.

I have the authority to bind Groupe Somavrac Inc.

Marc Paquin
President

May 30, 2025