Russell
INDUSTRIES CORP

ANNUAL REPORT

Purpose

This annual report for the 2024 financial reporting year has been created by Russell Industries Corp. ("**Russell Industries**") for the sole purpose of meeting its obligations and reporting requirements for entities pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act,* SC 2023, c 9 (the "**Act**"). This is a joint report on behalf of Russell Industries and Canadian Maritime Engineering Ltd. ("**CME**" and together with Russell Industries, "**we**" or "**our**").

Organizational Structure, Activities, and Supply Chains

Russell Industries is a corporation that controls multiple companies in Canada through which it provides project and maintenance services for customers in the power generation, heavy industry, and marine industries. CME is one of the subsidiaries of Russell Industries. Russell Industries' group of companies have hundreds of tradesmen and over 20 facilities across Canada.

Russell Industries and CME manufacture goods such as barges and side winders. Materials required to produce such goods are procured through various suppliers, most of whom are in Canada. Produced goods are sold primarily to Canadian customers.

Russell Industries and CME also import goods including cranes, crane components and spare parts from worldwide, including Asia. These goods are then distributed to customers primarily located in Canada.

Policies and Due Diligence Processes

Russell Industries and CME embed responsible business conduct into policies and management systems to help identify and manage potential forced labour and child labour risks within the business and our supply chain.

Russell Industries and CME ensure that vendors have International Organization for Standardization **("ISO")** certification, which may include standards with respect to competency of personnel and compliance with relevant health and safety regulations. Once it is verified that a potential vendor is ISO certified, the vendor is added to the approved vendors list. The status of each vendor on the list is reviewed every year to ensure that its ISO certification is still valid.

Our standard Purchase of Goods and/or Services Terms and Conditions further requires our suppliers to guarantee and warrant that work will be rendered using qualified personnel and that the supplier is sufficiently experienced and properly qualified, licensed, equipped, organised and financed to perform the work. These clauses help to mitigate the risk of child labour and help to ensure that the supplier hires workers that are paid at a rate higher than the minimum wage.

Additionally, our Quality Management System Policy Manual & Standards Operating Procedure Manual sets out the extensive quality management system in place. This policy requires all personnel to have the required qualifications, experience and responsibilities and that we maintain records of employee qualifications. This helps to ensure that personnel are of legal working age.

Finally, our Employee Handbook communicates various policies that we maintain in our own workplaces, including on workplace health and safety, code of conduct and on discrimination and harassment.

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Steps Taken in Prior Financial Year

Russell Industries and CME maintain general due diligence processes that promote responsible, ethical, and legal business conduct, as set out in more detail above. Although we did not take other steps specific to the prevention of forced or child labour in the previous financial year, Russell Industries and CME intend to explore steps we can take to help prevent and reduce the risk that forced labour or child labour is used in our supply chain.

Forced Labour and Child Labour Risks

Going forward, Russell Industries and CME intend to implement a process for identifying specific risks of forced labour and child labour that may exist in our supply chain and other Russell Industries' group of companies. We are aware that there may be higher risks associated with certain regions, goods, and industries.

Remediation Measures

Both Russell Industries and CME have not identified any forced or child labour in our activities or supply chains. As such, we have not undertaken any remediation measures.

Remediation of Loss of Income

Both Russell Industries and CME have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced and child labour in our activities or supply chains. As such, we have not undertaken any income remediation measures.

Training Provided to Employees

Both Russell Industries and CME provide general training to its employees, including with respect to safe and legally compliant workplace practices and policies. In subsequent financial years, Russell Industries and CME intend to assess what child and forced labour specific training may be appropriate for us, as well as other Russell Industries' group of companies.

Effectiveness Assessment

Both Russell Industries and CME do not currently have specific policies and procedures in place to assess its effectiveness in reducing or eliminating the risk of child and forced labour in its supply chain. Going forward, Russell Industries and CME intend to explore potential methods we can use to assess our effectiveness in helping to ensure that forced labour and child labour are not being used in our supply chain and activities, as well as other Russell Industries' group of companies.