



# GRAYMONT

## **2023 Annual Report – Forced Labour and Child Labour (Modern Slavery)**

This Annual Report is made pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* ("**Supply Chains Act**") for the period January 1 to December 31, 2023 and has been approved by the Board of Directors of Graymont Limited ("**Graymont**").

This report is a joint statement, filed on behalf of Graymont and certain of its subsidiaries, namely Graymont (QC) Inc. and Graymont Western Canada Inc.

The Supply Chains Act requires Graymont's reporting Canadian "entities" (which includes Graymont) to report on their activities in relation to the production, sale, and distribution of goods, both inside and outside of Canada, and the importation of goods into Canada. As the parent of Graymont (QC) Inc. and Graymont Western Canada Inc., Graymont is well-positioned to report on the activities of itself and these subsidiaries, as further set out below. For a detailed description of Graymont's business activities, please refer to [www.graymont.com](http://www.graymont.com).

Graymont subsidiary A.C.N. 630 698 716 Pty Ltd also files an annual Modern Slavery Statement pursuant to the *Modern Slavery Act 2018* (Cth) in Australia, which is a joint statement prepared on behalf of both A.C.N. 630 698 716 Pty Ltd and Graymont (Australia) Pty Ltd. These statements can be found at <https://www.graymont.com/en/sustainability/transparency/australian-modern-slavery-statement>.

Graymont takes a risk-based approach to forced labour and child labour issues. Given that the *Modern Slavery Act 2018* (Cth) in Australia has been in place since 2018 and that there is a higher risk of forced labour and child labour being found in its Asia Pacific supply chain, Graymont has focused its efforts to date through its Australian subsidiaries. Going forward, Graymont intends to leverage these efforts more broadly throughout the organization.

The following sections in this report are structured according to the reporting information required under the Supply Chains Act.

### **1. What steps have Graymont's reporting entities taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the reporting entities or of goods imported into Canada by the reporting entities?**

At Graymont, addressing the risks associated with forced labour and child labour started before the introduction of the Supply Chains Act.

Key areas of action already taken by Graymont to assess, prevent and mitigate the risks of forced labour and child labour in our operations and supply chains are further discussed in this report and include:

- Internal reviews of compliance practices
- Code of Business Conduct and Ethics and training on the same



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- Strong corporate governance and accountability framework
- Ethics Reporting System
- Respectful Workplace Policy and training on the same

## 2. Below is a summary of Graymont's structure, activities, and supply chains.

Graymont is a global leader in lime and limestone solutions. Our products are essential in addressing today's most pressing environmental issues while supporting vital industrial processes and agricultural needs. Uses for our products include the purification of air and water, and the production of items essential to a modern economy such as steel, paper, and metals. Headquartered in Richmond, British Columbia, Canada, Graymont, through its subsidiaries, serves markets throughout North America and Asia Pacific.

Graymont Limited is the parent company. The other two reporting "entities" in Canada, Graymont (QC) Inc. and Graymont Western Canada Inc. are direct subsidiaries of Graymont Limited. Between the three of them, they employ approximately 450 salaried and hourly employees in Canada.

Graymont's mission statement is "Contributing to a decarbonized world by providing essential lime and limestone solutions."

Graymont's lime operations are focused on the production of high-calcium and dolomitic lime, and value-added, lime-based products such as hydrated lime as well as pulverized limestone and construction stone.

In 2023, Graymont celebrated its 75<sup>th</sup> anniversary. As might be expected of an enterprise with such a history, Graymont takes a long-term approach to business that is evident in its strong commitment to sustainable growth. Graymont strives to be an industry leader and attain world-class performance in all aspects of its operations, particularly in the areas of workplace health and safety and environmental stewardship.

In Canada, Graymont and its subsidiaries operate in the provinces of British Columbia, Alberta, Manitoba, Quebec and New Brunswick. In the United States, Graymont, through its subsidiaries, is present in Washington, Oregon, Montana, Nevada, Utah, Wisconsin, Michigan, Ohio, and Pennsylvania. Graymont, through its subsidiaries, also operates rail-to-truck trans-load terminals that extend the geographic market reach of several plants.

The corporate office is located in Richmond, British Columbia. North American lime operations are supported by regional offices located in Brossard, Quebec, West Bend, Wisconsin and Sandy, Utah, and by the Graymont Engineering office located in Joliette, Quebec.

Graymont's Asia Pacific operations supply quality lime and limestone products primarily to the agricultural, animal-health and industrial markets in the region. In New Zealand, Graymont operates on both the North and South Islands. In Australia, Graymont's facilities are located in the



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states of Queensland, New South Wales, Victoria and Tasmania. In South-East Asia, Graymont has facilities in the Philippines and Malaysia.

The Asia Pacific operations are supported by three regional offices situated in Kuala Lumpur, Malaysia; North Sydney, Australia; and Hamilton, New Zealand; as well as offices in Manila, Philippines, and Braeside in Australia.

### 3. What are Graymont's policies and due diligence processes in relation to forced labour and child labour?

Graymont has a number of policies and processes that embed responsible business conduct into its activities and supply chains.

#### a. Our values

Graymont's success requires both individual effort and teamwork in accordance with our shared Graymont values, which are further set out at [www.graymont.com/en/about-us/mission-vision-values](http://www.graymont.com/en/about-us/mission-vision-values). With respect to assessing, preventing and mitigating the risks of forced labour and child labour, those values include:

- **Integrity** – We always do the right thing.
- **Respect**
  - We respect the right of every individual to a safe workplace.
  - We respect the cultures, customs and values of all people whether they be employees, customers, suppliers, regulators or community members.
  - We respect the sustainability objectives of society including community economic, social and environmental priorities, needs and interests through all stages of facility development, operations and closure. For more information about Graymont's sustainability efforts, please visit [www.graymont.com/en/sustainability](http://www.graymont.com/en/sustainability).
- **Accountability** – We honor our commitments.

#### b. Code of Business Conduct and Ethics

Under Graymont's Code of Business Conduct and Ethics (the "**Code**"), Graymont employees, officers and directors are required, among other things, to carry out their work according to the highest ethical and legal standards, to engage in ethical and legal conduct when dealing with customers, partners, suppliers and competitors, and to report any known or suspected ethical or legal misconduct. Failure to abide by the Code may result in disciplinary action, up to and including termination.

Graymont also encourages third parties working on Graymont's behalf, including consultants, agents, suppliers, and partners, to adhere to our ethical standards.



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The Code underpins Graymont's 'One Graymont' values-based approach to compliance. Each year, directors, officers, and employees are asked to refresh their knowledge of and commitment to the Code and sign a declaration confirming that they have received, read and agree to comply with the Code. Periodic training is also provided to all employees to support their ongoing compliance with the Code.

Through the use of the annual declaration, Graymont can ensure there is an ongoing commitment to the Code. This annual declaration is a regular step in ensuring ongoing compliance and in driving the key behaviours required in order to address the risks of forced labour and child labour in our operations and supply chains.

A copy of the Code is available on our website at: [www.graymont.com/en/about-us/mission-vision-values](http://www.graymont.com/en/about-us/mission-vision-values).

## **c. Modern slavery working group**

In 2021, Graymont's Australian subsidiaries created a modern slavery working group. This group consists of representatives of different functions within the organization: procurement; health, safety and environment; logistics; human resources; and legal. This group meets quarterly to discuss the implementation of the various initiatives within the company to combat modern slavery. With the implementation of the Supply Chains Act, representatives from Graymont in North America have been added to the team.

## **d. Due diligence questionnaire implementation**

In 2023, Graymont, through its Australian subsidiaries, developed a new supplier due diligence questionnaire, which we are aiming to roll out in 2024 on a pilot basis to a limited number of direct suppliers. This will initially be targeted at the Asia Pacific region, which Graymont has identified as at higher risk of forced labour or child labour.

The questionnaire will be deployed in the first instance to a targeted group of suppliers, allowing Graymont to assess the nature and quality of the responses being received, consider any amendments required, and implement those improvements before rolling the questionnaire out to suppliers more broadly.

Further, Graymont will seek to incorporate the questionnaire into Request for Information (RFI) documents which are used to solicit specific responses from potential suppliers.

Throughout future years, Graymont will continue to deploy the due diligence questionnaire more broadly across the organization. We will also leverage the information gained from the due diligence questionnaire to assist with the design of future supplier risk assessments and audit programs as well as proactive initiatives to drive positive change.

## **e. Respectful Workplace Policy**

Graymont is committed to creating a respectful workplace for all employees that is free from discrimination, harassment, bullying, victimization and violence of any kind. All new hires



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complete respectful workplace training as part of the onboarding process. The Respectful Workplace Policy includes a prohibition on any violence in the workplace, which we recognize can be an indicator of forced labour or child labour.

#### **4. Which parts of Graymont's business and supply chains carry a risk of forced labour or child labour being used and what steps has Graymont taken to assess and manage that risk?**

With the coming-into-force of the Supply Chains Act, Graymont is looking at ways to expand how it assess and manages the risk of forced labour and child labour beyond the efforts being conducted by its subsidiaries in Australia.

The ever-changing and dynamic nature of the global supply chain illustrates the importance of regular risk assessments. With the initial focus on the Asia Pacific region, where a greater risk of forced labour and child labour exists than in Canada, Graymont, through its Australian subsidiaries, has continued to assess its supply chains on an annual basis, using this information to put in place initiatives for continued improvement. In addition to conducting a desktop assessment of potential modern slavery risks within supply chains, Graymont's Australian subsidiaries continue to engage in person with key suppliers in Asia Pacific. As part of these in person engagements, Graymont's Australian subsidiaries discussed with suppliers the actions being taken in respect to modern slavery and also asked a range of questions to understand the actions and initiatives its suppliers are taking to eradicate modern slavery from the global supply chain. In the years to come, Graymont intends to expand these efforts to the broader organization.

#### **5. What measures has Graymont taken to remediate any forced labour or child labour?**

Graymont is not aware of any forced labour or child labour in its supply chain in 2023 and therefore did not take any steps to remediate forced labour or child labour. However, Graymont maintains a robust ethics reporting system, where employees can report violations of Graymont's Code, as further set out below.

Graymont maintains an Ethics Reporting System, managed by an independent third-party provider, which allows employees to report alleged violations of the Code on an anonymous and confidential basis.

Graymont acknowledges the importance of providing avenues for individuals to report concerns they may identify during their day-to-day activities. As a result, this Ethics Reporting System was established by Graymont in 2012 where directors, employees, shareholders, suppliers of goods or services (including any employee of that supplier), customers and community members can anonymously report to Graymont any serious wrongdoing, ethical misconduct or illegal activities, including in relation to modern slavery. This reporting system is available 24 hours a day, 7 days a week.



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Issues can be reported through a secure website which is made available in local languages, via mail or by telephone with local numbers provided for each country in which Graymont operates.

Through encouraging employees and suppliers to take advantage of the Ethics Reporting System, Graymont is able to ensure there is a constantly accessible avenue available for the reporting of potential forced labour or child labour. This in turn provides Graymont not only with the necessary information to address risks, but also enables us to assess the effectiveness of the measures currently in place.

**6. Has Graymont taken any measures to remediate the loss of income to the most vulnerable families that results from any measures taken to eliminate the use of forced labour or child labour in its activities and supply chains?**

As noted above, Graymont is not aware of any forced labour or child labour in its supply chain in 2023 and therefore did not take any steps to remediate loss of income.

**7. What training has Graymont provided to employees on forced labour and child labour?**

**a. Code e-learning module**

In 2023, Graymont implemented a new comprehensive e-learning module for the Code. This module was rolled out for all current employees as part of the annual declaration discussed in section 3a above, and all new employees will need to complete the module as part of the onboarding process.

The Code and the module emphasize the importance of complying with the laws and regulations in the countries where we operate and acting in accordance with the highest ethical standards. Employees are also asked to immediately report any known or suspected ethical or legal misconduct.

**b. Modern slavery e-learning module**

In 2022, Graymont's subsidiaries in Australia launched a modern slavery e-learning module for their employees. This module provides anywhere, any-time training for Graymont's Australian employees about what constitutes modern slavery, Graymont's obligations under Australia's *Modern Slavery Act 2018* (Cth), the risks of modern slavery in the Asia Pacific supply chain, the signals that might indicate the presence of modern slavery, and what action employees can take if they identify any areas of potential concern.

With the implementation of the Supply Chains Act in Canada, Graymont intends to adapt the material used by Graymont in Australia in this e-learning module for use by its Canadian employees.



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The utilization of the e-learning module will be embedded by ensuring all new salaried employees in Canada complete the training. The e-learning module will complement other e-learning training content that Graymont provides to our people including with respect to fostering a respectful workplace and our expected standards of business conduct and ethics. The training will incorporate a knowledge check that each participant must 'pass' before they are deemed to have completed the training.

## **c. Integration of modern slavery awareness into employee onboarding program**

At Graymont all new employees participate in an onboarding program. This is a structured way to help new employees join the Graymont team where they learn about Graymont's culture and current strategies, whilst getting to know their team members and the focuses of their function. Onboarding provides an opportunity to establish purpose by being clear about role responsibilities and performance expectations, commence development planning and complete assigned e-learning activities that help employees learn more about Graymont's policies, processes and emerging initiatives.

In 2022 the modern slavery working group drafted a 'Modern Slavery Onboarding Note' to be utilized by managers when onboarding new employees in Australia, and this was updated in 2023 to include the modern slavery working group's new actions. This content provides employees with a summarized view of what modern slavery is, what Graymont has done and will continue to do on the journey towards reducing the risks of forced labour and child labour in the global supply chain, and what each employee can do within their own role to help achieve this goal.

With the coming-into-force of the Supply Chains Act, Graymont intends to adapt and use this integrated onboarding approach for all new Canadian employees.

## **d. Modern slavery awareness poster**

In 2023 the modern slavery working group developed an interactive modern slavery awareness poster. The aim is for this poster to be displayed at each operations site and office in Australia and will assist to bring awareness of the risks of modern slavery to employees, contractors and visitors at each location. This initiative builds on other successful posters that have been used across the Graymont network to communicate key safety, environmental and wellbeing messages.

The poster for Australia provides a brief definition of modern slavery, presents Graymont's goal of reducing the risks of forced labour and child labour in global supply chains, and summarizes how people can learn more. The poster is interactive as it has a QR code that redirects the reader to the latest Modern Slavery Statement of Graymont's subsidiaries in Australia.

Graymont recognizes the importance of enabling employees to be vigilant for any potential modern slavery indicators. The poster will serve as a visual reminder of the potential risks of modern slavery and will be deployed in 2024 to all Australian sites.



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Graymont is currently looking at ways to leverage the work done by Graymont's Australian subsidiaries and adapt and make use of this poster for its Canadian locations.

## **8. How does Graymont assess its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains?**

As part of our pursuit to be world class in everything we do, Graymont recognizes that reflecting on the actions taken to address forced labour and child labour, and assessing their overall effectiveness, is a crucial step to putting an end to forced labour and child labour.

As discussed throughout this report, Graymont has started to leverage the efforts of its subsidiaries in Australia to address its efforts around minimizing the potential for forced slavery and child slavery in its supply chain.

In the event Graymont became aware of an ethical issue with a supplier, it would conduct a tailored audit of the supplier. Where items of concern are flagged, Graymont would promptly raise these with the supplier and work with the supplier to ensure these concerns were addressed. Graymont was not made aware of any such issues with its suppliers in 2023.

Graymont also recognizes that, as a supplier of lime and limestone solutions, it forms part of its customers' respective supply chains and that its customers will be looking to Graymont's efforts to combat forced labour and child labour as part of their own efforts in this area.





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**ATTESTATION OF GRAYMONT LIMITED**

*In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act"), and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. 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.*

Full name: Stéphane Godin

Title: Director, and President and Chief Executive Officer

Date: April 18, 2024

Signature:

I have the authority to bind Graymont Limited.

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