



[Sanimax Industries Inc.](#)

2024 Annual Report

**Fighting Against Forced Labour and Child Labour in Supply
Chains Act (Canada)**

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INTRODUCTION

The Canadian government passed its first law concerning modern slavery: Fighting Against Forced Labour and Child Labour in Supply Chains Act (hereinafter the “Act”). entities subject to this Act must, as part of this Act, produce an annual report on or before May 31 of each year, the second such report being due on May 31, 2025, indicating notably the risks of modern slavery within their supply chain, and the measures taken to mitigate their risks. This report was therefore prepared by **Sanimax Industries Inc.** (ci-après « Sanimax ») in accordance with the requirements of the Act for the fiscal year ending December 28, 2024.

At Sanimax, we are committed to taking the necessary steps to identify and mitigate the risks associated with forced and child labor in our operations and supply chain. We are committed to continuously improving our due diligence, risk assessment, remediation and training processes.

This report aims to disclose Sanimax’s current status in terms of reducing the risk of child labor in its supply chain, as well as our commitment to respecting human rights. This report will be published annually.

REPORTING ENTITIES

This report was prepared by Sanimax Industries Inc., on its own behalf and on behalf of the following entities ¹, for the following period: January 1st, 2024, to December 31st, 2024.

- Sanimax Industries Inc.
- Sanimax San Inc.
- Sanimax LOM Inc.
- Sanimax Ltd.

References in this report to “Sanimax”, “Company”, “we”, “our” and similar terms refer to Sanimax Industries Inc. and its subsidiaries.

PREVENTION AND MITIGATION OF THE RISKS OF FORCED LABOR AND CHILD LABOR

Sanimax recognizes the fundamental importance of human dignity and equality. We believe that economic growth and social progress go hand in hand, and therefore do our utmost to provide a safe working environment. We are committed to protecting human rights in all our activities and business relationships.

In the past fiscal year, we continued to conduct our business in accordance with our policies promoting the well-being of our employees, and to exercise due diligence in our relationships with our business partners. In addition, we have implemented the following measures to contribute to the fight against forced and child labor:

¹ In this joint Report, the words terms « we » and « our » mean the reporting entites.

- We have familiarized ourselves with the law and its requirements.
- We have collected information when hiring our workers to ensure that their free will to work is respected, including in the case of immigrant workers we occasionally hire.
- We ensure that our Code of Conduct is applied to all our employees.
- We have had discussions regarding the review of our Employee Code of Conduct
- We have prepared a first draft of a Supplier Code of Conduct, that we aim to implement in 2025
- We have created an action and continuous improvement plan
- We have set up a discussion and reflection committee

This report presents a description of these measures, as well as some additional initiatives we are planning to take in the fight against forced labour and child labour, it being understood that these are constantly evolving.

STRUCTURE, COMMERCIAL ACTIVITIES AND SUPPLY CHAIN

Structure

Founded in 1939, Sanimax is a family business that has spanned generations and borders. The company, through its operating entities, is active in the rendering industry, enabling the reuse of material that would otherwise be left to decay in landfill sites, thus participating in a circular economy. As such, we are a major supplier of value-added ingredients, as well as a processor of by-products from the agri-food industry.

Sanimax operates through a network of seventeen (17) modern processing sites. These more than two thousand five hundred (2,500) employees serve over twenty-five thousand (25,000) customers in four (4) countries. We are present in the United States, Canada and Latin America.

Activities

Our facilities are equipped with sophisticated control systems for the production of high-quality ingredients sold internationally. Every day we create something new with the leftovers nobody wants, such as:

- Superior quality tallow
- Choice white grease
- Poultry grease
- Yellow grease
- Blood meal
- Meat meal and beef or porc bones
- Feather meal
- Rabbit, duck and chicken by-product meal
- Turkey or game by-product meal
- Hydrolyzed animal proteins

Our activities can be summed up in three parts:

Recover :

- Collect used cooking oil
- Collect inedible meat and leftovers from slaughterhouses
- Collect inedible organic
- Clean grease traps

Renew :

- Transform collected materials into value-added products by maximizing their reuse.

Return :

- Livestock nutrition
- Insect nutrition
- Pet nutrition
- Industrial uses
- Renewable diesel

Supply Chain

Sanimax works with suppliers, consultants and business partners who have long-standing, solid relationships. Our main suppliers and partners come from the agri-food industry.

As part of its Canadian operations, Sanimax sources food by-products exclusively from several players in the Canadian agri-food chain, including farms, slaughterhouses, grocery stores, restaurants and agri-food companies. We collect dead farm animals, meat and animal by-products, organic materials and used cooking oils. These raw materials come from world-renowned fast-food suppliers and grocery stores, as well as from small neighborhood restaurants.

In order to be able to process all the material recovered from its suppliers, Sanimax has had to equip itself with the best equipment, including conveyors, separators, centrifuges, presses and dryers. This equipment is sourced mainly from Canadian, American and European suppliers. Sanimax sources its equipment mainly from internationally recognized equipment suppliers, most of whom operate in jurisdictions with regulations governing the monitoring of working conditions in the supply chain.

Policies and Due Diligence Process

Ethics, Environment and Governance

Sanimax has a Code of Conduct that defines the standards of behavior expected of our employees, officers and directors. It covers a number of basic ethical principles that guide the company in its day-to-day operations, such as dignity, respect and compliance with laws and standards. The Code of Conduct thus enables our employees, officers and directors to comply with legal, statutory, contractual and other obligations, and instills in them the duty to protect the interests of their suppliers, customers and stakeholders, by adhering to and respecting the highest standards of ethical behavior. The Code of Conduct is not simply a static document. It is a living document that evolves over time.

Our employees, directors and officers must certify (via their signature) annually that they have read and understood the Code of Conduct.

Training on the Code of Conduct must be provided on hiring, and every 2 years of employee seniority. The training process is deployed and monitored through our integrated training system.

Voluntary and confidential declaration process

We have a system in place that allows employees and external parties to share their concerns securely. It offers a confidential way to ask questions, express concerns or report unethical behavior, such as discrimination, harassment, fraud or other human rights violations. This public platform is available to all our employees as well as our customers, suppliers and partners. Complaints received are escalated directly to senior management and presented to our Board of Directors.

Our Corporate Social Responsibility

Sanimax's mission is to build a greener future for generations to come, and has been since the company was founded 80 years ago. This mission enables us to place respect for human rights and ethics at the heart of our decisions. Our activities are an integral part of the circular economy, give new life to over two million tonnes of organic by-products every year. Since our approach is based on making every effort to transform all of the materials we reclaim, we are constantly investing in our operations to make our practices and facilities increasingly eco-friendly.. We're constantly looking for new ways, large and small, to make our business as sustainable as possible. Here are just a few examples applied to all our commercial facilities² :

- At our Lévis plant, we developed a biofiltration process in partnership with the Centre de Recherche Industriel du Québec (Quebec Industrial Research Centre) that treats the air we release into the atmosphere. In addition to offering exceptional purification efficiency for surrounding communities and very low operational costs, this new technology helps renew a number of different by-products, including concrete residues that would otherwise be destined for landfill.
- Our Lévis plant is equipped with state-of-the-art equipment that helps eliminate the risk of mad cow disease. A biomass boiler removes the infectious agent via incineration. However, the treatment of resulting flue gases generates significant quantities of ash, which are then sent to landfill. To improve our environmental performance, we upgraded our facilities to make them compatible with the use of sodium sesquicarbonate (or Trona). These changes have reduced the quantity of ash we produce during this process by approximately 50%.
- Our Montreal plant has set up a project to recover the heat of evaporation from feather cookers and reuse it as a source of energy. This process reduces the plant's greenhouse gas (GHG) emissions by around 10%.

² <https://sanimax.com/fr/engagement/environnement/>

RISK ASSESSMENT & MANAGEMENT, EFFICIENCY

Sanimax conducts its business activities in several Canadian provinces. The jurisdictions of these provinces offer a very strict regulatory framework with regard to workers' rights and their health and safety at work. As a result, the risks of forced or child labor in Sanimax's day-to-day operations in Canada are very low.

Sanimax has a risk management system based on occupational health and safety issues, but this does not currently include specific risks related to the Act.

Sanimax has not identified any risks of forced or child labor directly with its suppliers, who are mainly based in North America.

Given the diversity of our raw material and equipment suppliers, supply chains vary significantly. In some cases, we have visibility of the product's country or region of origin, while in others we do not. In the case of the animal and organic matter we collect from Canadian suppliers, we are unable to determine where our suppliers are sourcing from.

REMEDIATION MEASURES AND REMEDIATION OF LOSS OF REVENUE

During the reporting period, Sanimax received no complaints relating to forced or child labor in its operations or supply chain. As a result, we have not put in place any remedial measures or compensation for the loss of family income resulting from forced or child labor.

EMPLOYEE TRAINING

Currently, all our employees must undergo training on the Sanimax Code of Conduct, upon hiring and every two (2) years during their employment.

Training all Sanimax employees on the Code of Conduct is an essential step that brings many benefits to the organization:

- Uniformity of Standards: By training all its employees, Sanimax ensures that everyone understands and adheres to the same standards of conduct. This creates a consistent corporate culture and strengthens the organization's identity.
- Training makes employees aware of the company's rules and values. They are better informed about what is expected of them in terms of integrity, ethics and professional behavior. This reduces the risk of violations and inappropriate behavior.
- Employees feel more confident when they know what the company expects of them. They know how to act in different situations and are better prepared to make ethical decisions. Mutual trust between the organization and its employees is strengthened.
- Reducing disputes: Solid training on the Code of Conduct can prevent internal conflicts and disputes. Employees are less likely to find themselves in problematic situations. This protects the company's image and avoids the costs associated with lawsuits.
- When all employees undergo the same training, it fosters a sense of belonging and commitment to the organization.

In short, Code of Conduct training contributes to a positive corporate culture, legal compliance and sustainable success for Sanimax.

EFFICIENCY EVALUATION

Sanimax has not yet put in place a formal process to assess the effectiveness of its approach to preventing and mitigating the risks of forced and child labour in its supply chain. However, discussions with various internal stakeholders have been held in order to implement such a process.

The update of our yearly report is reviewed every year by our Board of Directors.

APPROVAL AND ATTESTATION

Board of Directors Declaration

The Board of Directors of SANIMAX INDUSTRIES INC. approves this Report in accordance with subparagraph 11(4)(b)(i) of the Act. Pursuant to the requirements of the Act, and in particular section 11 thereof, we, the undersigned, certify that we have reviewed the contents of this joint report for the entities specified below.

To the best of our knowledge and having exercised due diligence, we certify that the contents of this joint report are true, accurate and complete in all material respects, for the purposes of the Act, for the above-mentioned reporting period.

Montreal, May 26, 2025

Martial Hamel, CEO

I have the authority to engage Sanimax Industries Inc., Sanimax San Inc., Sanimax LOM Inc., Sanimax Ltd.

Resolution

- WHEREAS** the Canadian government passed its first law concerning modern slavery: *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (hereinafter the “Act”);
- WHEREAS** entities subject to this Act must, as part of this Act, produce an annual report on or before May 31 of each year, the second such report being due on May 31, 2025, indicating notably the risks of modern slavery within their supply chain, and the measures taken to mitigate their risks (hereinafter the “Report”);
- WHEREAS** the Corporation falls within the definition of “entity” having to report under the Act;
- WHEREAS** this Report must be submitted to the federal government via its dedicated online platform, accompanied by a duly completed online form (which reiterates the terms of the Report), and published on the Corporation's website;

NOW THEREFORE BE IT RESOLVED THAT:

The Chief Executive Officer and the Senior Vice President, People and Culture (the “Authorized Individuals”) are hereby authorized, for and on behalf of the Corporation, to approve the Report prepared and/or to take any action permitting the execution of any document resulting therefrom subject to the Act, all in accordance with the presentations submitted to the Board with such modifications, additions and deletions as the Authorized Individuals may deem advisable;

All actions taken by the Authorized Individuals on behalf of the Corporation in connection with any matter relating to the Report and its publication are hereby approved, ratified and confirmed in all respects; and

The Authorized Individuals are hereby authorized for and on behalf of the Corporation to do all such acts and things and to execute, deliver and file, whether under the Corporation's seal or otherwise, all such agreements, instruments, declarations, forms and other documents as they may deem appropriate in connection with the foregoing.