

FORCED LABOUR AND CHILD LABOUR RISK — ANNUAL REPORT

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**") and to contributing to the ongoing international fight against forced labour and child labour.

Hammerstone Infrastructure Materials Ltd. ("**Hammerstone**") is a wholly owned and controlled subsidiary of BURNCO. BURNCO and Hammerstone have significant overlap in operations and share a similar risk profile in relation to forced labour and child labour.

This report (the "**Report**") is a joint report of BURNCO and Hammerstone and sets out the actions 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, 2026. Where actions or measures apply only to Hammerstone, or only to BURNCO (excluding Hammerstone), this is expressly noted.

Our Business and Supply Chains

BURNCO has a Modern Slavery and Human Trafficking 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, purchase orders 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 that is found to be in breach of the Act. Our vendor procurement systems require vendors to attest that they have policies in place to prevent child labour and forced or compulsory labour.

Policies and Procedures

BURNCO has implemented the following policies and procedures for identifying and preventing forced labour and child labour in our operations:

1. **Modern Slavery and Human Trafficking Policy** – we provide guidance on the various manifestations of forced labour and child labour, risk assessment and due diligence.
2. **Whistleblower Hotline and Whistleblowing Procedure** – we encourage all employees, customers, and suppliers to report any suspicion of forced labour or child labour without fear of retaliation.

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3. **Employee Code of Conduct and Employee Handbook** – 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.

In addition to the BURNCO policies and procedures applicable to all BURNCO affiliates, Hammerstone has also implemented the following policies:

1. **Anti-Forced Labour, Modern Slavery and Human Trafficking Policy** – codifies Hammerstone’s approach to minimizing forced labour, modern slavery and human trafficking risk within the business and supply chain.
2. **Code of Business Conduct and Ethics** – outlines Hammerstone’s commitment to conducting business in an ethical and responsible manner, including by carrying out activities in a manner that respects and supports the protection of human rights.
3. **Positive Work Environment Policy** – outlines Hammerstone’s commitment to providing a workplace free of discrimination, violence and harassment.
4. **Vendor Code of Conduct** – sets out Hammerstone’s expectations of vendors that provide goods or services to Hammerstone.

Risk Assessment and Due Diligence

BURNCO is undertaking a review of our current supply chain and assessing the same against key forced labour and child labour risk indicators. Supplier reputation, respect for the law, compliance with health, safety and environmental standards, and business references are some of the key risk indicators that BURNCO considers when conducting its assessment. Based on the assessments to date, BURNCO believes the overall risks of forced labour and child labour in its supply chain are low.

If any suppliers are identified as representing a higher risk level of forced labour or child labour, 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 the Policy.

As our due diligence process for suppliers continuously evolves and improves, it 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 Employee Handbook and whistleblowing procedure provide 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 are also actively developing programming to deliver this training to employees as part of their onboarding.

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. Continue improving our supplier checks.
2. 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. Reassess our policies and processes (including the implementation of BURNCO's Procurement Policy) 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 departments 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 BURNCO General Counsel, the Legal department or anonymously via our Whistleblower Hotline.

This Report is made pursuant to sections 11(1) and 11(2) of the Act and constitutes BURNCO's and Hammerstone's annual report thereunder for the financial year ended April 30, 2026.

Statutory Disclosures (Act, Section 11)

This Report is intended to address the disclosure requirements set out in section 11 of the Act. In particular, it describes (i) the structure, activities and supply chains of BURNCO and Hammerstone; (ii) the policies and due diligence processes in place in relation to forced labour and child labour; (iii) the parts of our business and supply chains that carry a risk of forced

labour or child labour and the steps taken to assess and manage that risk; (iv) training provided to employees; and (v) the process for reporting concerns.

During the reporting period, BURNCO and Hammerstone did not identify any instances of forced labour or child labour in our operations or supply chains that required remediation. Accordingly, we did not take specific remediation measures, including measures to remediate any loss of income to vulnerable families that might result from measures taken to eliminate the use of child labour. As our program continues to mature, we intend to further document our remediation approach and escalation procedures should an issue be identified in the future.

We continue to develop and refine the methods we use to assess the effectiveness of our actions in preventing and reducing the risk of forced labour and child labour, including through enhancements to supplier onboarding, contractual undertakings, and training. As these enhancements are implemented, we expect to formalize effectiveness measures (for example, completion rates for training, supplier attestations collected, and outcomes of supplier risk reviews) and to report on them in future annual reports.

Approved pursuant to section 11(4) of the Act by the BURNCO Board of Directors on April 24, 2026.

Signed on behalf of BURNCO Rock Products Ltd. and Hammerstone Infrastructure

Materials Ltd.

By: 

Name: Scott Burns

Title: Executive Chairman

Date: May 29, 2026