



2023

# CANADA SUPPLY CHAINS ACT REPORT

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# About this Report

This report has been prepared pursuant to the Canadian *Fighting against Forced Labour and Child Labour in the Supply Chains Act* (the “**Act**”) and sets out the measures taken by Solmax Group Inc. (Solmax) and the entities mentioned below (the “**Solmax Subsidiaries**”) (together, the “**Solmax Group**”), during the fiscal year ending on December 31, 2023, to prevent and reduce the risk of forced labour or child labour in its operations and supply chain. When used in this report, the terms “forced labor” and “child labor” have the meanings ascribed to them by the Act.

The following Solmax Subsidiaries, which are all wholly owned by Solmax directly or indirectly, are considered “entities” subject to the Act as of the date of this report: Solmax International Inc. (Quebec, Canada), Solmax Geosynthetics, LLC (Delaware, USA), Propex Operating Company LLC (Delaware, USA), Nicolon Corporation (Georgia, USA).

This report is a joint report for all businesses mentioned above included in the Solmax Group. The information contained in this report applies to all Solmax Group entities, unless otherwise indicated. The use in this Report of the terms “our”, “we”, “us” and “Solmax Group” typically refer to Solmax and the Solmax Subsidiaries collectively, or to a single subsidiary, depending on the context.





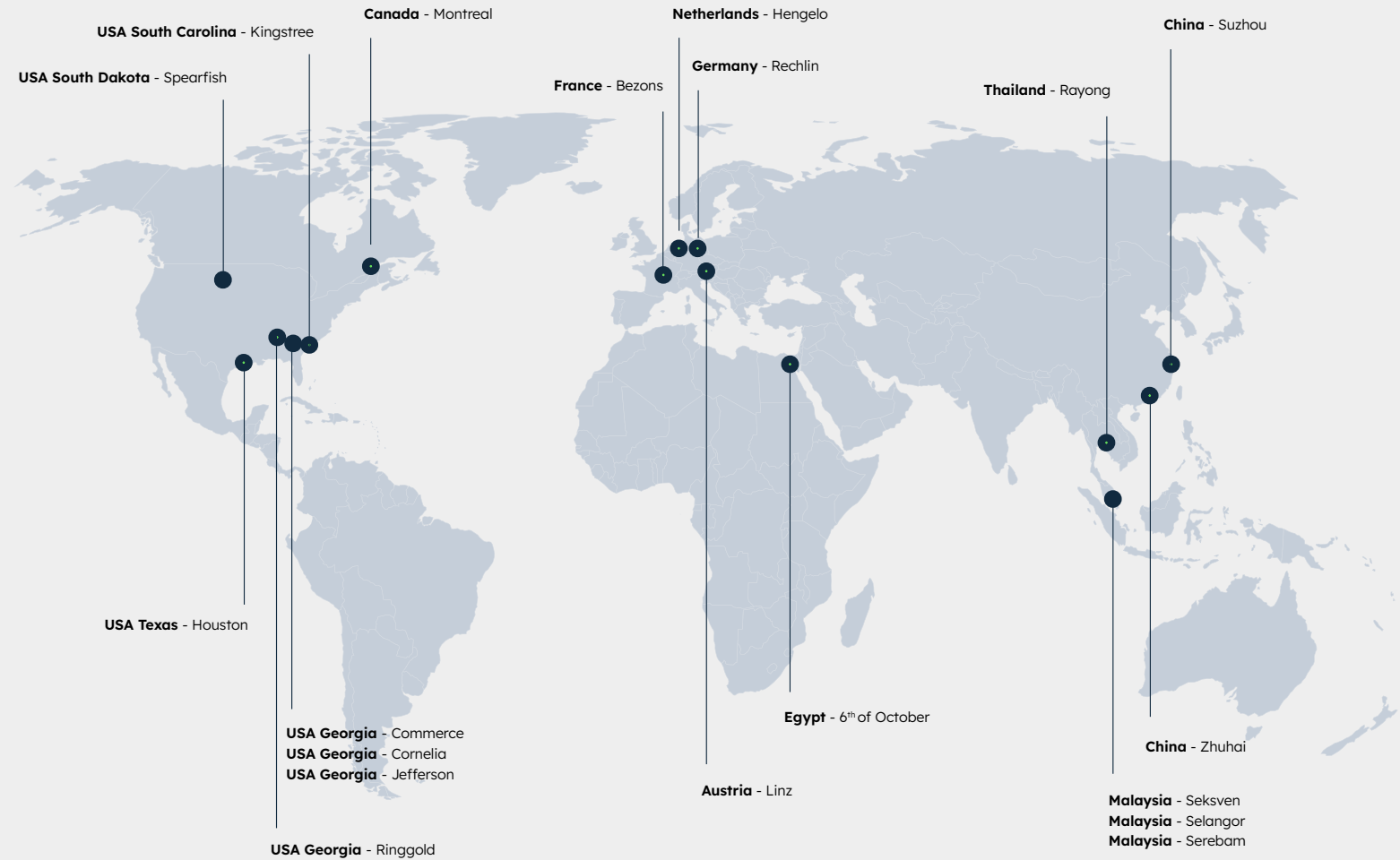
# Structure, Activities and Supply Chain

## Our structure

Solmax is a global manufacturer and frontrunner in the realm of sustainable construction solutions, particularly catering to the needs of civil and environmental infrastructure. Established in 1981, Solmax has forged a path of continuous growth (marked notably by recent strategic acquisitions including the companies GSE, Tencate Geosynthetics, and Propex), with presence and activities across the world over five continents. Today, we proudly hold the distinction of being the largest geosynthetics manufacturing enterprise worldwide, bolstered by the expertise and dedication of over 2,000 employees worldwide.

Headquartered in Quebec, Canada, Solmax operates a global footprint with subsidiaries and operational hubs strategically positioned across diverse geographies. This expansive presence enables the Solmax Group to deliver innovative solutions and unparalleled service to our customers in the B2B environment, ensuring that our commitment to sustainability resonates on a global scale.

The Solmax Group is privately held. Solmax is incorporated under and governed by the *Canada Business Corporations Act*.



**LARGEST  
GEOSYNTHETICS  
MANUFACTURING  
ENTERPRISE  
WORLDWIDE**



**5  
CONTINENTS**



**2,000+  
EMPLOYEES**



**Quebec  
HEADQUARTER**



## Our activities

### The Solmax Group operates as a manufacturer of geosynthetic materials.

In this landscape, the environmental containment sector, covering notably waste management, mining, and water, is primarily characterized by the prevalence of geomembranes. Conversely, in the civil infrastructure sector, which spans transportation, hydraulic infrastructure, building foundations, and coastal erosion management, geotextiles take center stage.

## Our global supply chain

In its global supply chain, the Solmax Group sells products, including private label products, which it manufactures or acquires from suppliers. Customers of the Solmax Group include engineering, construction companies and governments. The Solmax Group also does business with service providers and other business partners involved in the manufacturing, distribution and installation process. As a result, the Solmax Group maintains business relationships with a large number of international, national and regional suppliers of various services and products.

The Solmax Group's procurement teams are responsible for streamlining procurement practices, developing governance standards and implementing Solmax Group's procurement strategy. The procurement teams are responsible for sourcing and procuring goods and services under their specific regions/country, collaborating on global or cross-regional supplier agreements, as well as developing regional/country procurement strategies.

The provenance of our sourced products reflects the diversity and breadth of our business partnerships. Our sourcing for these products includes many different countries across all continents.





# Policies, Processes and Due Diligence

The Solmax Group is committed to respecting and promoting the highest standards of ethics and integrity in all its dealings with employees, customers, suppliers, shareholders and the communities in which we live and work.

It is our belief that modern slavery, human trafficking and child labour are abhorrent practices, and we will take such steps that are reasonable to work to reduce the risk of such practices in our activities and supply chains, in accordance with international standards and applicable laws.

Solmax's approach to human rights is supported by its Employee Code of Ethics (the "**Employee Code of Ethics**") and its Code of Ethics for Business Partners (the "**Supplier Code of Ethics**") (collectively, the "**Codes**").

Solmax aims at updating these Codes from time to time as necessary to reflect prevailing industry and legal standards. Solmax has undergone the process of reviewing the Codes and plans and issuing updated versions in the course of 2024.

Solmax provides a confidential and anonymous reporting system allowing all employees, suppliers or any person with questions, concerns or complaints regarding business ethics to reach out and report to our independent third party administrator ([www.ethicspoint.com](http://www.ethicspoint.com)), 24/365, or by phone, on a confidential or anonymous basis.

## Our Governance

Solmax's corporate responsibility governance framework, which was recently revised to include principles designed to fight against child and forced labour, is integrated into its management structure, led by the executive team. It relies on specific individuals throughout the decision-making and implementation processes, all under the oversight of the Board of Directors.





## Our Employee Code of Ethics

The health and well-being of our colleagues underpin Solmax's purpose and ensure its organizational effectiveness. Solmax focuses on occupational health and safety, respectful labour relations, sound talent management, and an equitable, diversified and inclusive work environment.

Solmax provides a rigorous framework for the conduct of its employees and executives worldwide. The Employee Code of Ethics guides and clarifies the behaviours that must be adopted in corporate life.

The Employee Code of Ethics applies to all Solmax Group employees in the performance of their duties, and requires each employee to respect the Solmax's commitment to provide a workplace free from violence, harassment and discrimination, which respects human rights and where each employee is treated with dignity and respect. Any employee who is found to have breached any provision(s) of the Code is subject to disciplinary action, up to and including dismissal.

The Code requires employees to ensure that fundamental human rights, such as dignity, equality, and freedom are respected. It confirms that Solmax condemns all acts that do not comply with these principles and, more importantly, any exploitation of children whatsoever.

The Code is currently in the process of being amended to expand the human rights section and provide greater details on the requirements to comply international standards and applicable laws forbidding child labour, forced labour or human trafficking.







### **Our Supplier Code of Ethics**

The Solmax Group is determined to carry out its activities lawfully and ethically by adopting responsible social and environmental practices. Solmax’s supply chain is a critical component of its business life and plays a key role in its success.

Solmax implements a responsible procurement approach as part of a continuous improvement strategy and aims to collaborate with suppliers within a framework of transparency to adopt ethical and respectful business practices. The starting point for this is Solmax’s Supplier Code of Ethics.

The Code is aimed at all Solmax’s suppliers of goods and services around the world and their subcontractors across the supply chain. The Code prohibits all forms of child labour, forced labour or human trafficking and promotes respect human rights as set out in the Universal Declaration of Human Rights. Should a supplier fail to comply with the Code, Solmax may require corrective actions as necessary. Solmax favours a continuous improvement approach and will monitor its suppliers’ progress in terms of respect for workers. In the case of a serious failure to comply by a supplier, the Solmax Group may reconsider its business relationship with the supplier.

The Supplier Code of Ethics is updated from time to time as necessary and is published on Solmax’s website. This Code is currently in the process of being amended to expand the human rights section and provide more directions on the requirements to comply international standards and applicable laws forbidding child labour, forced labour or human trafficking.

Solmax is also currently in the process of updating relevant supplier contract templates across the world to enhance the compliance provisions and reinforce the language with respect to compliance with international standards and applicable laws forbidding child labour, forced labour or human trafficking as set forth in the Supplier Code of Ethics.



## Our Global Modern Slavery Compliance Plan and Team

Solmax has recently set up a global modern slavery compliance team (the “**Compliance Team**”) to oversee Solmax’s compliance with modern slavery and supply chains legislations and international standards in applicable jurisdictions where it operates across the world.

The Compliance Team is in the early planning stages of implementing a formal global modern slavery compliance plan with respect to modern slavery and supply chains legislations and international standards applicable to Solmax and its subsidiaries (the “**Compliance Plan**”), with concrete deliverables in the course of 2024 and beyond, including overseeing compliance with the Codes, both by Solmax’s employees and throughout Solmax’s supply chain.

## Our Due Diligence

As part of the Compliance Plan, Solmax will collect and analyze data from its suppliers to assess their performance against all principles of the Supplier Code of Ethics for the protection of human rights and against the use of forced labor or child labor. The results will be assessed by Compliance Team for further actions as required.







# Risk Assessment and Identification

As part of the Compliance Plan, Solmax will conduct a materiality assessment to determine which modern slavery issues are most pertinent to our business, society and our external stakeholders.

This will enable us to better determine the direction of the new Compliance Plan. The assessment will be carried out firstly through a desktop review of the practices implemented by our peers and other suppliers worldwide, as well as the expectations of our stakeholders, in accordance with internationally recognized standards.

In terms of measures to assess and manage the risk of forced or child labour, Solmax will set specific targets for minimum working conditions among its suppliers, with the objective of raising awareness with our suppliers and requiring them to respect working conditions across the supply chain, as set out in our Supplier Code of Ethics.



# Remediation and Corrective Measures

Solmax's Compliance Plan will include a remediation process based primarily on the results of the supplier assessment conducted as part of the due diligence process.

Solmax's Compliance Plan will include a remediation process based primarily on the results of the supplier assessment conducted as part of the due diligence process.

Our approach will be based on transparency, open dialogue and proactive cooperation. We will provide feedback on the performance of all suppliers assessed, with a view to encouraging them to improve both their practices and the quality of their responses. Non-compliant suppliers will reassessed in a timely manner. In the event of continued non-compliance with the relevant requirements and the principles of our Supplier Code of Ethics following this reassessment, we will encourage our suppliers to develop effective action plans, depending on the nature and severity of the non-conformities detected. Solmax favours a continuous improvement approach and will monitor its suppliers' progress in terms of respect for workers. In the event of a failure to comply, Solmax may reconsider its business relationship with the supplier.

**Solmax's remediation process will aim at documenting the financial impact, on vulnerable families, of its measures to eliminate the use of forced and child labour.**

As part of this plan, Solmax will also evaluate the steps required to address the loss of income for vulnerable families resulting therefrom, as applicable.

As Solmax has not identified any forced labour or child labour in its business or supply chain to date, it has not had to take any measures to remediate any forced labour or child labour, or any loss of income to vulnerable families.





# Assessment of Measures of Effectiveness

Solmax is committed to addressing the risks of forced labour and child labour in our business and supply chains. As described in this Report, Solmax will be introducing a number of measures to prevent and reduce these risks as part of the Compliance Plan it is currently developing, including the following:



## Regular review of policies and procedures

Solmax regularly reviews its policies and procedures. The Employee Code of Ethics, the Supplier Code of Ethics and other relevant policies and supplier contract templates are currently in the process of being amended to update and reinforce the requirements with respect to compliance with international standards and applicable laws forbidding child labour, forced labour or human trafficking, which form the basis of the Compliance Plan.



## Data collection

Our approach is data-driven. This approach builds trust and enables us to objectively assess our performance. We are looking at opportunities to implement relevant data collection systems to gather information from our suppliers. At the same time, we plan on relying on external credible sources for additional information on forced and child labour as may be necessary.



## Performance indicators and monitoring

Solmax plans on identifying key performance indicators (KPIs) to assess the effectiveness of its measures. These KPIs will cover aspects such as the number of suppliers assessed and the supplier compliance rate. Regular monitoring of these indicators will provide a real-time view of our progress, while recurrent presentations to Solmax Group's management team will ensure strategic oversight.



## Training program

Adherence to the Employee Code of Ethics is part of every new employee's onboarding program. All new and existing employees must read and confirm acceptance in writing of the Employee Code of Ethics as may be updated from time to time. Some employees are also required to undergo recurrent training thereon. As part of the Compliance Plan, Solmax aims at enhancing its employee training program to include an in-depth review on the topic of the protection of human rights and the prevention of child labour and forced labor.



# Approval and Attestation Statement

This report has been approved in accordance with the provisions of section 11(4)(b)(ii) of the Act by the Board of Directors of Solmax as the joint report of the Solmax Group for the fiscal year ending December 31, 2023.

In accordance with the requirements of the Act, and in particular section 11 thereof, the undersigned attest that they have reviewed the information contained in the report for the entities mentioned in this report. To their knowledge and having exercised due diligence, they attest that the information contained in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year referred to above.

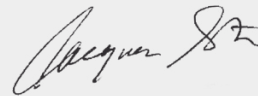
The above attestation is made by the undersigned in their respective capacity as Chief Executive Officer of Solmax, and Director on the Board of Directors of Solmax, for and on behalf of Solmax and the Board of Directors of Solmax respectively, and both have authority to bind Solmax.



**Jean-Louis Vangeluwe**

Chief Executive Officer,  
Solmax Group Inc.

May 30, 2024



**Jacques Coté**

Director of the Board of Directors,  
Solmax Group Inc.

May 30, 2024





# Let's build infrastructure better

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