

**STELLA  
JONES**

# **Annual Report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)**

For the financial year ended December 31, 2025



February 25, 2026

# Introduction

This report (the “Report”) is filed by Stella-Jones Inc. (“Stella-Jones”) for the year ended December 31, 2025 pursuant to Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”). This Report is a joint report filed by Stella-Jones on behalf of itself and its subsidiary Stella-Jones Steel Structures Inc. (“Stella-Jones Steel Structures”), formerly known as Locweld Inc. (“Locweld”). For the purpose of this Report, the terms “Stella-Jones” extends to Stella-Jones Steel Structures (for the period starting on May 7, 2025, which corresponds to the date on which Stella-Jones acquired Locweld, unless otherwise specified), as well as the other Stella-Jones’ wholly owned subsidiaries. Unless otherwise specified, the information provided in this Report is given as of December 31, 2025.

This Report outlines the steps Stella-Jones has taken during the 2025 financial year to identify, prevent, and reduce the risk that forced or child labour is used at any step in the production of goods and services by Stella-Jones or in its supply chain.

## Structure, Activities and Supply Chains

Stella-Jones manufactures products focused on supporting infrastructure that are essential to the electrical distribution and transmission network, and the operation and maintenance of railway transportation systems. It supplies the continent’s major electrical utilities companies with treated wood poles and crossarms, and through its wholly-owned subsidiary Stella-Jones Steel Structures, lattice towers and steel transmission poles. Stella-Jones also supplies North America’s Class 1, short line and commercial railroad operators with treated wood railway ties and timbers. It supports infrastructure with industrial products, namely timbers for railway bridges, crossings and construction, marine and foundation pilings, and coal tar-based products. Additionally, the Company manufactures and distributes premium treated residential lumber and accessories to Canadian and American retailers for outdoor applications, with a significant portion of the business devoted to servicing Canadian customers through its national manufacturing and distribution network. In 2025, the total production volume was 103 million cubic feet of treated wood products and 7.8 thousand U.S. short tons of steel structures. The Company operates 44 wood treating plants, one steel transmission manufacturing plant and a coal tar distillery. These facilities are located across Canada and the United States and are complemented by an extensive procurement and distribution network.

As at December 31, 2025, Stella-Jones’ workforce numbered 3,217 employees, with 1,085 located in Canada. Wood fibre, wood preservatives, steel and zinc are the primary raw materials used in the production processes. Wood fibre is procured primarily in North America from government timber sale programs, forest tenures, private woodland owners, sawmills and lumber producers. In 2025, less than 1% of the Stella-Jones’ wood fibre purchase spend came from outside North America, namely Europe. Treatment preservatives are procured from North America and Europe, with vendors sourcing some product components from overseas locations. Stella-Jones sources steel primarily from steel service centers and steel mills, while zinc is applied to steel structures through third-party galvanizers. Steel and zinc originate mostly from Canada and the United States, with a portion of steel sourced from Turkey in 2025. In addition to the trucking fleet managed by Stella-Jones, the services of third-party logistics providers from the United States and Canada are utilized both upstream and downstream of the manufacturing process.

## Policies and Due Diligence Processes

Stella-Jones' Board of Directors, together with its senior leadership teams, sets the policies, practices and programs of Stella-Jones with respect to human rights throughout its operations and supply chains.

Stella-Jones' Code of Business Conduct and Ethics, which applies to all employees, officers and directors of Stella-Jones, sets out Stella-Jones' commitment to ethical business practices and describes the overall standard of integrity that Stella-Jones wishes to uphold. It specifically sets out Stella-Jones' commitment to achieving its business objectives while maintaining a working environment that promotes and protects fundamental human rights. The Code of Business Conduct and Ethics also references the Stella-Jones' Whistleblower Procedures, which provides for mechanisms to report human rights and other violations.

Stella-Jones has also adopted a Human Rights Policy which promotes fair and non-discriminatory working conditions and prohibits any form of forced or slave labour, human trafficking or non-compliance with local minimum age laws within its operations and supply chain. Pursuant to such policy, Stella-Jones has adopted and implemented a Human Rights Compliance Program, which sets out the framework for managing human rights risks across the organization. The Human Rights Compliance Program covers supplier profiling, supplier engagement and compliance, employee training, risk reporting and remediation of adverse human rights impacts.

The Code of Business Conduct and Ethics and the Human Rights Policy are available in the Investor Relations section of the Stella-Jones' website at [www.stella-jones.com](http://www.stella-jones.com).

Stella-Jones' due diligence processes relating to forced labour and child labour include the following:

- **Acquisitions:** During the due diligence process for the acquisition of Locweld (now Stella-Jones Steel Structures), which closed on May 7, 2025, the main steel supplier was screened for human rights issues. The steel was identified as coming from North America, and no risk of forced or child labour was identified. Post-acquisition, sourcing began with a new steel supplier from Turkey.  
  
**Risk Assessment:** Stella-Jones screens tier 1 suppliers for human rights risks. This process includes a desktop review of publicly available information and dedicated risk discussions with the procurement, logistics, human resources, and operations teams at Stella-Jones. A wide range of sources were used for the desktop review including industry and country level risks, the U.S Department of Labor List of Goods from Child of Forced Labor (2024), as well as publicly available policies and reports from company websites. No new suppliers were screened through the risk assessment process in 2025. In addition, Stella-Jones Steel Structures conducts site visits of new suppliers that are considered more important to its operations. These site visits are accompanied by a questionnaire which specifically asks whether the supplier is aware of any forced or child labour in its own operations or within its supply chain. In 2025, Stella-Jones Steel Structures conducted more than 10 such site visits.
- **Reporting Channels:** Employees, contractors, business partners and community members can report matters of concern, including issues related to forced labour and child labour in accordance with Stella-Jones' Whistleblower Procedures, through a third-party anonymous reporting hotline, or through our internal reporting mechanism. In 2025, one concern related to human rights was submitted related to a potential new overseas preservative supply. The concern was investigated, and the new preservative supply deal was not pursued, leading to the risk being resolved.

## Forced Labour and Child Labour Risks

Stella-Jones' supply chain risks are more limited than manufacturers with large global supply chains, with most suppliers to Stella-Jones based locally in Canada and the United States. Stella-Jones has not identified any specific known or confirmed occurrences of forced or child labour or other human rights abuses within its supply chain. The following is a list of the potential risks for Stella-Jones' supply chain or product categories:

- **Fibre Procurement:** Forced labour has the potential to be a risk for a small portion of the wood fibre supply in the southern United States, where migrant labour is employed on-site. Any fibre procured from overseas locations has chain of custody certification which requires compliance with the International Labour Organisation (ILO) convention. Religious-based, family-owned sawmills and timberlands may also use child labour as permitted under the U.S. Fair Labor Standards Act. Stella-Jones' Human Rights Policy addresses this by prohibiting the employment of individuals in violation of applicable local minimum age laws.
- **Transportation:** The third-party logistics providers, particularly those in Southern California, who utilize a migrant workforce and whose services are obtained through the spot market have an increased risk of forced labour.
- **Preservatives:** Chemical product inputs sourced from China, a location with a heightened risk for child and forced labour, occurs in the treatment preservative supply chain.
- **Third-Party Product Distribution:** The residential lumber accessories category has goods sourced from international locations such as China, Mexico, Thailand, Poland and the United Kingdom. To Stella-Jones' knowledge, the suppliers used by Stella-Jones for residential lumber accessories have also implemented human rights due diligence processes and report under the Act.
- **Equipment:** The large mobile equipment used at production facilities can be manufactured internationally, which presents a limited amount of risk. Stella-Jones' solar panel installations at our manufacturing facilities use solar modules manufactured in the U.S. which has reduced the risk of forced labour for these materials.

## Remediation Measures and Remediation of Loss of Income

Stella-Jones has not identified any confirmed instances of forced or child labour in its supply chain or operations, and consequently, no remediation measures, including remediation for loss of income, have been taken.

## Training

During 2025, Stella-Jones organized two virtual training sessions for its suppliers focused on human rights. These sessions covered legal requirements, Stella-Jones' commitment to upholding human rights, and Stella-Jones' expectations for suppliers regarding child and forced labour. The training also explained how to notify and report any known risks. Suppliers who attended represented 11% of Stella-Jones' total procurement spending. These trainings did not include suppliers to Stella-Jones Steel Structures, with the exception of one shared supplier.

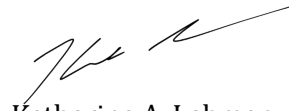
Human rights training was last delivered to Stella-Jones' employees in 2023 and was mandatory for all employees involved in contract and procurement decisions. Stella-Jones is currently upgrading its online learning platform and will include human rights training for all of Stella-Jones' employees during the first half of 2026.

## Assessing Effectiveness

Stella-Jones' Human Rights Compliance Program underwent an internal audit against the requirements of the Act in 2024. The audit report was presented to the Audit Committee of the Board of Directors and responsibility was assigned internally for all identified findings or areas of improvement. In 2025, the Internal Audit team conducted a detailed review of all open findings with the process owner and discussed the risks exposures that may have changed since the internal audit of 2024. No significant changes or new risks were noted.

## Attestation

In accordance with the requirements of 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. I have the authority to bind Stella-Jones Inc.



Katherine A. Lehman  
Chair of the Board of Directors