Convertus™

Closing the Loop for a Better Future

2025

Forced Labour & Child Labour Report

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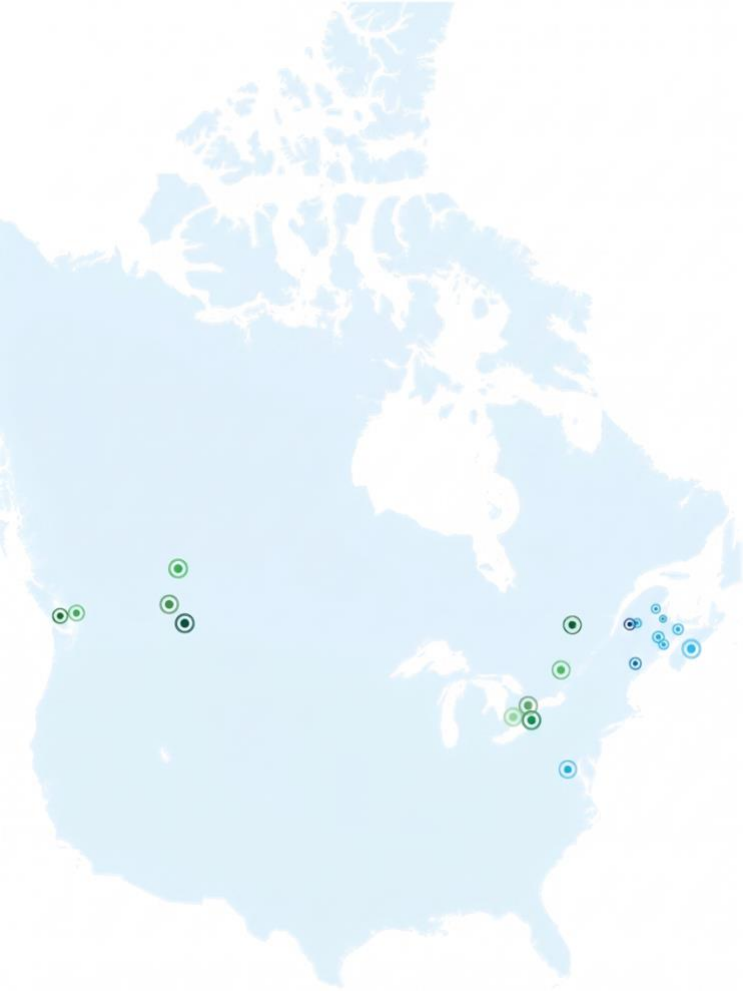

Figure 1: Map of Convertus Group North American Holding Inc. Assets

Introduction

As a leader in the organic waste industry with operations across Canada, the United States, and Europe, Convertus Group has a responsibility to uphold strong ethical standards. As such, we are committed to providing a work environment where human rights are respected and protected, one that is free from exploitation, including slavery, forced labour, and human trafficking.

We recognize that modern slavery remains a serious issue within global supply chains and that products brought into our operating countries may be linked to such unethical practices. As a global business, we believe it is our responsibility to proactively identify and address these risks. Convertus Group has a zero-tolerance policy towards modern slavery and expects the same commitment from our customers, contractors, suppliers, and business partners.

Reporting

Convertus Group North America Holding Inc. ("CGNAH") consists of privately owned companies that are subject to the legal requirements outlined in Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. This report was prepared in accordance with the Act and was approved by the Chief Executive Officer on May 27th, 2026.

For the purposes of the Act, the reporting entities covered in this report include operations, major projects and assets that have been wholly owned and/or operated by CGNAH from January 1st to December 31st, 2025.

This Report is filed jointly by Convertus Group on behalf of itself and the following subsidiaries: Convertus Group North America Holding Inc. (Parent Company), Convertus Canada Ltd. & Subsidiary Companies (Subsidiary of CGNAH), Envirem Organics & Subsidiary Companies (Subsidiary of CGNAH), Convertus Virginia & Subsidiary Companies (Subsidiary of CGNAH), AIM Organics & Subsidiary Companies (Subsidiary of CGNAH).

Our Structure, Activities, and Supply Chain

(Section 11 (3)(a))

Structure and Activities

Convertus Group ("Convertus") was established in 2019 through the integration of our Canadian operations company, Convertus Canada Ltd. ("CCL") and our Dutch engineering division, Waste Treatment Technologies ("WTT"). This merger was driven by a shared vision of becoming North America's largest and most advanced organic waste operator.

Convertus is a full-cycle provider for the treatment and processing of organic waste. We partner with communities to design, build, operate and service state-of-the-art organic waste treatment facilities. Our integrated approach allows us to serve communities across North America and internationally in managing complex waste streams with innovative and environmentally responsible solutions.

Headquartered in London, Ontario, Convertus currently employs 375 employees worldwide. The operations division includes 17 organic waste processing facilities across Canada and 2 in the United States. These facilities process organic waste for some of Canada's largest municipalities, including the city of London, York Region, the City of Ottawa, the City of Surrey, the Regional District of Nanaimo, City of Calgary, and the City of Fredericton.

Supply Chain

Convertus relies on a diverse network of suppliers to support the design, construction, operation, and servicing of organic waste treatment facilities.

Key components of our supply chain include:

- **Waste Collection and Transportation**: Managed primarily through municipal contracts, with additional volumes sourced from institutional, commercial and industrial ("ICI") clients.
- **Processing**: Organic material is processed using specialized equipment to produce compost, fertilizer, NASM ("Non-Agricultural Source Material"), and renewable natural gas ("RNG"). Any non-organic materials are separated for disposal.
- **End Product Distribution**: Finished products are sold to agricultural or commercial partners.
- **Technology and Equipment:** To service and maintain our equipment, we contract local equipment and technology providers for tasks that cannot be performed internally. Most of our equipment is supplied by our technology partner, WTT.
- **Construction and Engineering:** Depending on the project, construction and engineering work is completed by internal teams or in collaboration with external consultants.

Policies and Protections

(Section 11 (3)(b))

Policy Review and Development

Throughout 2025, Convertus maintained its commitment to assessing and managing the risk of forced and child labour within our operations and supply chains. Our 2025 review focused on identifying the necessary pillars for a robust due diligence framework. We have prioritized the following areas for development to ensure our policies evolve alongside our operational growth:

- **Supplier Code of Conduct**
  Identified as a future strategic priority, we intend to develop a formal framework outlining our expectations for third-party partners, specifically regarding the prohibition of forced and child labour.
- **Procurement Policy**
  Updates were proposed to the Forced Labour and Child Labour Policy, aimed at embedding ethical sourcing requirements into our supplier selection and contract management processes.
- **Staffing Agency Acknowledgement Forms**
  Building on the framework implemented in 2024, we continue to utilize these forms. This process ensures that staffing agencies provide written confirmation that they do not engage in or support any form of trafficked, forced, student, or child labour.

Our existing Code of Conduct remains the cornerstone of our operations. To ensure ongoing compliance, all new hires review the Code, and the entire team reaffirms their commitment biannually. This framework sets clear, enforceable expectations regarding inclusion, anti-harassment, anti-corruption, and the mandatory reporting of unethical behaviour.

Reporting and Accountability

We remain committed to a culture of accountability, supported by transparent reporting channels. Employees are encouraged to report any suspected ethical breaches, specifically regarding forced or child labor, with the assurance that all reports made in good faith are strictly protected from retaliation and handled with the utmost confidentiality.

Governance and Responsibilities

Oversight of these efforts is maintained through regular engagement between the Convertus Executive Team and the Board of Directors. This process helps ensure the Board remains informed about operational activities and associated risks, supporting informed decision-making and proactive risk management related to forced labour and child labour.

Assessing and Managing Risk

(Section 11 (3)(c)

Risk Exposure

Following the work completed in 2023, Convertus continued its efforts to assess and manage the risk of forced labour and child labour within its operations and supply chains.

Our primary supply chain activities remain concentrated in regions assessed as low risk for forced labour and child labour. To support ongoing monitoring and risk management efforts, Convertus continues to use tools such as the Conflict-Affected and High-Risk Area (CAHRA) assessment, which evaluates countries based on factors including conflict, corruption, labour conditions, and human rights practices. These assessments help us proactively identify and monitor potential risks within our supply chain network.

Business Operations and Workforce Analysis

Our workforce is primarily located in Canada and the United States and includes both unionized and non-unionized employees. Where Living Wage standards exist, we strive to meet or exceed them. In locations without formal Living Wage benchmarks, we ensure our compensation remains competitive by aligning with market rates and reviewing pay structures regularly to maintain equity. This helps reduce economic vulnerability and the risk of exploitative labour practices.

In addition, some of our municipal contracts require us to demonstrate adherence to fair wage practices. This includes submitting documentation or compliance forms to confirm that employees are being compensated appropriately.

Our recruitment and employment processes comply with all relevant federal and provincial labour laws, including those related to human rights and child labour. All new hires, whether direct employees or through temporary staffing agencies, must provide proof of age, eligibility to work in the country, and verify their employment history. Employment at Convertus is fully voluntary, and standard working hours do not exceed 44 hours per week at any of our sites.

Within our Supply Chains

Our supply chains primarily source goods and services from Canada, the United States and Europe – regions considered to pose a low risk of forced and child labour. We recognize that sub-contractors of our direct suppliers (second- and third-level suppliers) present a greater risk potential for forced and child labour than our direct suppliers with whom we have a contractual relationship. To manage and mitigate this risk, we:

- Use the CAHRA tool to identify risk levels by region and supplier type.
- Review all suppliers located in moderate to high-risk regions in detail, especially those supplying higher-risk goods such as electronics, construction materials, office supplies and accessories.
- Prioritize direct relationships with suppliers to maintain transparency and accountability.
- Commit to ongoing improvements in our responsible sourcing practices, including integrating enhanced due diligence measures for high-risk goods and supplier tiers.

Steps Taken to Address Risk

(Section 11 (3)(d and e) Subsection 11(1))

Remediation

For the financial year ending December 31, 2025, Convertus did not identify any instances of forced labour or child labour within our operations or supply chains. As such, no direct remediation measures were required, including measures related to the loss of income for vulnerable families.

Although no cases were identified, Convertus recognizes the importance of proactive action to uphold human rights and mitigate the risk of forced or child labour. We are committed to continuous improvement in this area and have taken the following actions:

Within Operations

- Reviewed and updated existing policies to confirm alignment with our commitment to human rights, including the rights of Indigenous peoples, and our principles of social and environmental responsibility.
- Continued to identify potential areas of risk within operations and began developing targeted actions.
- Explored internal awareness and training initiatives to support employee understanding of the risks and indicators of forced and child labour.

Within Supply Chains

- Defined next steps to strengthen supplier due diligence and accountability processes, ensuring continued alignment with Convertus' values and applicable legal obligations.

Training and Awareness

(Section 11 (3)(f))

In 2025, Convertus maintained its focus on building internal awareness of the risks associated with forced labour and child labour. Training efforts were concentrated at the leadership level, where Directors and Executives received updated information about Canada's new legislation and its implications for our operations and supply chain.

Following our initial framework, 2025 provided a valuable opportunity to review our foundational approach and refine our strategy. As we move into 2026, we are leveraging those insights to actively expand training across departments and continue integrating key learnings into our operational procedures.

Assessing Effectiveness

(Section 11 (3)(g))

Convertus continued its commitment to mitigating forced labour and child labour risks across our operations and supply chains throughout 2025. While our compliance is supported by established policies and controls, a formal assessment of the effectiveness of these measures has not yet been conducted. Understanding the value of evaluating our impact, we are currently exploring frameworks to improve how we monitor and measure our due diligence processes in upcoming reporting cycles.

Attestation

This report was approved pursuant to paragraph (4)(b)(ii) by the governing body of the entity that controls each entity included in this report, that entity being Convertus Group North American Holding Inc.

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Act), and in particular section 11 thereof, I, in the capacity of CEO, attest that I have reviewed the information contained in the report on behalf of the governing body of the entity. 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 within this report.

Michael Leopold
Chief Executive Officer

I have the authority to bind Convertus Group North American Holding Inc. and the group of companies listed in Note 1.

May 27th 2026

Note 1
(Group of Companies)

AIM Environmental Group Inc.
AIM Harbour City Renewables Inc.
AIM Soil Management Inc.
Convertus Group North America Holding Inc.
Convertus Canada Ltd.
Convertus Design-Builder General Partner Ltd.
Convertus Design-Builder Limited Partnership
Convertus Surrey Limited Partnership
Convertus Surrey General Partner Ltd.
Convertus York Biofuel Ltd.
Circular Waste British Columbia Inc.
Harbourside Organix Inc.
Lifecycle Organics Inc.
Wellington Organix Inc.
WTT Holding B.V.
WTT Waste Treatment Technologies Canada Ltd.
Envirem Organics Inc.
Nutritec Inc.
653277 NB Inc.
Envirem Organics Ltd.
Convertus Virginia Ltd.
Convertus Quebec Holdings Ltd.
AIM Group Capital Ltd.
AGC HRC Investments Ltd.
AIM Halifax GP Inc.
Convertus AIM Environmental Group Inc.
Convertus Wellington Organix Inc.
Convertus Lifecycle Organics Inc.
Convertus Harbourside Organics Inc.
Convertus AIM HCR Holdings Inc.
Harbour City Renewables Partnership
Convertus Envirem Organics Inc.