

**Report under the *Fighting Against Forced Labor and Child Labor in Supply Chains Act***

**for the year ended January 31, 2024**

**May 30, 2024**



## **A. Introduction**

Perma-Pipe Inc. (the “Company”) has prepared this report in response to the reporting requirements under Canada’s *Fighting Against Forced Labor and Child Labor in Supply Chains Act* (the “Act”) for the Company’s financial year ended January 31, 2024. This is a joint report made on behalf of the Company and the following entities have been determined as reporting entities under the Act: Perma-Pipe Inc. (Delaware (USA) corporation) and Perma-Pipe Canada Ltd. (Alberta (Canada) corporation) (collectively, the “Reporting Entities” or “Perma-Pipe”). This report describes the steps taken by the Reporting Entities to assess, prevent and mitigate the risk of forced labor or child labor in their business.

## **B. Structure and Activities**

In 1961, the Company was started as a division of the Midwesco company in Chicago to manufacture steam and condensate piping systems. Perma-Pipe became a public company in 1994 as a subsidiary of MFRI, Inc\*. Perma-Pipe’s parent company Perma-Pipe International Holdings Inc. (“PPIH”) is traded on the NASDAQ National Market under the symbol PPIH. PPIH is headquartered in Spring, Texas (USA).

(\* MFRI Inc. changed its name to Perma-Pipe International Holdings Inc. in March 2017.)

PPIH is a global leader in the manufacture, fabrication, processing and supply of pre-insulated pipe products, coatings and leak detection equipment. Company is the largest manufacturer of specialty piping systems for secondary containment and district heating and cooling in the United States. PPIH has manufacturing plants in Lebanon, Tennessee (US); New Iberia, Louisiana (US); Camrose (Canada); Gandhidham (India); Fujairah and Abu Dhabi (UAE); Dammam and Riyadh (Saudi Arabia) and Cairo (Egypt).

More information about PPIH can be found on its internet site at [www.permapipe.com](http://www.permapipe.com)

## **C. Overview of Supply Chain**

Perma-Pipe procures a range of goods and services to support its business. In 2023, goods and services procured included, among other things, steep/plastic pipes and fittings, various coatings including epoxy and zinc coatings, polyurethane or polyisocyanurate foam, glass syntactic polyurethane foam, high-density polyethylene, and fiberglass-reinforced polymer (hereinafter as “Materials”). Perma-Pipe suppliers are primarily based in the operating countries in the form of local subsidiaries of international companies or as distributors of Materials.

## **D. Supply Chain Risk Management**

Perma-Pipe is guided by its Code of Conduct (“Code”) as well as Supplier Code of Conduct (“Supplier Code”), which establishes requirements for our suppliers. Perma-Pipe strives to incorporate compliance with our Supplier Code as an express term in Perma-Pipe’s purchase order terms and conditions contracts and to provide it to new suppliers upon engagement. The Supplier Code is also posted on Perma-Pipe’s



website and is readily available for all suppliers. Under the Supplier Code, all suppliers, contractors, and their sub-sellers, among other things, are expected to:

- comply with applicable laws;
- respect human rights;
- conduct business in an ethical and environmentally responsible manner;
- comply with all relevant anti-corruption laws; and
- report any business conduct and ethics concern involving or affecting Perma-Pipe, whether or not the concern involves the Supplier, by contacting Perma-Pipe.

## **E. Policies and Procedures**

Perma-Pipe is committed to conducting its business responsibly, respecting the laws of each jurisdiction and international human rights standards, thus creating sustainable and responsible operations. Perma-Pipe strives to continuously improve our sustainability performance by implementing industry policies, standards, and best practices, as well as setting new goals to enhance performance and manage risk.

Perma-Pipe's senior management oversees the direction and strategy of our business and executes overall responsibility for corporate governance matters, including the adoption of policies which help to identify and address various risks. PPIH Chief Compliance Officer oversees and manages the implementation of our ethics and compliance policies and procedures.

Perma-Pipe has adopted and implemented the following policies and procedures which help Perma-Pipe to identify and address risks related to human rights, including forced labor and child labor:

### ***Code of Conduct***

PPIH is committed to conducting its worldwide business in accordance with its core values and the laws and with the highest standards of ethical business conduct. The Code sets out the ethical rules and standards to which all directors, officers, employees, and suppliers of PPIH must comply and be accountable. PPIH is committed to ensuring that our business operations are not used by others to facilitate illegal activity, including forced labor and child labor.

### ***Supplier Code of Conduct***

Perma-Pipe believes that a strong and ethical relationship with its suppliers is key to ensuring Perma-Pipe's success. Perma-Pipe has a long history of conducting its businesses in a manner consistent with high standards of social responsibility. The principles and values expressed by the Supplier Code reflect Perma-Pipe's ongoing commitment to social responsibility and human dignity including prohibiting forced or child labor. This commitment is integral to Perma-Pipe's continued success, and Perma-Pipe believes it positively impacts its diverse and worldwide suppliers, contractors, clients, employees, investors, and the communities where Perma-Pipe does business.



### ***Ethics and Compliance Policy***

Perma-Pipe is committed to the highest possible standards of integrity, accountability and honesty in its dealings with all employees and third parties. In line with that commitment, Perma-Pipe expects Perma-Pipe employees, and all others that we deal with, to always act impartially and in good faith.

### ***Social Responsibility Policy***

Perma-Pipe is committed to maintaining the highest standards of corporate social responsibility in its business activities. This policy reinforces Perma-Pipe's commitment to respecting and supporting internationally recognized human rights laws and standards.

### ***Supplier Due Diligence Questionnaire***

Perma-Pipe's Code as well as Supplier Code commits Perma-Pipe to conducting reasonable, ongoing human rights due diligence. Perma-Pipe's due diligence processes help us identify, assess, avoid, mitigate, and account for actual and potential human rights risks and impacts, including forced and child labor.

### ***Supplier Certification***

Perma-Pipe's Supplier Code commits Perma-Pipe to receive certification from Perma-Pipe suppliers acknowledging compliance with laws including the prohibition of forced or child labor in their activities.

### ***Anti-Discrimination and Harassment Policy***

This policy consolidates Perma-Pipe's existing commitments to respect human rights and is intended to provide guidance on the standards of conduct that must be followed, including the promotion of a discrimination-free workplace.

## **F. Evaluation and Management of the Risk of Forced or Child Labor**

### ***Within Perma-Pipe's Workforce***

Perma-Pipe has assessed the risk of forced labor or child labor in Perma-Pipe's own workforce as low. Perma-Pipe's employee recruitment process is designed to ensure compliance with the regulations in force in the jurisdictions where we operate, and Perma-Pipe's operations are prohibited from engaging in or assisting in any form of forced, trafficked, bonded, or child labor.

Perma-Pipe also recognizes its employees' right to freedom of association as part of Perma-Pipe's workforce is unionized and the working conditions are negotiated by the union groups, thus reducing the risk of forced labor.



Additionally, Perma-Pipe’s confidential hotline allows anyone to confidentially and anonymously report actual or potential breaches of the Code as well as Supplier Code (which includes human rights violations), via phone or web, in English, and other languages. The confidential hotline is managed by an independent service provider and is available 24 hours a day, 365 days a year. The legal and compliance teams review and investigate all complaints and concerns. In 2023, no modern slavery, forced or child labor issues were reported through the confidential hotline.

### ***Within Perma-Pipe’s Supply Chain***

Perma-Pipe’s assessment of the risk of forced labor or child labor within Perma-Pipe’s supply chain is a developing and an ongoing process. To mitigate the risk of forced labor and child labor, our suppliers, contractors and sub-suppliers are required to respect and always comply with Perma-Pipe’s policies and procedures. These policies and procedures require compliance with human rights and labor laws in the countries in which they operate, including those prohibiting forced and child labor, discrimination and harassment; and those regulating working hours, wages and benefits, freedom of association and union rights, health and safety, and all applicable health, safety and environmental policies and standards.

We also conduct due diligence via supplier questionnaire as well as supplier certifications to screen and monitor the compliance of both new and existing critical suppliers with our Supplier Code.

## **G. Remediation measures**

During 2023, Perma-Pipe did not identify any instances or allegations of forced or child labor within Perma-Pipe’s workforce or supply chain. Therefore, it was not necessary to take any actions to remediate any forced labor or child labor.

## **H. Assessing Effectiveness**

Perma-Pipe continues to identify areas for improvement in the prohibition of forced and child labor in Perma-Pipe’s business and supply chains. Subject to available resources, Perma-Pipe has identified the following opportunities to further enhance Perma-Pipe’s ability to prevent and reduce the risks of forced and child labor in Perma-Pipe’s business:

- Risk assessment and certification - Conduct detailed risk assessments to identify high-risk areas within Perma-Pipe supply chain where forced labor or child labor may be more prevalent;
- Supplier certification - Receive certification from Perma-Pipe suppliers acknowledging compliance with laws including the prohibition of forced or child labor in their activities;
- Supplier audits and assessments - Conduct regular audits or assessments of our suppliers to evaluate compliance with labor standards, including the prohibition of forced labor and child labor;
- Participation in industry initiatives - Participate in industry-wide initiatives focused on combating forced and child labor in global supply chains; and
- Third-party monitoring - Enlist the services of third-party monitoring organizations to



independently verify compliance with labor standards, including the absence of forced labor and child labor, within the supply chain.

**I. Approval and Attestation**

This report was approved by the Board of Directors of Perma-Pipe Inc. on May 30, 2024, on behalf of itself and Perma-Pipe Canada Ltd. (Reporting Entities).

In accordance with the requirements of the Act, I attest that I have reviewed the information contained in the report for the Reporting Entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate, and complete in all material respects for the purposes of the Act, for the reporting year mentioned above.

I have the authority to bind Perma-Pipe Inc. and Perma-Pipe Canada Ltd.

A handwritten signature in black ink, appearing to read "D. Mansfield", written over a horizontal line.

David Mansfield  
President (Perma-Pipe Inc.)  
May 30, 2024