

Magnum

**2023 Report under the *Fighting Against
Forced Labour and Child Labour in Supply
Chains Act***

Introduction

This report has been prepared jointly by 1681102 Alberta Ltd., its subsidiary Magnum Cementing Services Holdings Ltd. and its subsidiary Magnum Cementing Services Operations Ltd. (collectively referred to as "**Magnum**"), in response to the requirements under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") for our financial year ending September 30, 2023 (the "**Reporting Period**"). The report covers the operations and supply chains of 1681102 Alberta Ltd., Magnum Cementing Services Holdings Ltd., and Magnum Cementing Services Operations Ltd., in Canada, where the risks of forced labour and child labour are managed in a coherent and consistent manner.

Applicability of the Act is based on 1681102 Alberta Ltd. controlling other reporting entities (i.e., Magnum Cementing Services Holdings Ltd. and Magnum Cementing Services Operations Ltd.) that produce and/or sell goods in Canada, have a business presence (i.e., place of business, business activities, and assets) in Canada as well as meeting the financial thresholds related to assets and revenue as set out by the Act. The Act requires reporting on our activities in relation to the production, sale and import of goods to Canada. We are not currently subject to reporting requirements under supply chain legislation in other jurisdictions.

Magnum recognizes that the industrial services industry plays an important role in preventing and assessing the risk of forced labour and child labour in Canada's supply chain. We acknowledge the risks of forced labour and child labour in the oil and gas sectors and are committed to continuous improvement in our due diligence, risk assessment, remediation, and training processes.

Magnum is committed to respecting, protecting, and promoting the human rights of people impacted by our operations and supply chains.

Organizational structure, activities, and supply chain

Structure

Magnum provides cementing services, downhole tools, and fluid services to customers across North America, with headquarters in Strathmore, Alberta, Canada. We have approximately 450 employees.

Magnum is a privately-owned company founded in 2007. We are guided by our values of: Community, Safety, Integrity, Accountability and Continuous Improvement. Magnum Cementing Services Operations Ltd. is wholly owned by Magnum Cementing Services Holdings Ltd., while Magnum Cementing Services Holdings Ltd.'s majority owner is 1681102 Alberta Ltd.

Activities

Magnum is involved in several business activities across various industries and operational locations. Magnum Cementing Services Operations Ltd.'s primary activities include:

- primary oil & gas well cementing,
- remedial oil & gas well cementing,
- fabrication,
- repair and maintenance shop,
- lab facilities, and,
- fluids (vac and hvac) services, both oilfield and civil.

Magnum primarily operates in Western Canada. The corporate head office is located in Strathmore Alberta. There are ten operational stations across British Columbia, Alberta, and Saskatchewan.

Supply Chains

Magnum procures a range of goods and services for operational and business purposes. Based on annual spending, the majority of our purchased goods are cement and raw inputs such as chemicals and fly ash. Bulk purchases of chemical and fly ash are primarily from large Canadian suppliers, as well as large US companies. The purchased raw inputs are shipped to locations across Canada for preparation of cement blends and then transferred to drilling sites for use in cementing services.

Magnum purchases personal protective equipment and garments for its employees from companies with manufacturing operations in Canada.

Additionally, Magnum purchases parts for equipment/vehicles and other capital assets, primarily from Canadian suppliers.

Steps to prevent and reduce the risks of forced labour and child labour

Within our business, Magnum's employment policies recognize the critical importance of our relationships among and between employees, management, and shareholders, and the community. Our social initiatives take into consideration the wellbeing of our employees and the communities we work with. We have a strong commitment to interacting through open communication and to develop positive reciprocal relationships with local communities that are based on trust, honesty, and integrity.

Magnum's purchasing model and supply chain management is focused mostly on Canadian-owned businesses. We attempt to use companies based in countries with human rights standards in line with Canadian standards to help reduce the risk that forced labour or child labour is used in the production of goods that Magnum purchases.

In 2024, Magnum engaged an external third party to support the company in preparing this report and we dedicated internal resources to ongoing improvements.

Governance, policies and due diligence processes

Magnum maintains an internal and external advisory board to provide insight and perspectives for quality systems, social responsibility, and compliance.

In the Reporting Period, Magnum had in place several policies that address human rights, including a Code of Business Conduct and Ethics Policy (the "Code") and Employee Handbooks; however, the policies and due diligence processes were not implemented in relation to forced labour and child labour.

The Code is intended to be used by Magnum's employees and contractors to identify and manage our business in an ethical, legal, and safe manner. The Code outlines Magnum's commitment to respecting individuals and recognizes the important principles of human rights through our values and the way we conduct ourselves every day. Magnum is committed to providing and maintaining a work environment that is free from violence, harassment, and discrimination. Such actions are not tolerated and are to be addressed immediately.

The Code also outlines Magnum's expectation that our employees and contractors obey the laws, rules and regulations applying to our business and locations we operate out of. All Magnum employees are required to comply with applicable laws and governmental regulations.

Our Employee Handbooks provide further guidance for our employees and reflect the Code expectations.

Employees are responsible for raising any questions or doubts they have about a proposed course of action with their manager or supervisor.

Forced labour and child labour risk

In the Reporting Period, Magnum had not yet started the process of identifying specific risks of forced and child labour in our activities and supply chains.

Remediation measures and remediation of loss of income

To date, Magnum has not received any complaints relating to forced labour or child labour in our operations or supply chains, and as such has not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

Employee training

In the Reporting Period, Magnum had not yet developed specific training materials or activities to increase awareness of and prevent forced labour and child labour in our operations or supply chains; however, Magnum does have an Education and Training Policy in place and ongoing training requirements for its employees and contractors. Our current training focuses on compliance with labour laws and other behaviors that promote well-being in the workplace without discussing forced and child labour directly.

Assessing effectiveness

Magnum is committed to continuous improvement of all processes and operations within the company, and this includes human rights and the risk of modern slavery. In the Reporting Period, we had not yet established specific ways to measure the effectiveness and track progress in preventing and reducing risks of forced labour and child labour in our activities and supply chains.

At Magnum, we embrace quality systems and compliance as a means of continuous improvement. Our business is certified through the ISO 9001 Quality Management System Standard, which sets guidelines for quality throughout the company.

Approval and 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.

Dated in the City of Strathmore, Alberta, this 28th day of May 2024.



Beerd Beekman, President/CEO

I have the authority to bind 1681102 AB Ltd.