

2023 Report on Fighting Against Forced Labour and Child Labour in Supply Chains Act

May 30th, 2024

For Year Ended December 31st, 2023





2023 FORCED LABOUR AND CHILD LABOUR REPORT

INTRODUCTION

This Report is produced and published by Hebeler Holdings LLC (“Hebeler”) for the fiscal year ended December 31st, 2023. This report is a joint report for Hebeler and the following wholly owned subsidiaries, which are located in both Canada and the United States: Hebeler LLC (USA), J. Oskam Steel Fabricators Limited (Canada), Howard Marten Process Systems ULC (Canada), Hebeler Process Solutions LLC (USA), and Sam Young Electric Limited (Canada). All measures mentioned in this report apply to each of these entities. This report considers what Hebeler has done to prevent forced labour and child labour in its business as well as within its supply chain.

OUR BUSINESS

The Hebeler group of companies is a private organization, comprising operating companies incorporated in the USA and Canada, including Hebeler LLC, a Delaware limited liability company headquartered at 2000 Military Road, Tonawanda, NY 14150 (USA), and associated affiliates; J. Oskam Steel Fabricators Limited (Canada), Howard Marten Process Systems ULC (Canada), Hebeler Process Solutions LLC (USA), and Sam Young Electric Limited (Canada). At our core we are an engineering and manufacturing organization, with each of our companies focusing on specific products, services, and market segments. Our Hebeler LLC and Howard Marten Process Systems ULC companies provide custom auxiliary mechanical systems for industries such as power generation and mining. These products typically support our customers’ equipment such as gas turbines, or mining crushers. Hebeler Process Solution LLC provides custom machines that blend, dry, evaporate, and or distill our customers’ materials to meet demanding process requirements, supporting a range of industries including the food, chemical, pharmaceutical markets. J. Oskam Steel Fabricators Limited supports manufacturing for the other businesses as well as local industry field service support. Lastly, Sam Young Electric Limited provides electrical contracting services to industrial, commercial, and public authority customers in the southern Ontario, Canada region.

OUR SUPPLY CHAIN

Hebeler's supply chain is critical to our operations and the products and services we supply worldwide. With a network of almost 900 vendors used in 2023, across four different buying locations in both the US and Canada, we purchase a vast array of items, from major equipment, such as pumps, filters, and centrifuges, to raw materials such as pipe, wire, nuts, and bolts. Our large vendor base is necessary to support the unique needs each of our business segments demands, including what is required for specific projects within those segments. The main categories of items purchased are equipment, raw materials (this can be further broken down to pipe and fitting, electrical, gaskets, etc.), OS specialty (for outside services), OS Manufacturing (for outsourced manufacturing need), Shipping, and MRL (certain production supplies).

RISK ASSESSMENT AND DUE DILIGENCE

As noted previously, Hebeler's operating companies operate in both the USA and Canada, with procurement operations occurring in the same operating locations.

As part of our due diligence process, Hebeler assessed the Global Slavery Index (<https://www.walkfree.org/global-slavery-index/>) in relation to the location of suppliers where Hebeler made purchases in 2023 (direct / tier one suppliers). 57% of purchases across the organization were made from US companies, and 42% were from Canadian companies, totaling 99% of all purchases made within 2023. Both the USA and Canada are defined as low risk on the Global Slavery Index findings. The 1% of suppliers that Hebeler purchased from outside of the USA and Canada are largely based in countries in Europe, including France, Germany, Italy, the United Kingdom, and the Netherlands. One purchase was made from Singapore. All of these locations are also defined as low risk per the Global Slavery Index findings.

Based on our overall risk assessment for both forced and child labour within our supply chain, we concluded that the purchases made from our suppliers during 2023, based on their geographic location, are considered as low risk.

ACTION TAKEN IN 2023 TO PREVENT AND REDUCE THE RISK OF FORCED LABOUR

Hebeler is committed to our values, which drives the way we conduct business both internally and externally with our customers and supply chain. These values, including integrity, quality, customer focus, empowerment, and continuous growth, drive the policies and decisions we make as an organization. In addition to our values, our corporate policies, which are generally reviewed and updated on a yearly basis, contain requirements that ensure we are working at the highest levels of integrity and in accordance with all applicable laws, rules, and regulations, including but not limited to our Code of Ethics, Whistleblower Protection, and requirements we have for employment eligibility and work authorization.

In 2023, Hebeler also implemented changes to our Purchasing Terms and Conditions and worked with our supply chain for implementation, which requires that our suppliers are working in accordance with appropriate laws, regulations, and ordinances.

POLICIES AND RISK MITIGATION

With the entirety of our direct / tier one supply chain located in countries at a low risk for forced and or child labour, we will continue to rely on our documented purchasing policies and procedures to ensure we adhere to the defined requirements. These policies include but are not limited to new supplier qualifications and onboarding procedures to ensure that we are dealing with reputable and law-abiding suppliers as well as compliance with our Purchasing Terms and Conditions, which govern the purchasing contracts that we issue.

As we move into 2024, we will be working to make amendments to our Purchasing Terms and Conditions by adding a section dedicated to awareness and compliance with laws specifically related to forced labour and child labour. By requiring compliance from our suppliers with this document as related to issued purchase orders, Hebeler will be taking further measures to prevent child and or forced labour.

ASSESSING EFFECTIVENESS

Hebeler will remain engaged and committed to the continuous review and refinement of our corporate policies and procedures, including that of the purchasing group as it relates to risks within our supply chain and working with respectable, law-abiding suppliers.

At this time, we do not have a specific program to measure the effectiveness of our policies as it relates to forced and child labour. Also, Hebeler did not perform training in 2023 related to the specific topic of forced labour and child labour in the supply chain. Moving forward, we are planning the following activities to address this on a yearly basis:

- Review guidance on the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") on an annual basis to identify updates and recommended best practices for implementing its requirements.

- Review our annual supply chain spend for the fiscal year and identify any potential risks as it relates to forced labour and child labour based on where our suppliers are located and the specific industries from which we source our supplies.

- We will look at training for appropriate individuals, on the risks of modern slavery that exist in the global supply chain to enhance awareness of what is occurring and ways that Hebeler can help to prevent it through our purchasing policies and procedures.

CORRECTIVE MEASURES

Our corporate policies, including our Code of Ethics and protection against whistleblowers, our planned update to our Purchasing Terms and Conditions, and planned training will help us take the necessary measures to ensure that our employees are meeting Hebelers' values and protect against ethical and legal issues, including modern slavery. We are committed to honoring our commitments and addressing issues as they are discovered.

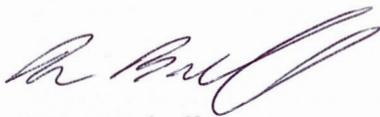
Hebeler to date has not taken any remedial measures to address the use of forced labour or the loss of income to vulnerable families that results from forced labour and or child labour, as no instances of this have been discovered and or brought to our attention within the Hebeler group of companies or within our supply chain.

APPROVAL AND ATTESTATION

This report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of Hebeler Holdings LLC.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for all 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 listed above.

I have the authority to bind Hebeler and all associated entities.



Bruce Bonhoff
President
May 30th, 2024