



2023 Report Pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. May 28, 2024.

INTRODUCTION

This report sets out the approach and initiatives taken by Henry Foundation Drilling Inc. (“Henry Drilling”) to identify and address the risk of forced labour and child labour in its supply chain and activities. The information contained in this document is in accordance with the reporting requirements stated under the Canadian *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

As a leading company in the deep foundation industry, Henry Drilling recognizes the importance of ensuring that its supply chain and operations are exempt from modern slavery and respectful of human rights. The data contained in this document is for the fiscal year ending December 31st, 2023, and it is our first report created for this purpose.

ABOUT US

Company Structure

Henry Drilling is a corporation¹ headquartered at 23717, 72nd Avenue, Langley, British Columbia. It was incorporated on December 21st, 2012, in accordance with the British Columbia *Business Corporations Act*. As of December 31st, 2023, the company had a total of 67 employees spread across its head office, field, and yard operations.

The existing organizational structure includes the following departments and main roles:

Office	Field	Yard
<ul style="list-style-type: none">•Project Management•Estimating•Operations•Equipment Management•Health & Safety•Payroll•Human Resources	<ul style="list-style-type: none">•Drill Operators•Superintendents/Foremen•Crane Operators•Equipment Operators•Field Welders•Frontendmen/Groundmen	<ul style="list-style-type: none">•Groundmen•Welders•Heavy-Duty Mechanics•Equipment Operators

¹ Number: BC0958366

Activities

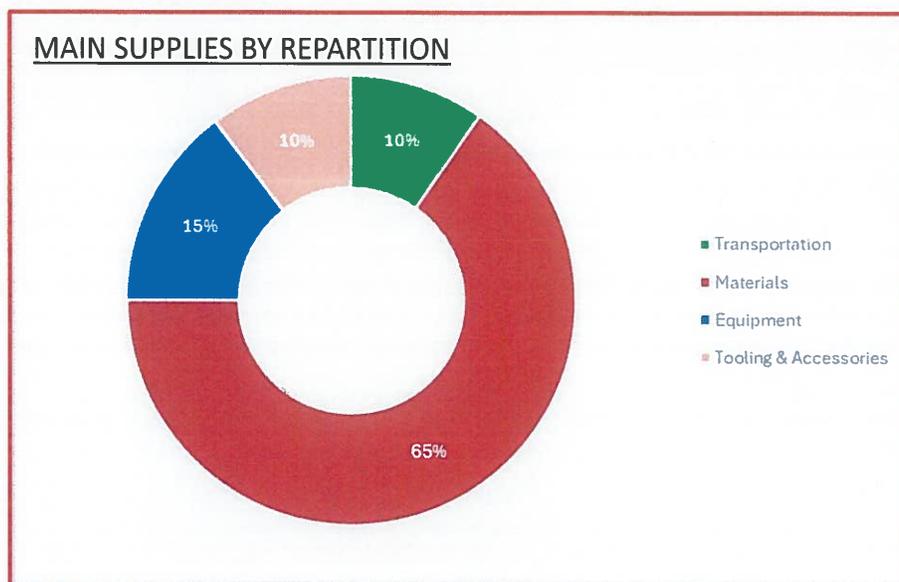
Our company specializes in deep foundation services, including cast-in drilled hole piles, continuous flight auger piles, soldier piles and lagging, secant pile walls, tangent walls, rock drilling, and gas extraction wells at landfills. While most of our operations are conducted within the Greater Vancouver area, we also have regular activities carried out all around British Columbia, and in other Canadian provinces and territories.

We have our own fleet of equipment, which includes drills, cranes, trucks, and support machinery. We also offer rentals to qualified contractors, which include drill rigs, cranes, segmental casing pipes, oscillators, augers, and other drilling tools.

Supply Chain Overview

Most of our supply chain involves the use of local and national Canadian suppliers to conduct our daily operations. Our main sources of suppliers include the following:

- **Material:** Most of our material resources come from the supply of concrete, steel, pipes, beams, PVC/CPVC piping, aggregate, and rebar. Our concrete and aggregate are locally sourced, while our other materials are sourced through reputable companies based in Canada or the U.S., which may source from non-domestic countries.
- **Equipment:** Most of our operations are conducted with our own equipment. When necessary, additional equipment may be rented through national equipment rental suppliers, such as United Rentals or Sunbelt Rentals, or through reputable specialized equipment providers. Those suppliers have existing policies and a code of conduct regarding child labour and forced labour.
- **Drilling Tools & Tooling:** For efficiency and accuracy, our drilling operations depend on a wide range of specialized equipment tooling and accessories, such as Kelly bars, casings, or auger teeth, that are used for our equipment or in the field. Our tooling and drilling accessories come from established suppliers.
- **Transportation:** We use local and national Canadian trucking services for the transportation of specific equipment and tools, while the transportation of regular-size equipment, tools, or materials is handled by our own transportation fleet.



Risks in our Supply Chain and Activities

We've completed an internal assessment to determine the risks of forced labour and child labour in our supply chain and activities. Here's a summary of our findings:

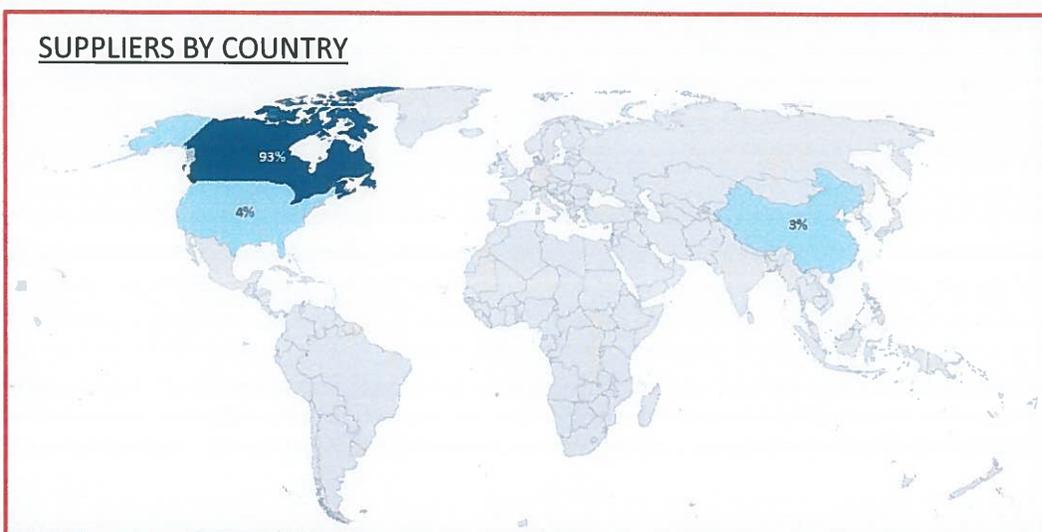
Henry Drilling operates exclusively within Canada, where the risk of modern slavery is very low. Throughout the years, we've built solid partnerships with reputable local and national companies that have the proper human resources processes in place to ensure workers rights are protected across their operations. In 2023, we allocated 97% of our supplier spending towards companies located in Canada or the U.S., where instances of forced labour or child exploitation are minimal. In addition to our domestic sources, we've established long-term partnerships with reputable suppliers in China for select drilling accessories, which accounted for 3% of our supplies for 2023.

All our employees are based in Canada. We have strict recruiting and human resources processes in place aligned with British Columbia's employment standards and health & safety regulations. This allows for a significant reduction in our vulnerability to modern slavery practices.

Our procurement activities primarily involve the use of construction materials, transportation and logistics services, heavy equipment purchase and rentals, equipment accessories, industrial supplies, and tooling. These goods or services have not been identified as high-risk regarding forced labour or child labour². Additionally, considering the technical and specialized nature of our industry, relying on reputable suppliers is crucial for our operations and reputation.

While we recognize the potential risks associated with supplies acquired from regions located outside Canada and the U.S. where forced labour has been documented, our internal assessment has determined that our current supply chain and activities do not carry a risk of forced labour or child labour being used. As a result, no specific remedial actions have been deemed necessary to address forced labour or child exploitation within our operations.

We are, however, committed to respecting human rights and ensure that forced labour and child labour is not part of any product within our supply chain and operations. Should we identify or be made aware of any potential child labour or forced labour, a prompt investigation will be conducted, and proper corrective measures will be taken.



² Based on the List of Goods Produced by Child Labour or Forced Labor published by the U.S. Bureau of International Labor Affairs.

POLICIES AND DUE DILIGENCES PROCESSES

While our existing policies address human rights and guarantee respectful treatment for all, they do not currently include forced labour and child labour matters. In 2024, as part of the steps we want to take to reduce the risk of child labour and forced labour, we will introduce a human rights policy along with a code of conduct.

Employee Handbook

Our employee handbook outlines our company's mission, vision, and values, and provides a clear understanding of the company's culture and expectations. It addresses compliance with laws and regulations, human rights, violence prevention, and employees' rights and responsibilities. It also highlights equal opportunities and fair treatment of all employees regardless of their race, gender, religion, or any other protected characteristic. All employees must sign and adhere to the conditions of this document during all phases of employment with the company.

Respectful Workplace

Henry Drilling is committed to ensuring that all its employees and third parties are treated in a fair and respectful manner. We have zero-tolerance against bullying, harassment, or any other conduct that may affect a person's dignity and respect. A policy is established for this purpose, and all employees are required to sign and adhere to the conditions of this document.

Drafted Human Rights Policy

Although human rights are addressed in our employee handbook, we will implement a specific human rights policy that will further detail our expectations in this matter. This policy will include a section regarding the use of forced labour and child labour and will be implemented for the fiscal year of 2024.

Drafted Code of Conduct

We will also be introducing a code of conduct that will set out the conduct and ethical principles expected from each employee, both within our company and when dealing with external partners. This code will specifically prohibit the use of modern slavery and will offer clear guidance on topics like conflicts of interest, confidentiality, procurement, and the appropriate utilization of company assets. It will serve as a roadmap for maintaining integrity and professionalism throughout all levels of our organization, reinforcing our commitment to ethical business practices and a respectful workplace culture.

REMEDATION

Remediation Measures/Loss of Income

Based on our assessment of our activities, we have determined that our supply chain and activities do not carry a risk of forced labour or child labour being used. For this reason, no measures have been taken to remediate forced labour or child labour, including those aimed at remediating any loss of income on vulnerable families resulting from measures taken to eliminate the use of modern slavery. Should we discover or become aware of an allegation of child labour in our supply chain or activities, we will investigate and implement remedial actions without delay.

TRAINING

All our employees go through an orientation conducted by our Human Resources department, where we highlight our values, vision, and mission, as well as our expectations regarding employee's rights and responsibilities.

In the upcoming months, we will be implementing a new Code of Conduct and a Human Rights Policy, which will both address the topic of child labour and forced labour.

Our Human Resources department will also implement additional training for employees with purchasing/procurement authorities, which will include:

- Guidance on identifying potential modern slavery;
- Indicators and actions to watch out for;
- Information on the reporting of suspected cases.

ASSESSING EFFECTIVENESS

Based on our supply chain and operations assessment, no specific actions have been taken to assess our effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chain. However, in addition to our training and policies, we will set up an annual review related to forced labour and child labour.

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.



Donald Henry

President

Date: 2024-05-28

I have the authority to bind Henry Foundation Drilling Inc.