

Report on Our Commitment to the Fight Against Modern Slavery

Fiscal Year

Fiscal year of June 16, 2022 to June 15, 2023 (“**Fiscal Year**”)

This report is prepared pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “**Act**”). It also constitutes a statement under section 14 of the Modern Slavery Act 2018 (the “**Australian Act**”), and section 54(1) of the Modern Slavery Act 2015 (the “**UK Act**”). These Acts contain provisions against modern slavery, child labour, forced or compulsory labour and human trafficking, including provisions for the protection of victims. It sets out a commitment by Hepburn Engineering Inc. (“**HEI**”) to prevent modern slavery, child labour, forced or compulsory labour and human trafficking in all of HEI’s activities and relationships with its partners. It also describes measures in place at HEI to achieve these commitments.

Our structure and operations

Our Structure

HEI focuses its business in two areas:

1. Hepburn Replenishment-as-Sea Solutions - HEI provides single purpose solids, liquids and dual solids/liquids RAS systems to navies worldwide. HEI also provides astern fueling solutions as well as receiving ship equipment including fixed and sliding padeyes, probe receiver stations, kingposts and over the bow fueling equipment.
2. Hepburn Mining Solutions – HEI designs and supplies state-of-the-art mine hoists and electrical controls for the full range of operating requirements, from shaft sinking and development up to the largest production capacities, as well as complete rebuilding or upgrading services for existing hoists of all types.

HEI is incorporated in Ontario. It is headquartered in Toronto.

HEI strives to meet the highest standards of corporate responsibility while having a positive impact on all of its stakeholders.

Our operations

As one of the world’s largest suppliers of Replenishment-at-Sea systems and mining hoists and winches, HEI has customers, suppliers and other stakeholders around the world.

Our framework and policies

HEI believes that good governance is the foundation of a respectful and inclusive corporate culture that earns trust from our customers, employees, communities and other stakeholders.

Code of Conduct

While not in place during the last Fiscal Year, HEI has implemented a Code of Conduct and Business Ethics (the “**HEI Code**”) that provides a clear framework on which to base decision-making and provides details of what is expected from all officers, directors, managers, supervisors and employees (“**HEI Personnel**”) of HEI to maintain HEI’s high standards with regard to conduct, ethics and integrity in all our dealings with employees, customers, contractors, suppliers, governments and other stakeholders.

All HEI Personnel and contractors, and, in certain cases, suppliers, consultants, representatives and agents, affiliated with HEI, are expected to act in accordance with the HEI Code, which summarizes the standards and principles that must guide our actions. All HEI Personnel must read the HEI Code and sign an acknowledgement that they understand the HEI Code and commit to complying with it.

Our supply chain

Our supply chain includes acquisitions from local, regional, national and international suppliers.

A. Our suppliers

HEI deals with suppliers that share our values and requires that they comply with applicable legislation, in particular concerning employment standards, non-discrimination and human rights and freedoms.

B. Our Supplier Code of Conduct

While not in place during the last Fiscal Year, HEI has also implemented a Supplier Code of Conduct (the “**Supplier Code**”) which outlines our expectations of suppliers with respect to responsible business practices which were previously unwritten. These expectations reflect HEI’s values and how they apply in practice, as approved by HEI’s Senior Management. The Supplier Code sets forth standards which our suppliers must adhere to in their business relationship with us and others with whom they deal. By having this Supplier Code, HEI affirms its intention to deal with suppliers who take environmental, social and governance factors into consideration in their activities and throughout their supply chain.

In terms of the fight against modern slavery, child labour, forced or compulsory labour and human trafficking in supply chains, the Supplier Code specifies that our suppliers must not use:

- Child labour
- Forced or involuntary labour
- Slavery

- Trafficking of persons

HEI may require its suppliers to verify that they comply with the Supplier Code either by way of self-evaluation or an audit by or on behalf of HEI who may visit supplier's facility.

Compliance with the Supplier Code is a criterion that is taken into consideration in the selection of HEI's suppliers.

Suppliers must have a zero-tolerance policy in this regard for all their facilities and business activities and within their supply chain.

C. Sectors of activity most at risk

HEI recognizes that some of its activities could indirectly involve risk of child labour and forced or compulsory labour, and that certain sectors involve a higher risk of child labour and forced or compulsory labour, including:

- Mining, quarrying, and oil and gas extraction
- Construction
- Manufacturing
- Transportation and warehousing

HEI manages the risk of child labour and forced or compulsory labour via its policies, practices and processes. We prioritize the adoption of responsible, equitable sourcing practices while ensuring effective management of our supply chain. For instance, HEI will be requiring its suppliers demonstrate that child labour and forced or involuntary labour are not used in their operations. This may be done through having our suppliers complete a supplier due diligence questionnaire and certification. We have already sent out a supplier due diligence questionnaire and certification for our current fiscal year.

Measures taken to remediate any child labour or forced labour

No instances of modern slavery, child labour, forced or compulsory labour or human trafficking have been detected by our oversight procedures. However, we have implemented measures to remediate such instances, if necessary.

Reporting Infractions

HEI takes action in the event of non-compliance with its policies and practices. It has reporting mechanisms and recourse measures in place for its employees and other stakeholders who wish to express their concerns confidentially, without risk of reprisals.

HEI Personnel are responsible for reporting unethical behaviour or behaviour that goes against the HEI Code. HEI Personnel can confidentially report infractions to their manager, supervisor, Human Resources representative, a member of HEI's legal group, as set out in the HEI Code.

All suppliers also agree to report any infractions, in accordance with the Supplier Code.

Corrective measures

In accordance with the HEI Code, if the principles set out in this report are violated, officers, managers, supervisors and employees may be subject to corrective and disciplinary measures up to and including dismissal. Contractors, suppliers, consultants, representatives or agents who do not comply with the HEI Code are likely to have their contract cancelled. In addition, certain severe infractions may result in legal proceedings against the individual.

Measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of child labour and forced labour in our operations and supply chains

We believe that the most vulnerable families have not suffered any loss of income as a result of the measures we have taken to eliminate the risk of modern slavery, child labour and forced or compulsory labour. However, HEI seeks to contribute to the community in which it operates. It has reached this objective through a donation program and the commitment of its employees who volunteer for a charity which it supports, as well as successful fundraising efforts that include contributions from customers and/or suppliers. HEI is proud to be involved in the community in its support of charities including the United Way, Salvation Army, Daily Bread Food Bank, Scott Mission, Evangel Hall Mission and Hospital for Sick Children.

Training

Training sessions, some of which are mandatory, are made available to teach officers, managers and employees about human rights-related topics, such as the prevention of workplace harassment and violence, and highlight the mechanisms in place to report behaviour which goes against HEI's stated principles.

Conclusion

HEI is committed to preventing and fighting all forms of modern slavery, child labour, forced or compulsory labour and human trafficking in its operations and supply chains. As such, we will continue to regularly review our processes, practices and policies in order to identify opportunities for improvement.

Approval

This report was approved by the board members of HEI on May 31, 2024.

Attestation pursuant to section 11 of the Act

For Hepburn Engineering Inc.,

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 HEI. To the best of my knowledge, information and belief, 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 Fiscal Year set forth above.

Signed by,

John Hepburn
President
Hepburn Engineering Inc.

I have the authority to bind Hepburn Engineering Inc.

May 31, 2024