



Hooper Welding

Report on Company's Assessment Regarding Forced Labour and Child Labour in Supply Chains

Contents

Introduction	3
Activities, Structure & Supply Chain.....	3
Policies & Due Diligence.....	6
Risk Assessment.....	9
Remediation forced labour & child labour & vulnerable family income loss.....	12
Awareness Training	12
Assessing Effectiveness	12
Steps Taken to Prevent & Reduce Risk of Forced Labour or Child Labour	13
Attestation.....	15

Introduction

Hooper Welding Enterprises Limited (hereinafter referred to as “Hooper Welding”) is committed to upholding human rights and ensuring the absence of forced labour and child labour in all its business practices, operations and its global supply chain operations.

Hooper Welding pledges to uphold legality and ethical standards across all facets of our business activities and decision-making procedures. Our operations strictly adhere to the laws and regulatory guidelines outlined in our company's Code of Conduct and laws of the land.

Integrity, honesty, and fairness form the foundational principles embedded within our business practices. We embrace these values and strive to maintain transparent and truthful relationships with every individual and organization we engage with in business.

This report outlines the steps the company has taken to comply with Bill S-211, "An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff".

This is the first version of the report submitted and the report is for Hooper Welding. There are no other reporting requirements under other jurisdictions.

The financial reporting year of Hooper Welding covered by this report is from Oct-22 to Sep-23. Hooper Welding satisfies the definition of an Entity within the Act by having a place of business in Canada, conducting business in Canada, having assets in Canada (>\$20 million) and generating >\$40 million in revenues. With this, we are meeting two of the three size-related thresholds outlined in Bill S-211 guidelines, which require us to furnish a report on our assessment regarding child labour and forced labour in our supply chain.

Activities, Structure & Supply Chain

Activities & Structure

Founded in 1952, Hooper Welding has grown to become a recognized global leader in the design and manufacture of pressure vessels, custom steel, and alloy fabrication.

For over 72 years, Hooper Welding delivers design and manufacture of ASME pressure equipment, including reactors, heat exchangers, heavy wall steam drums, and custom-built technology-intensive equipment, to any size, weight, and shape from vast material grades and to the highest standards and specifications. The company is dedicated to delivering the highest quality products and services to its clients across various industries, including oil and gas, petrochemicals, power, and nuclear sectors.

Our team of devoted professionals, equipped with cutting-edge technology and state-of-the-art facilities, is prepared to tackle projects of any scale with excellence. Alongside our commitment to project execution, Hooper Welding also focuses on developing supply chain ecosystem, ensuring seamless

integration and efficiency. Throughout its evolution, the company has consistently adapted to market demands and client needs, investing in advanced equipment and infrastructure to maintain industry leadership.

Hooper Welding operates through a structured network of facilities and global supply chains. Hooper Welding Head Office is located at 1390 Advance Road, Oakville, Ontario, Canada. The company operates from two main facilities located in Oakville and Hamilton, Ontario, Canada.

The Oakville facility focuses on engineering, heavy plate rolling and precision & small-scale manufacturing, while the Hamilton facility handles large & heavy custom pressure vessels, as well as the manufacturing of complex pressure equipment.

Supply Chain

The company's supply chain is global, involving numerous suppliers of manufacturing services, raw materials, and components.

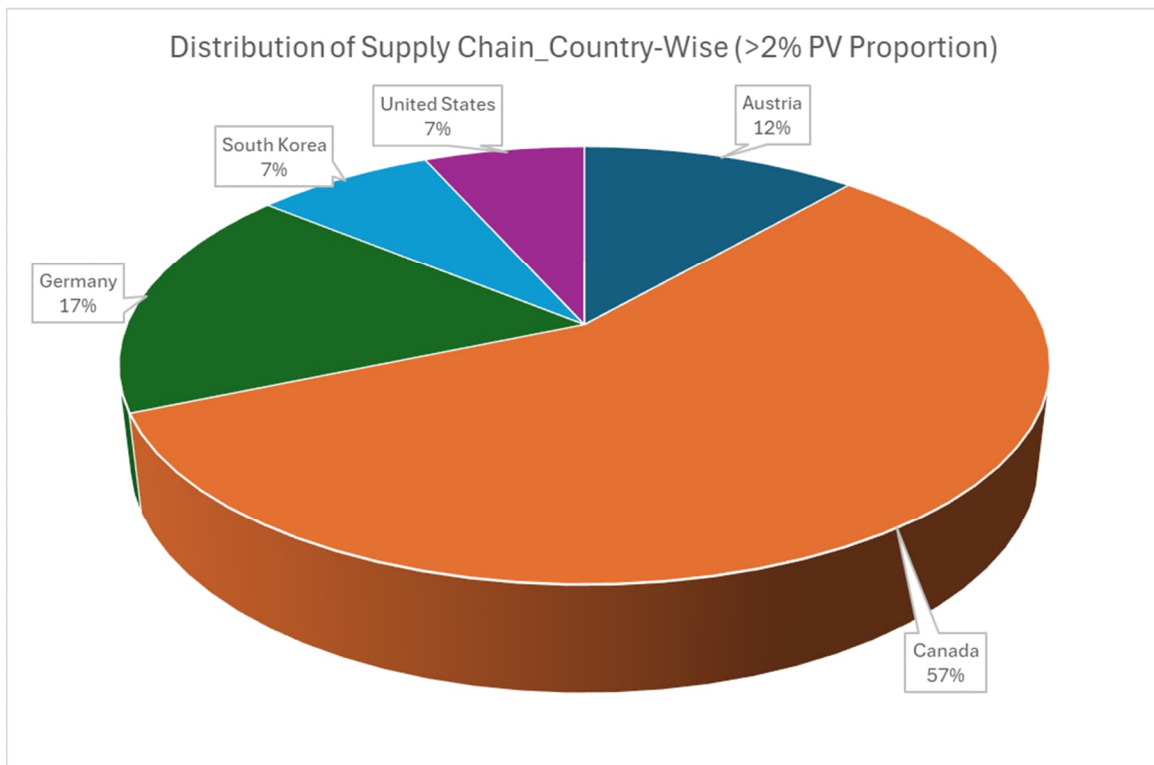


Figure 1

Figure 1 indicates the spectrum of our direct supplier base. The bulk of our supplier entities are situated in Canada, the European Union, the United States, and South Korea. This data reflects the origins of the materials or services we utilize, underscoring our visibility and tracking capabilities at the inception of the value chain.

Figure 1 also delineates the composition of our supply chain by country and total expenditure on purchases. Countries contributing less than 2% to the total purchasing expenditure were excluded from the risk assessment analysis. Consequently, Hooper Welding collaborates with 227 direct suppliers, predominantly located in Canada, with 175 of our vendors based there. Over the past two years, Hooper Welding has engaged in services or material procurement from entities, over 93% of which are situated in the United States and Canada. Below is a tabulated summary of suppliers by country.

Supplier Base_Country of Origin	Number of Suppliers Engaged
Austria	2
Canada	175
France	1
Germany	4
India	3
Italy	2
Mexico	1
South Korea	1
United Kingdom	1
United States	37

Understanding the category of goods is not only crucial for assessing the feasibility of tracing materials or services to their origin but also for ensuring transparency and accountability throughout the supply chain. At Hooper Welding, we recognize the significance of categorizing our sourcing activities into two primary domains.

Firstly, our procurement process involves sourcing various types of raw materials essential for our operations. These materials encompass a diverse range, with a significant portion comprising pipes, plates, forgings, fittings, castings, and fasteners. Each of these materials plays a vital role in the manufacturing processes of our pressure vessels, custom steel, and alloy fabrication. By meticulously documenting the country of origin and manufacturer details in Material Test Reports (MTRs), we not only comply with regulatory requirements but also establish a robust system for tracking the value chain right from its inception. This commitment to transparency is evident in the comprehensive data charts we present, reflecting our dedication to ethical sourcing practices.

Secondly, in addition to raw material procurement, we also engage in outsourcing various manufacturing services from local business partners. These partners specialize in a wide array of services, including high-end CNC machining, surface treatments, rolling, bending, and forming. By collaborating exclusively with North American suppliers who uphold local laws and regulations, we ensure that our manufacturing processes adhere to the highest standards of quality and ethics. This strategic approach not only

strengthens our relationships within the local business community but also underscores our commitment to supporting the regional economy while maintaining ethical integrity throughout our supply chain.

In essence, our meticulous categorization of sourcing activities, coupled with stringent documentation and collaboration with trusted partners, reinforces Hooper Welding's position to adhere to the strict ethical standards to prevent any form of forced or child labour. Which also reflects our dedication to ethical sourcing practices, safeguarding the integrity of our operations while prioritizing human rights and dignity throughout our supply chain.

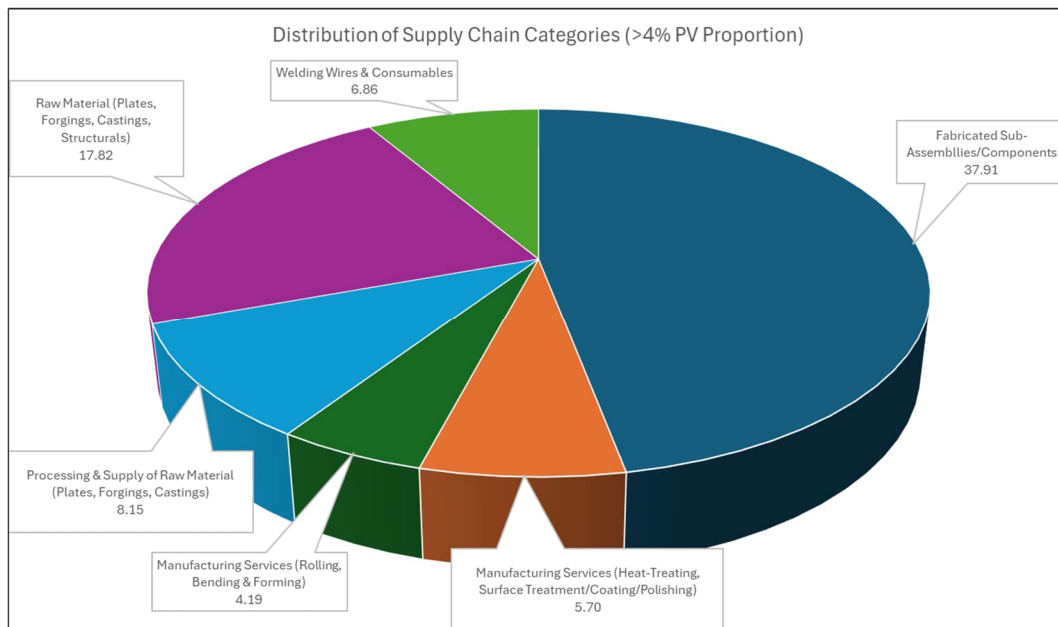


Figure 2

Figure 2 illustrates the distribution of our supply chain by sourcing category and corresponding expenditure. Categories contributing less than 4% to the total purchasing expenditure have been omitted from the graph to enhance clarity and readability.

Policies & Due Diligence

This segment is divided into two main categories: the Internal Environment and the external supply chain ecosystem. We will delve into both categories in more detail as follows.

1. Internal to Hooper Welding:

Hooper Welding has implemented the following internal policies pertinent to compliance with this Act:

Policy	Description	Support in Mitigating Risk of Modern Slavery
Code of Business Conduct	<ul style="list-style-type: none"> Defines the desired behaviors and ethical standards for Hooper Welding's employees and staff. The code emphasizes integrity, professionalism, ethical decision-making, and sound judgment. 	<p>It serves as a cultural compass, fostering accountability and a commitment to ethical conduct. Employees are encouraged to report any instances of injustice within Hooper Welding's operations or code of ethics, aligning with our duty to stakeholders and members.</p>
Sustainable Development	<ul style="list-style-type: none"> Articulates Hooper Welding's dedication to balancing economic growth, social progress, and environmental protection. It aims to meet present needs without compromising future generations' ability to meet their own. 	<p>Our sustainable development framework also aims towards integrating social, environmental, and ethical considerations into our business operations. By promoting responsible practices, we contribute to preventing child labour and forced labour, playing a pivotal role in combatting exploitation in global supply chains.</p>
Union Collective Agreement	<ul style="list-style-type: none"> Outlines the terms and conditions of employment for Hooper Welding's union-covered workers, covering aspects like working conditions, wages, benefits, and workplace rights. 	<p>These agreements empower workers to negotiate fair wages and safe working conditions, fostering policies that shield against exploitation. Unions monitor workplaces, advocate for stronger labour laws, provide support networks, and collaborate internationally to address labour abuses, serving as a critical tool in combating child labour and forced labour.</p>
Communication & Professional Etiquette	<ul style="list-style-type: none"> Specifies Hooper Welding's expectations regarding communication norms and professional conduct, ensuring employees understand the standards they must uphold in interactions with colleagues, clients, and stakeholders. 	<p>This Etiquette framework cultivates a positive workplace culture by setting clear expectations for respectful behavior and effective communication. It promotes ethical standards, fosters open dialogue, and encourages collaboration, indirectly contributing to efforts against child labour and forced labour.</p>

Diversity & Inclusion	<ul style="list-style-type: none"> Highlights Hooper Welding's commitment to promoting diversity and fostering an inclusive environment where staff members feel supported and empowered to succeed. The policy establishes guidelines and initiatives to eliminate discrimination, bias, and barriers to participation. 	By ensuring equal access to employment opportunities and career advancement for all individuals, irrespective of background, this policy creates pathways to economic empowerment, reducing vulnerability to child labour and forced labour.
Workplace Violence & Harassment	<ul style="list-style-type: none"> Declares Hooper Welding's stance against harassment and violence and establishes procedures and guidelines for reporting incidents of violence, intimidation, harassment, sexual harassment, and bullying on company premises or while conducting company business. 	A clear harassment policy fosters a safe and respectful workplace environment. It outlines procedures for reporting issues, including instances of violence that could lead to cases of child labour or forced labour within Hooper Welding's internal operations.

2. External Supply Chain Eco-System:

Hooper Welding upholds a stringent Vendor Approval policy as a pillar of our dedication to ethical sourcing and maintaining the integrity of our supply chain. This policy is pivotal in mitigating risks associated with procuring raw materials and services essential for our ASME pressure equipment manufacturing. Suppliers undergo rigorous evaluations during the initial assessment phase. Essential documentation, including comprehensive product specifications, a letter of guarantee, a conformance and compliance certificate, and a detailed vendor questionnaire, is a part of our initial assessment. Upon successful completion of this assessment, suppliers enter to our Approved Vendors Registry. Such

stringent measures underscore our unwavering commitment to eradicating any trace of forced labour or child labour throughout our supply chain.

Moreover, as mentioned earlier, over 93% of our vendors are based out of North America. Which also mandates adherence to a robust Code of Conduct, which serves as a guiding beacon for ethical conduct and compliance with relevant laws and regulations.

Additionally, alongside these foundational practices, Hooper Welding conducts comprehensive annual evaluations of the Approved Vendor Registry to ensure continuous compliance. These assessments gauge overall performance and the quality of our business relationships, addressing critical aspects such as invoicing accuracy, shipment timeliness, product quality, and general condition like compliance with laws and regulations. Hooper Welding maintains the authority to disqualify vendors found lacking in any of the aspect, holding them accountable.

Moreover, acknowledging the dynamic nature of our industry, Hooper Welding conducts ad hoc supplier visits to promptly address any quality or production-related concerns. With these reviews many a times suppliers are also assessed for compliance with regulatory acts. This proactive approach aims to identify emerging supply chain risks and engage in meaningful discussions with our vendors regarding forced labour and child labour.

By doing so, we not only safeguard Hooper Welding's integrity but also reinforce our commitment to ethical sourcing practices and responsible business conduct.

Risk Assessment

A risk assessment of the goods procured by Hooper Welding and countries from which the goods are procured from has been performed in relation to the Act to identify inherent risks of forced labour and/or child labour within certain goods or materials from which products are made.

This risk assessment used two separate indices to conclude on inherent risk of forced labour and child labour related to goods and countries — Walk Free's Global Slavery Index and the US Department of Labour's List of Goods Produced by Child Labour or Forced Labour.

Although our sourcing spectrum is diverse and encompasses various materials and services, as previously explained, we have the capability to trace back to the inception of the value chain. This ability enables us to provide accurate findings on the indices for procured goods and the countries of origin.

Goods Procured

To thoroughly evaluate the risk associated with goods in Hooper Welding's supply chain, we conducted comprehensive assessments across all product and service categories, prioritizing a holistic approach over the sole consideration of their contribution to the total procurement spend for immediate previous 2 years. This meticulous process ensured that every aspect of our supply chain underwent scrutiny, regardless of its financial significance.

As a result, we meticulously categorized 227 suppliers based on the services they provide, facilitating a targeted evaluation using afore mentioned risk assessment indices. This approach allowed us to delve deep into the intricacies of our supply chain, identifying potential risks and vulnerabilities across various sectors and suppliers.

The outcomes of these assessments underscore a crucial aspect of the inherent demand for a professionally trained workforce in the products and services we engage with. This requirement also serves as a fundamental deterrent against the presence of forced labour or child labour within our supply chain. By prioritizing skilled labour, we inherently mitigate the risk of exploitative labour practices.

Furthermore, the categorization of the segments within Hooper Welding's supply chain as low-risk categories, as determined by the frameworks utilized for the risk assessment, serves as compelling validation of the resilience of our entire supply chain against the threat of forced and child labour.

Countries of Procured Goods

The assessment data for the 227 suppliers was also utilized to evaluate the associated country risks of forced labour and/or child labour. Leveraging insights from the Walk Free Global Slavery Index and the U.S. Department of Labour List of Goods Produced by Child Labour or Forced Labour, we conducted a comprehensive risk assessment on the countries where our vendors operate.

Our analysis revealed that over 93% of our vendors are based in North America, primarily in Canada and the United States. According to both global benchmarks, these regions exhibit low inherent risk exposure to forced labour and child labour. Additionally, for the remaining 7%, vendors operating in countries such as the European Union and South Korea were also found to have low inherent risk exposure.

Furthermore, while some of our goods originate from countries like India, which are categorized as high-risk countries of origin, our products themselves do not fall under the high-risk category. This distinction effectively mitigates any associated risk exposure.

Thus, the overall risk exposure within Hooper Welding's supply chain is effectively nullified by these findings, providing assurance of ethical sourcing practices and compliance with international labour standards.

Mitigating Activities

To continually reaffirm our commitment to upholding integrity and ethical principles throughout our supply chain, Hooper Welding has adopted the following risk mitigation mechanisms to eliminate child and forced labour within our supply chains:

1. Supplier Onboarding
 - a. Stringent Supplier Approval Process: We implement a rigorous vendor approval policy that mandates thorough evaluations of all potential suppliers. This includes reviewing their adherence to ethical labour practices and compliance with relevant laws and regulations. Vendors are required to provide comprehensive documentation, such as product specifications, letters of guarantee, conformance and compliance certificates,

and detailed vendor questionnaires.

- b. **Supplier Disqualification:** Within the Vendor Approval policy, Hooper Welding lists conditions for which a supplier may be disqualified. This includes discontinuation of material, poor service, or quality, lapsed certification, recalls, customer requests and/or other law or regulatory related compliance issues.
2. **Supplier Monitoring**
 - a. **Regular Audits and Inspections:** Hooper Welding conducts regular audits and inspections of suppliers to ensure ongoing compliance with our ethical standards. These audits assess various aspects, including labour practices, working conditions, and adherence to our Code of Conduct. Any non-compliance identified during these audits is addressed promptly.
 - b. **Risk Assessment Frameworks:** We intent to utilize established frameworks such as the Walk Free Global Slavery Index and the U.S. Department of Labour List of Goods Produced by Child Labour or Forced Labour to evaluate country-specific risks. Which will fundamentally help us identify and mitigate risks associated with sourcing from high-risk regions.
 - c. **Monthly and Annual Reviews:** Our Approved Vendor Registry undergoes monthly or annual reviews to ensure that all supplier documentation remains active and compliant with our standards. Additionally, our top 80% of largest vendors are subject to comprehensive annual evaluations to assess their overall performance and the quality of our business relationships.
 - d. **Proactive Supplier Engagement:** Hooper Welding engages in proactive dialogue with our suppliers to discuss and address potential risks related to forced labour and child labour. We conduct ad hoc supplier visits to swiftly resolve any quality or production-related concerns and to reinforce our commitment to ethical sourcing.
 - e. **Continuous Improvement and Monitoring:** We are committed to continuously improving our risk mitigation strategies by staying informed about emerging risks and industry best practices. Regular monitoring and updates to our procurement policies and procedures also ensure that we remain vigilant in our efforts to eliminate child and forced labour from our supply chains.
 - f. **Onsite Visits:** Currently, these visits are conducted ad hoc when we experience manufacturing or quality-related issues. By directly observing working conditions, Hooper Welding can also assess whether the supplier's practices align with our ethical standards.
 3. **Internal Policies**
 - a. **Policies to Mitigate Risk of Forced Labour and Child Labour:** While there have been no reported instances of forced labour or child labour within Hooper Welding's operations or among our suppliers, the company remains steadfast in its commitment to continuously enhance internal capabilities and controls through robust policy framework aimed at minimizing the risk of forced labour and child labour within our supply chain.

Remediation forced labour & child labour & vulnerable family income loss

Hooper Welding has complete visibility over the supply chain and is continuing to review procurement practices to enhance the rigor of our due diligence processes, including raising awareness with suppliers. To date, Hooper Welding has not identified or suspected any instances of forced labour or child labour within our operations or those of our suppliers. Consequently, no remediation measures were required in respect to forced labour or child labour.

Awareness Training

Hooper Welding's core recruiting principles firmly oppose any form of forced labour or child labour practices. However, we recognize the opportunity to enhance our efforts by providing training and awareness programs for our employees and suppliers. These programs aim to educate them about the importance of ethical labour practices and the risks associated with forced labour and child labour, fostering a culture of integrity and responsibility within our organization and supply chain.

Additionally, sections within our code of conduct framework relevant to the Act include discrimination and harassment, diversity and inclusion, sustainable growth, and confidentiality and anonymity. Which acts as preventive measures for internal working environment.

Assessing Effectiveness

To track Hooper Welding's effectiveness in mitigating the risk of child labour and forced labour, the following mechanisms are in place:

Hooper Welding Internal Processes

1. Harassment incidents: Hooper Welding has a zero-tolerance policy for discrimination and harassment. All harassment claims are reported to Management. If an investigation is warranted, Hooper Welding ensures an unbiased, impartial investigation is conducted.
2. Conduct and behaviour incidents: Full compliance with Hooper Welding's Code of Conduct is expected of all employees. New employees must sign a Certificate of Acknowledgment, stating they have read and understood the Code of Conduct and agree to comply. Employees may also be required to complete and sign an annual certificate confirming their compliance with the Code. Failure to complete these certificates may result in disciplinary action.
3. Employee training: As stated earlier, Hooper Welding plans to implement training programs focused on identifying, assessing, and reporting instances of child labour and forced labour. This training will help employees recognize and address these issues effectively.

Supplier Activities

1. Vendor Approval: Hooper Welding will implement a zero-tolerance clause for child labour and forced labour within the Vendor Approval policy. This clause will outline the disciplinary actions for any reported or discovered instances of such labour practices.
2. Supplier questionnaire: A phased approach will be adopted to have suppliers complete a detailed Supplier Questionnaire, which will include specific questions regarding child labour and forced labour. This will start with the largest suppliers and expand across the full supply chain within a reasonable timeframe. Hooper Welding will collect and centralize these responses to understand the risks associated with child labour and forced labour among suppliers.
3. Supplier visits: During onsite supplier visits, Hooper Welding Personnel will be asked to use a standard checklist about forced labour and child labour assessment. The responses will be recorded and updated in a centralized system, allowing Hooper Welding to track and understand the measures suppliers are taking to mitigate these risks.
4. Supplier performance reviews: Key suppliers are reviewed annually to ensure compliance with contract terms and conditions. These reviews will also include findings from site visits and supplier questionnaires stated above. Records of review frequency and the date of the last review will be maintained in a centralized database to ensure thorough and consistent evaluations.

Steps Taken to Prevent & Reduce Risk of Forced Labour or Child Labour

As covered in detailed descriptions of various sections above, Hooper Welding has implemented several measures to prevent and reduce the risk of forced labour or child labour within our operations and supply chain. However, the following is a brief and consolidated list of these ongoing action points:

1. Conducting Internal Risk Assessments: Hooper Welding conducts thorough internal risk assessments to identify any potential risks of forced labour and child labour within the organization's activities and supply chains. This report highlights goods within the supply chain that may inherently pose such risks.
2. Implementing Reporting Policies: We have established reporting policies and procedures that foster a safe environment for employees to report any instances of forced labour, child labour, or other forms of suspected exploitation. This culture of transparency and accountability is crucial to our operations.
3. Addressing Risky Practices: Hooper Welding continuously reviews and addresses practices within our operations and supply chains that could increase the risk of forced labour and child labour. Remediation efforts are integrated into our due diligence processes to mitigate these risks effectively.
4. Developing Due Diligence Policies: We have developed robust due diligence policies and processes aimed at identifying, addressing, and prohibiting the use of forced labour and child

labour in all aspects of our operations and supply chains.

5. **Integrating Anti-Forced Labour Conditions:** Hooper Welding has identified opportunities to incorporate anti-forced labour and anti-child labour conditions within our Vendor Approval policies, ensuring that our suppliers adhere to these critical standards.
6. **Monitoring Suppliers:** Our supplier review process includes regular assessments and onsite visits for key suppliers. These activities are opportunities to verify compliance with labour laws and regulations, specifically regarding forced labour and child labour.
7. **Remediation Measures:** We have enacted measures to either provide for or cooperate in the remediation of forced labour and child labour. These mitigating activities are detailed in our risk assessment section and are integral to reducing these risks within our supply chains.
8. **Training and Awareness:** Hooper Welding is committed to developing and implementing training and awareness programs focused on forced labour and child labour. These programs aim to educate employees about the risks and importance of ethical labour practices within our internal operations.

By adopting these comprehensive measures, Hooper Welding ensures the integrity of our supply chain and reaffirms our commitment to ethical labour practices.

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.

Chris L. Hooper

Full Name	Signature
Vice President	May 30, 2024
Title	Date

I have the authority to bind Hooper Welding and this report covers supplier data for past 2 years and financial data for year 2022-2023, and applies to Hooper Welding and all entities considered reporting entities in terms of the Act and any controlling subsidiaries of Hooper Welding, if they apply.