

TC Industries of Canada Company

Forced Labour and Child Labour: Supply Chain Assessment

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Who We Are

TC Industries of Canada Company

Guelph Location

249 Speedvale Ave. W., Guelph, ON N1H 1C5

Selkirk Location

480 Pittsburgh Ave., Selkirk MB R1A 0A9

Business Number: 879247369

Financial Reporting Year – January 1 to December 31, 2023

TC Industries satisfies the definition of an Entity within the Act by having a place of business in Canada, having over \$20m in assets and sales over \$40m in 2023.

TC Industries is a manufacturing company. We are the worldwide industry leading manufacturer of cutting edges and wear parts for construction, mining and earth moving equipment. Our largest customers are multinational companies.

Goods and services used in our manufacturing process are purchased from Canadian suppliers or imported from USA.

The major components used in our manufacturing are raw steel, electric power for use in production, natural gas for use in production, and paint.

Structure, Activities and Supply Chain

Structure and Activities

TC Industries is the worldwide industry leading manufacturer of cutting edges, wear parts, and fabrications, as well as the premier commercial heat treat services provider in North America. We are family owned and operated, with over 80 years of experience in the industry, taking care of some of the most demanding customers in the market. Our business is taking care of our customers by providing solutions to their problems with the utmost quality in both the products and services we provide. We are strategically located globally to meet your needs with locations in the United States, Canada, and Europe. The organization totals 116 employees.

The General Manager oversees TC Industries Company of Canada. The Plant Manager in

Selkirk MB, the Systems & Tooling Manager, the Value Stream Manager, the General Foreman, the Maintenance Manager, the IT Administrator, and the Accounting Manager all report to the General Manager.

All administrative duties - Accounts Payable, Accounts Receivable, Invoicing, Payroll etc. - are performed at the Guelph location.

Supply Chain

We purchase steel, energy to be used in production, paint, and various other components to manufacture a wide range of cutting edges and wear parts utilizing state of the art equipment and manufacturing processes. The purchase of steel, energy to be used in production, and paint accounts for 88.91 % of the goods and services that we purchase.

We purchase from Canada and USA. We are aware that we do not know where all goods in our supply chain originate from and that our suppliers may have purchased their goods from other suppliers.

We do not have any third-party agreements.

TC Industries of Canada Company is ISO 9001 and 14001 compliant.

There are no known or reported instances of forced labour or child labour in our workforce. All manufacturing workers are members of the United Steel Workers union. TC's domestic employees meet all local employment laws.

Our organization procures steel, which according to Walk Free Global Slavery, has not been identified as having inherent risk. Iron, a key ingredient in steel making, and it has been identified as having inherent risk according to the US Department of Labour. TC is not directly involved in procuring iron, but we are aware that the far reaches of the steel supply chain involve iron.

Based on the research performed to produce this report, none of the goods and services directly purchased by TC Industries been identified as having inherent risks of forced and/or child labour but we acknowledge that the supply chain associated with the goods we procure could contain inherent risk.

As a result of not having any known instances of forced or child labour within TC's operations, no steps or actions were required to remediate or compensate forced or child labour related risks.

How Forced Labour Risk are Identified and Addressed – Policies and Due Dilligence

As part of our ongoing ISO 9001 and ISO 14001 certifications, we are required to have each employee review our policies regarding a safe workplace annually. These policies will be updated to include a section on policies regarding forced labour and child labour.

The training involves reviewing our policies and signing a document indicating that the policies are understood. The employee must sign to indicate that he/she has understood everything that was addressed in the review process. A database is kept and referenced to ensure that each employee has completed the annual review.

All members of the United Steel Workers Union are bound by the Collective Agreement that exists between the company and the employees. The Agreement guarantees no discrimination because of age, ancestry, colour, race, citizenship, ethnic origin, place of origin, creed, disability, family status, marital status, gender identity, gender expression, sex, or sexual orientation. The Agreement also states that the company must maintain a working environment which is free from sexual and/or racial harassment and is founded based on mutual respect. The Collective Agreement also specifies general working conditions and expected hours of work. These standards are emphasized each year in our mandatory annual training reviews.

All new employees are required to read and understand our policies regarding a safe workplace. These policies will be updated with a section on forced labour and child Labour and each new employee will have to sign that he/she understands all our policies. These policies are reviewed annually, and the review is mandatory.

Since we have not encountered any instances of forced labour or child labour, we do not have policies that monitor for this specific type of risk, nor have we any trainings specifically on the topic. TC will evaluate implementing trainings related to forced labour or child labour.

Going forward, TC will evaluate the opportunity of updating our organizational policies for identifying and addressing risks of forced labour or child labour.

Action Effectiveness

As each employee completes their mandatory annual review of our policies and procedures, he/she must indicate that they have completed the review. A database is kept that updates as each employee signs off on the training. The database is reviewed to ensure that each employee completes the review on an annual basis.

In the future, as part of our Supplier Application form, TC Industries will include an area asking if the new potential Canadian supplier satisfies the definition of Entity in Bill S-211. If the new supplier does satisfy the definition, we will ask the new supplier to indicate that they have completed their report for Bill S-211. If the potential new Canadian supplier does not satisfy the definition of an Entity under Bill S-211, we will ask them to sign the form indicating that they do not, knowingly, use forced labour or child Labour.

Any potential suppliers outside of Canada will be asked to sign the form indicating that they do not, knowingly, use forced or child Labour.

On an annual basis, we will send a letter to each active supplier asking them to sign indicating that they do not, knowingly, use forced labour or child Labour. Any supplier that indicates that have knowledge of the of use forced labour or child Labour in their operations will be put under investigation. If any investigation confirms the use of forced labour or child labour, and no remediating actions have taken place, then the supplier will be removed from our authorized supplier list.

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

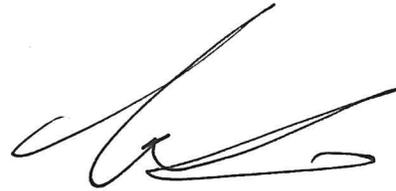
Since we became aware of Bill S-211, we have reviewed our suppliers to determine the risk of Forced or Child Labour. We identified our suppliers and referenced the goods and services supplied to us on the Walk Free Global Slavery Index 2023 and the US Department of Labour's published List of Goods Produced by Child Labor or Forced Labor. TC's direct suppliers' locations do not show inherent risk. None of the finished goods procured by TC appear to carry inherent risk, however, TC identified inherent risk in a by-product of steel. This process has helped our organization be more aware of the potential far reaching effect of our supply chain.

Our Credit Application has been updated to include asking any new Canadian suppliers if

they are an Entity under Bill S-211. If the potential new supplier is an Entity, we will ask them to indicate that they have completed the report for Bill S-211, If they do not meet the definition of Entity in the Act, the Credit Application asks them to sign indicating that they do not, knowingly, use Forced or 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.



Graeme Mitchell

Signature

General Manager

Date

April 22, 2024

I have the authority to bind TC Industries of Canada Company and this report covers financial year 2023 and applies to TC Industries of Canada Company and all entities considered reporting entities in terms of the Act and any controlling subsidiaries of TC Industries of Canada Company if they apply.