

FIGHTING AGAINST FORCED LABOUR & CHILD LABOUR IN SUPPLY CHAINS ACT

2023 Annual Report

1. Introduction

This Report is made by **WAIWARD INDUSTRIAL LP** (from now on, "**WAIWARD**") for the **financial year ending December 31, 2023** ("**Reporting Period**") and sets out the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or of goods imported into Canada by WAIWARD according to the Act to enact the Fighting Against Forced Labor and Child Labor in Supply Chains and to amend the Customs Tariff, came into force on January 1, 2024.

This Act requires that the head of every Entity, whose activities include producing, purchasing, or distributing goods in Canada, or elsewhere, submit an annual report to the Minister of Public Safety on, or before, May 31 of each year.

This Report constitutes the first report prepared by WAIWARD under Canada's new Fighting Against Forced Labour and Child Labour in Supply Chains Act ("Canada's Modern Slavery Legislation"). WAIWARD takes reference and experience of companies since 2020, in compliance with Australia's Modern Slavery Act 2018, Section 54(1) of the UK Modern Slavery Act 2015, and from US Department of Labor, Bureau of International Labor Affairs and their report regarding the International Child Labour and Forced Labor, 2021 (last report),

2. Steps To Prevent And Reduce Risk Of Forced Labour And Children Labour

WAIWARD took the following steps during the Reporting Period to prevent and reduce the risk of Forced Labour and Child Labour in its business and supply chains in all the Operation Centers both permanent and temporary at the different Sites, where we have running projects throughout the year.

- Continuing ongoing mapping of the supply activities in accordance with our multi-year roadmap.
- Conducting an internal assessment of risks of forced labour and child labour in the

Organization's activities and supply chain.

- WAIWARD'S operations are exclusively located within Canada, with 99% of our annual vendor and subcontractor expenditure, occurring domestically and in the United States. Given the stringent legal and regulatory frameworks governing these regions, the risk of forced or child labour within our Supply Chain is considered low. WAIWARD does not engage in forced child labour at any of our facilities or temporary Sites, nor do we import materials, supplies, or equipment identified as high-risk on the US Department of Labor, Bureau of International Labor Affairs, Reports, unless these vendors or subcontractors meet the requirements described by the Act:
 - List of Products Produced by Forced or Indentured Child Labor. (Ref#1.a)
 - List of Goods Produced by Child Labor or Forced Labor. (Ref#1.b)
 - Bibliographic References:
 - VPRA-Bibliography-for-2022-FINAL-Sept-2022. (Ref#1.a)
 - EO-2022-Bibliography-FINAL_Redacted. (Ref#1.b)

These actions were taken broadly across the Company, except as otherwise noted in this report. Details of the above actions are set out in this Report.

3. Waiward's Structure, Activities, And Supply Chain

a. Structure

Waiward Steel Fabricators Ltd. was founded in 1972. They began operations as a miscellaneous steel fabricator in a 2,500 sq. ft. facility in Edmonton's West End. In the late 1980s, Waiward invested heavily in state-of-the-art production technology and refocused its activities on producing structural steel for numerous industrial sectors. In the early 1990s, Waiward acquired a 125,000 sq. ft. facility in east Edmonton and expanded it to more than 216,000 sq. ft. Waiward increased its workforce to more than five hundred employees and embarked on business activities throughout North America and overseas.

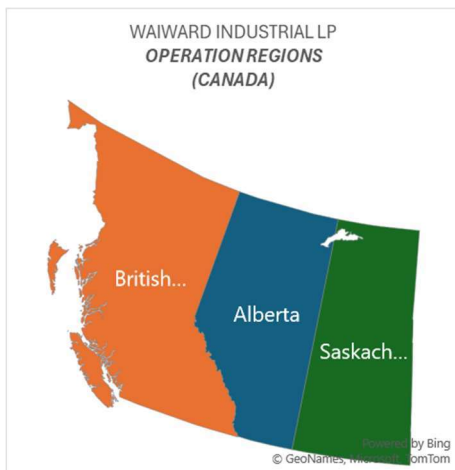
These business activities included the 2003 acquisition of M&D Drafting, a leading structural detailing services

company. For 12 years, M&D Drafting functioned as a subsidiary of Waiward, until it was absorbed to become an internal, full-service engineering and drafting division. In April of 2015 Waiward was purchased by the Hill core Group, a leading Canadian investment firm. Over the next few years, the company continued to grow and diversify and soon realized an opportunity to expand with a wider range of multi-discipline services.

More than steel, in February 2019 Waiward Steel became Waiward Industrial. Our new name reflects the comprehensive range of construction, maintenance, fabrication, and engineering services that our full-service construction company provides.

WAIWARD owns facilities in several provinces along Canada, as follows:

- a) **Headquarters and Module & Yard Storage** in Edmonton, Alberta located at 10030 – 34 Street NW - T6B 2Y5.
- b) **Painting and Coating Shop** in Nisku, Alberta located at 1605 – 10 Street - T9E 0A7.
- c) **Other working Centers focused on Drafting at:**
 - a. KITIMAT, BRITISH COLUMBIA b-Unit 365, 370 City Center-Kitimat, British Columbia V8C 1T6.
 - b. LANGLEY, BRITISH COLUMBIA Unit 204, 6350 – 204 Street-Langley, British Columbia V2Y 2V1.
- d) As well as **Temporary Site Offices** for our temporary personnel mobilized to the different sites along Alberta, British Columbia, and Saskatchewan, involved in Site Erection and Maintenance Works for our Clients.



Additionally, WAIWARD operates in the following sectors:

- Construction;
- Manufacturing and;
- Plant Maintenance & Shutdowns.

b. WAIWARD's Activities And Supply Chain:

- **Fabrication:** Connection Design, Constructability and Early Involvement Engineering, Detailing Services, Including Model Sharing, Model Transfer and Complete Model Approvals, Structural Steel Fabrication, Over Dimensional Fabrication (heavy plate work, industrial process equipment, material handling equipment, large span trusses, etc.), Pipe Spool Fabrication, Sandblasting, Fireproofing, Galvanizing and Coating Solutions.
- **Modular Services:** Structural, Piping, Electrical and Equipment Assembly, Other Secondary Services (cladding, hydro testing, heat tracing, insulation, painting, spray foam, fireproofing, etc.), Piperack, E-Houses, Cable Tray Modules, Stair Towers, Trial Assembly Services.



- **Painting and Coating** for our self-performed works, mainly.
- **Maintenance:** Day to Day maintenance, Planned Outages – Shutdowns and Turnarounds, Reliability Engineering, Unplanned Work / Emergency, Inspection Services, Operation Support, Field operations / Maintenance.

- **Personnel:** This could be owned or subcontracted for the following kinds of profiles:

Pipefitters, Millwrights, Ironworkers, Boilermakers, Welders, Valve Technicians, Insulators, Scaffolders, Carpenters, Operators, and Laborers.

This personnel is provided by our Union Agreements with the following Union Affiliations:

- ❖ Iron Workers Local 805,
- ❖ Iron Workers Local Union 97,
- ❖ Local Union 720,
- ❖ Local Union 725,
- ❖ Local Union 771,
- ❖ United Association Local 179,
- ❖ Local Union 488,
- ❖ Millwright Local 1021,
- ❖ Local Union 1460,
- ❖ Operating Engineers Local 870,
- ❖ Local Union 955,
- ❖ Construction and General Workers
- ❖ Union Local 92 and,
- ❖ Local Union 180.

4. WAIWARD's Policies And Due Diligence Processes On Forced Labour And Child Labour

a. Company Policies on forced labour and child Labour

WAIWARD is under a developing process to define formal Corporate, Supplier, and Subcontractor Code-of-Conduct specifically addressing forced and child labor. Consequently, WAIWARD will update:

- Our Corporate, Procurement, and Subcontracting Policy and Code of Conduct.
- Vendor and Subcontractor Prequalification Procedure, including the requirements coming from the Act to Vendors and Subcontractors, such as:
 - Last Year's Report and its approval by Public Safety Canada,
 - Policy;
 - Code of conduct;
 - Action Plan; (*recommend*).
 - A Public Supplier List (*recommend*).
 - Result of last audit (if any).
 - Terms and Conditions (T&Cs) include limitations and

requirements to be imposed on any WAIWARD's subcontractor.

Nevertheless, WAIWARD adheres to a long-established informal guideline prioritizing procurement and subcontracting from trusted local, Canadian, and subsequently U.S vendors, and following the guidelines provided by Public Safety Canada, Canada's Modern Slavery Act, and US Department of Labor, Bureau of International Labor Affairs, herein mentioned.

b. Due Diligence Process

• Due Diligence

WAIWARD is developing a multi-year roadmap to help us integrate all the considerations and opportunities, including the promotion and protection of human rights against Forced Labour and Child Labour, into our SCM strategies, procedures, and protocols.

This will include thorough pre-screening supported by our Prequalification Process, Self-assessment questionnaires, and periodical monitoring, before any new awarding. Others initiatives in progress are:

- **Request for Quotation (RFQ) or for Proposal (RFP). Evaluation Process.**

Following a risk-based assessment of both our supplier and subcontractor base, we may include in our RFPs specific questions regarding goods and services associated with medium or elevated levels of risk. These questions address the origins of critical materials and components, supplier location, ownership, scope of business, etc. In certain instances, we may seek explicit assurances concerning specific risk areas and require proponents to affirm their commitment to specific contractual terms addressing these concerns.

- **Additional Contractual Requirements (T&Cs)**
WAIWARD subcontracts will include appropriate verification, notification requirements, audit, and inspection clauses, and we reserve the right to conduct inspections, assessments, and audits to ensure that suppliers comply with applicable laws, rules, and standards, including those related to human rights. In addition, our standard

terms will require suppliers and subcontractors to commit to adhering to the principles and standards in our Supplier Code and to require their own suppliers and subcontractors to commit to similar principles and standards. WAIWARD will also reserve the right to discontinue business relationships in cases of non-adherence to the Supplier Code.

Our suppliers and subcontractors will be obligated to take reasonable steps to ensure that goods and services are procured from ethical sources. This includes refraining from benefiting, directly or indirectly, from child or forced labour or any other discriminatory work practices.

Furthermore, WAIWARD will be able to request that a supplier provides information about its corporate structure (including relevant subcontractors), its policies (including those related to forced labour and child labour), and the steps the supplier has taken to assess, manage, remediate, or provide training in regard to the principles and requirements covered by the Supplier Code.

5. Identification. Parts Of The WAIWARD Business That Carry A Risk Of Forced Labour And Child Labour

WAIWARD has identified risks to the best of our knowledge and will continue to strive to identify any possible emerging risk although, up to now, and due to the preventive means And Reduce Risk Of Forced Labour And Children Labour, there have not been identified anyone in our supply chains.

This tracing work was performed within the sectors where WAIWARD operates, at the locations of our activities, the raw material or commodities used in our supply chains, and production and supplier (Tier2), considering the premises defined by this report.

6. Measurements Taken To Remediate Any Forced Labour Or Child Labour

WAIWARD did not identify any forced labour or child labour in their activities and supply chains as well as WAIWARD did not identify any loss of income to

vulnerable families resulting from measurements taken to eliminate the use of forced labour and child labour in our activities and supply chains.

7. Training provided to employees on forced labour and Child Labour

WAIWARD will provide official training to their employees involved in the supply chains and adjoining departments, having interaction along the different stages of the supply chain, WAIWARD also initialized a policy of communication through internal notifications and meetings highlighting the requirements and obligations in supply chain-wise associated with the Fighting Against Forced Labor and Child Labor in Supply Chains Act as well as the next steps the company with take in this matter.

Given that our supply chain is almost exclusively within Canada and US, where the risk of modern slavery is extremely low, we have no immediate plans for implementing a formal training program.

Our actions, from the training standpoint, will be more focused on internal training to elaborate them how and why the Prequalification Processes and Forms, Policies, T&Cs, Purchase Order and Subcontract Forms, Supplier and Subcontract audits will be updated to meet the requirements from the Act.

WAIWARD strongly believes in the way of internally transferring the company knowledge and given that our supply chain is almost exclusively within Canada and US, where the risk of modern slavery is extremely low, must be enough, as long as the employee strictly follows the procedures, protocols, forms, etc. develop to that effect.

8. How WAIWARD assesses its effectiveness in ensuring that forced labour and child labour are not used in its business and supply chains

WAIWARD does consider that having operations exclusively located within Canada, with 99% of our annual vendor and subcontractor expenditure occurring domestically and in the United States and given the stringent legal and regulatory frames in Canada and USA, the risk of forced or child labour within our supply chain is considered as extremely low. Additionally, WAIWARD does not engage in

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forced of child labour at any of our facilities or temporary Sites, nor we do import materials, supplies, or equipment identified as high-risk on the US Department of Labor, Bureau of International Labor Affairs. WAIWARD will conduct annual assessment.

9. Consultation, Approval and Attestation

This report, in the case of a single entity, was approved pursuant to **subparagraph 11(4)(a)** of Canada's Modern Slavery Legislation by WAIWARD INDUSTRIAL LP's governing body.

In accordance with the requirements of the Act, and in particular with section 11 thereof, I attest that I have reviewed the information contained in the report for WAIWARD INDUSTRIAL LP. 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 respect for the purposes of the Act, for the reporting year listed above.

I have the authority to bind WAIWARD INDUSTRIAL LP.



Full name: **David Turner.**
Title: **CEO & PRESIDENT.**
Date: **May 27th, 2024.**

References:

1. **US DEPARTMENT OF LABOR,**
 - a. List of Products Produced by Forced or Indentured Child Labor.
<https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>
 - b. List of Goods Produced by Child Labor or Forced Labor.
<https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-products>
 - c. Bibliographic References:
 - i. VPRA-Bibliography-for-2022-FINAL-Sept-2022.
 - ii. EO-2022-Bibliography-FINAL_Redacted.
2. **Public Safety Canada:**
 - a. United Nations Guiding Principles on Business and Human Rights
https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciple_sbusinesshr_en.pdf.
 - b. The Corporate Responsibility to Respect Human Rights: An Interpretive Guide
<https://www.ohchr.org/sites/default/files/Documents/Issues/Business/RtRInterpretativeGuide.pdf>
3. **Organization for Economic Cooperation and Development (OECD):**
 - a. OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
https://www.oecd-ilibrary.org/finance-and-investment/oecd-guidelines-for-multinational-enterprises-on-responsible-business-conduct_81f92357-en
 - b. OECD Due Diligence Guidance for Responsible Business Conduct
<https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>
4. **Government of Canada**
 - a. https://www.international.gc.ca/trade-commerce/rbc-cre/resources_tools-ressources_outils.aspx?lang=eng
5. **International Labour Organization (ILO):**
 - a. Combating forced labour: A handbook for employers and business.
 - b. Guide Tool on "How to do business with respect for children's Right to be free from Child Labour."
 - c. Ending child labour, forced labour and human trafficking in global supply chains
6. **International Organization for Standardization (ISO):**
 - a. ISO24000 – Sustainable Procurement.
 - b. ISO 26000 – Social Responsibility.
7. **Moder Slavery Act 2018 (Cth) – Australia, forced on Jan 1st, 2029.**