



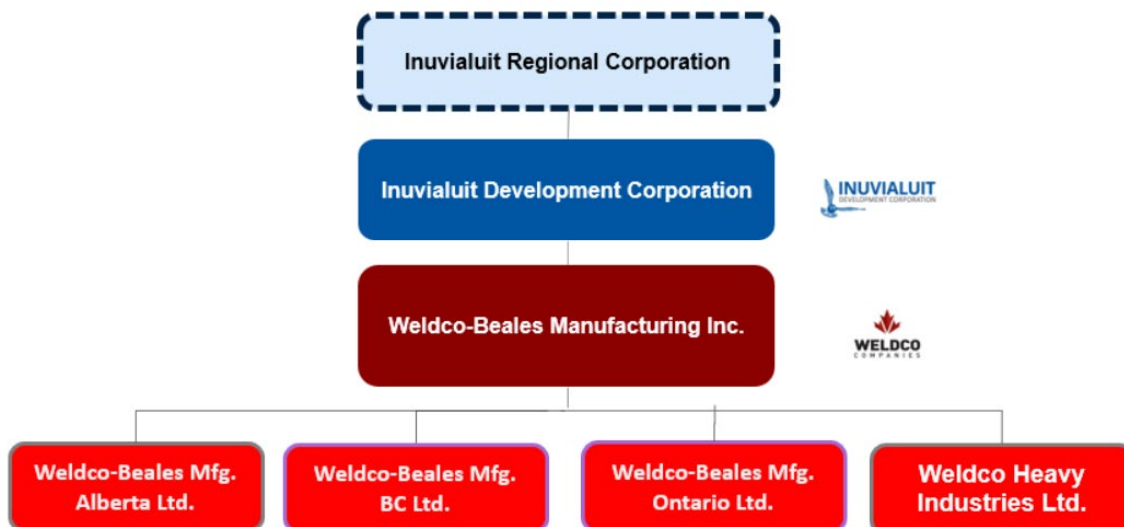
I. Introduction

This Modern Slavery Report (this “**Report**”) is made and filed by Weldco-Beales Manufacturing Inc. (“**Weldco**” or the “**Company**”), pursuant to and in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). This Report is being filed in respect of its financial year ending December 1, 2023, and includes information pertaining to the Company’s commitment to preventing the use of human trafficking, forced labour and child labour (referred to herein as “**Modern Slavery**”) in its supply chain and operations.

Weldco is headquartered in Edmonton, Alberta and is a wholly owned subsidiary of the Inuvialuit Development Corporation (“**IDC**”). IDC is a wholly owned subsidiary of the Inuvialuit Regional Corporation (“**IRC**”), which was formed in accordance with the Inuvialuit Final Agreement (1984) to manage the settlement and represent the collective interests of the Inuvialuit. IRC and IDC will file their own joint report.

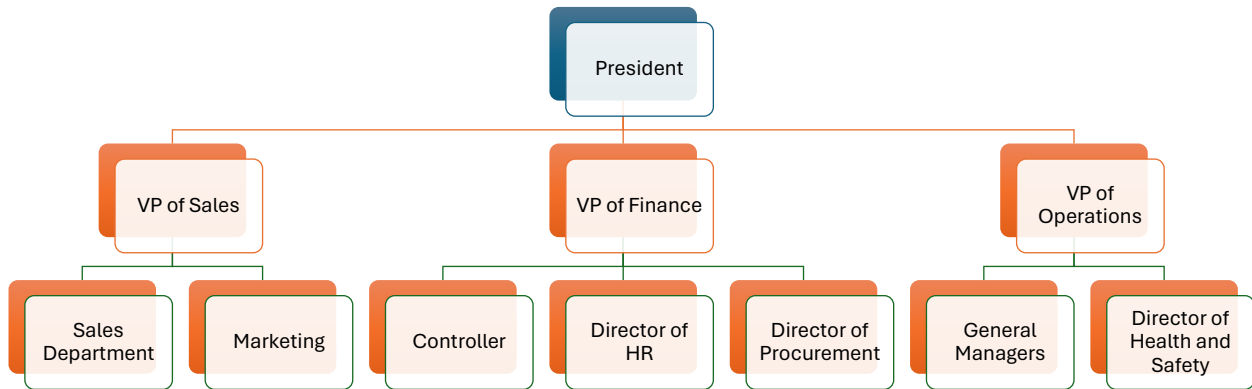
Structure & Activities

Weldco operates primarily as a holding company. Through its subsidiaries, Weldco specializes in the production, refurbishing and distribution of heavy machinery and industrial equipment. Our operations extend across Alberta, British Columbia and Ontario. Weldco also services the United States. Weldco’s corporate structure is as follows:



Management and Reporting Structure

Each Weldco facility is managed by a general manager and supported by a comprehensive staff structure to ensure efficient operations. Weldco’s high-level management organizational chart is presented below for reference.

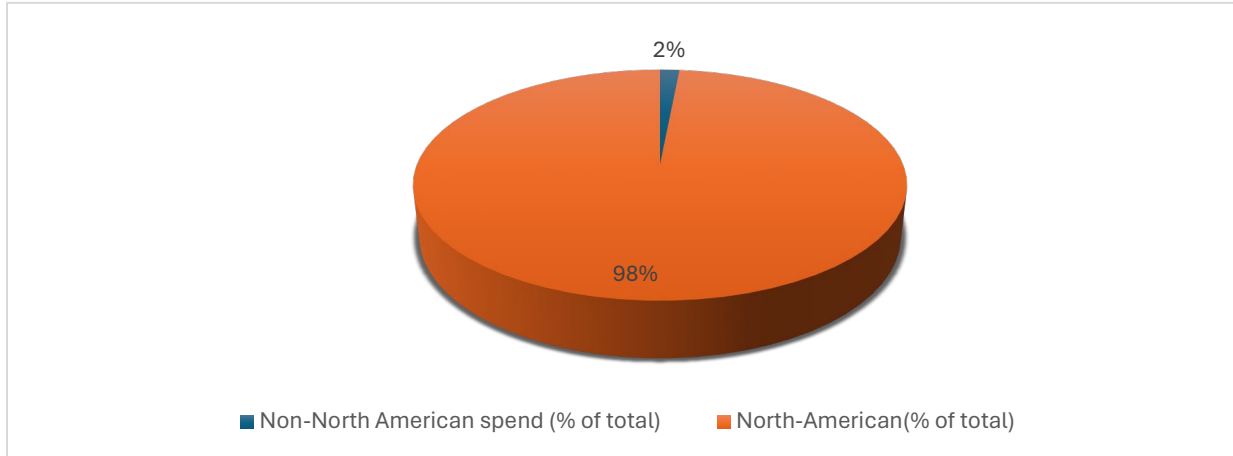


Supply Chain

Weldco is committed to maintaining high standards in our supply chain and strives for continuous improvement in our procurement and operational practices. An overview of our primary supply chain is as follows:

- A. **Steel Procurement:** One of our significant purchases is steel, which we obtain through an intermediary distributor. This distributor sources steel that meets our specifications, effectively managing our steel supply chain and mitigating the risks associated with dealing directly with steel suppliers.
- B. **Welding Wire:** We purchase welding wire for Weldco Heavy and Weldco Manufacturing from a known and reputable supplier based in the U.S. This supplier has distribution centers throughout North America, ensuring a reliable and consistent supply.
- C. **Other Supplies:** Our dealer network procures additional supplies for our business, allowing us to maintain a diverse and flexible supply chain.

Our suppliers are primarily based North America, although we also engage with some international vendors. For the purposes of assessing risks with respect to international vendors, as demonstrated below, transactions outside North American vendors are minimal. The pie chart below represents our overall spending, from 2022 and 2023, to illustrate our payment destinations.



II. 2023 Measures to Prevent/Reduce the Risk of Child & Forced Labour

Aside from its standard and existing practices, policies, and contractual safeguards, which ensure upholding Weldco's dedication to the highest ethical standards (including compliance with legal requirements), Weldco's specific measures taken in 2023 with respect to modern slavery prevention were led by its in-house legal counsel, who took the following steps:

- reviewed publications and guidance related to the Act;
- considered the requirements imposed by the Act and guidance issued by the Minister of Public Safety, as well as other resources (Canadian and international);
- engaged with external experts, including external counsel, to share and understand potential best practices; and
- reviewed its policies, practices, and contractual safeguard mechanisms, while assessing areas for improvement.

Looking ahead, Weldco departments, and primarily legal, have been working to identify further areas of improvement for consideration by its leadership teams and stakeholders.

III. Policies and Due Diligence Processes

Weldco has several policies, procedures, and due diligence processes in place that aid in reducing the risk of forced and child labor in its supply chain. Our employees are mandated to adhere to these policies. A high-level summary of the relevant policies and procedures is as follows:

- **Contract Review Policy:** Requires a thorough review of contracts by multiple departments and mandates legal review when appropriate to ensure compliance with all applicable laws, including safeguards to promote and enforce ethical practices.
- **Code of Conduct:** Provides guidance on business conduct and establishes standards for ethical behavior, integrity, and professional conduct across the organization. It emphasizes creating a positive work environment free from discrimination and harassment and underscores compliance with legislation, including the prevention of forced labor.
- **Respectful Workplace Policy:** Aims to create a respectful, dignified, and fair workplace, outlining procedures for handling complaints related to harassment, discrimination, and bullying. By fostering a respectful work environment, Weldco aims to prevent exploitative practices that could lead to forced or child labor.
- **Workplace Violence Policy:** Defines and prohibits acts of violence in the workplace, including threats, and provides measures to respond to and mitigate physical injuries resulting from such incidents.
- **Workplace Wellness and Mental Health Program:** Extends our protection from violence policy by maintaining positive wellness and mental health. This program recognizes that negative mental health outcomes can be triggered by excessive or strenuous work.
- **Open Door Policy:** Specified in our HR Policy Manual, this policy encourages employees to address concerns in a safe and open manner.
- **ISO Certifications:** Weldco is ISO 9001 certified, demonstrating our commitment to quality and safety. This certification underscores our dedication to best practices that protect both our staff and our customers, with forced labor considerations particularly relevant to Clauses 7 (Resources) and 8 (Operations).

In addition to the above, it is our standard practice to maintain and prioritize business with our long-term, reputable suppliers.

IV. Risk Assessment and Risk Management

Weldco is well-equipped to assess and manage risk in its supply chains through policies and procedures that include thorough contractual reviews, legal assessments of contractual protections such as audit rights with vendors, and compliance with law provisions. Financial reviews further aid in risk identification, as illustrated in the pie chart above. Although Weldco's supply chain risks regarding Modern Slavery are generally low, like most companies challenges still exists in areas where there may be Tier 2+ suppliers who may be located in other jurisdictions. Nonetheless, Weldco is confident that by prioritizing reputable vendors and limiting international transactions, effective risk management can be maintained.

Areas for Improvement: Aiming for continuous improvement to uphold the highest standards, Weldco has identified potential areas for enhancing its modern slavery risk management, due diligence, and practices, subject to available resources and leadership direction:

- Consider creating a standalone modern slavery policy.
- Consider establishing a modern slavery task force.
- Enhance contractual protections.
- Improve risk screening.
- Consider conducting supply chain mapping exercises.

V. Remediation Measures

Weldco has not identified any instances of Modern Slavery in its supply chains and thus no remediation measures have been taken.

VI. Training

Weldco implements mandatory and optional training for its employees on matters related to its industry and policies. Employees in positions within the Company's supply chain and business operations also possess extensive experience and various training and education in spotting vendor risks, conducting due diligence, and practicing ethical sourcing.

Looking Forward

With respect to specific training on the subject of Modern Slavery, Weldco has also recently engaged a third-party consulting firm, to provide training through its E-Course offering: "*Combating Forced and Child Labour in Supply Chains & Canada's Regulation of Modern Slavery.*" The course curriculum includes:

- examination of the prevalence of Modern Slavery in global supply chains;
- exploration of the interplay between Modern Slavery and the complexities of supply chains;
- identification of risks, including problematic practices, industries, goods, and regions;
- overview of global regulations on Modern Slavery;
- detailed review of the Act; and
- general guidance for businesses on strategies to combat Modern Slavery and meet compliance obligations under the Act.

Subject to Weldco's leadership determinations and guidance, such training may be implemented as mandatory or optional for employees, depending on their role in the Company. The course includes two modules and quizzes, with employees required to achieve an 80% pass rate to receive a Course Completion Certificate. This certificate allows companies to assess their training effectiveness and track employee progress.

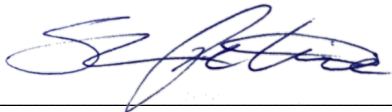
VII. Assessing Effectiveness

Weldco is able to monitor the effectiveness of its measures to prevent Modern Slavery through its robust policies and the extensive experience of its departments, including in-house legal. On a go-forward basis, Weldco will continue to consider improvements that can be made to better assess its effectiveness.

VIII. Approval and Attestation

In accordance with the requirements of the Act, and particularly Section 11, 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.

This report was approved pursuant to paragraph 11(4)(a) of the Act, and I have authority to bind Weldco.

A handwritten signature in blue ink, appearing to read "S. Petrie", is written over a horizontal line.

Full name: Shawn Petrie

Title: Legal Counsel

Date: May 31, 2024

I have authority to bind the Company