



**Annual Report with respect to  
Canada's *Fighting Against Forced  
Labour and Child Labour in Supply  
Chains Act***

**April 1, 2023, to March 31, 2024**

**Copyright © Wenco International Mining Systems 2024  
All parts of this document are the property of Wenco International Mining Systems.**

---

## CEO Statement

As the Chief Executive Officer of Wenco, I am proud to reaffirm our unwavering commitment to internationally recognized human rights. We acknowledge that modern slavery remains a grave concern globally, affecting millions of people. At Wenco, we take this issue seriously, and we are dedicated to mitigating the risk of modern slavery within our operations and supply chain.

Our business principles, as outlined in our Code of Conduct, serve as our compass. They guide our actions and decisions across all our offices worldwide. We operate with integrity, transparency, and a deep sense of responsibility. Our commitment extends beyond financial success; it encompasses the well-being of our people, the communities we serve, and the environment.

We value our employees, suppliers, and partners. We foster a culture of respect, diversity, and inclusion. Our work is not just about profits; it's about making a positive impact. We take pride in our contributions to society, and we recognize that our actions matter. By adhering to our principles, we actively contribute to the fight against modern slavery.

With the support and approval of Wenco's Board of Directors, I am pleased to submit this report in partial fulfilment of Wenco's obligations with respect to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* for the financial year of April 1, 2023, to March 31, 2024.



---

**Andrew Pyne**

*President and Chief Executive Officer*

---

---

## Structure & Activities

### Structure

Wenco International Mining Systems Ltd. (Wenco), is incorporated under the British Columbia *Business Corporations Act*, headquartered in Richmond, British Columbia, and is a wholly owned subsidiary of Hitachi Construction Machinery Co. Ltd. (HCM). To coincide with HCM's financial reporting period, Wenco operates under a fiscal year of April 1 to March 31.

Wenco is a global business with 214 employees in 13 countries, with the majority (105) based in Canada.

The organizational structure at Wenco is separated into twelve departments: Administration, Client Services, Corporate, Finance, Human Resources, Information Technology, Legal, Marketing, Operations, Product Management, Research & Development, and Sales. All departments are led by a Department Head, and all Department Heads indirectly or directly report to the President & CEO.

### Activities

Wenco is a software development company that specializes in the development and services of its technology products for the mining industry. For over 30 years, Wenco has been developing technology solutions to help mining companies increase productivity, efficiency, and safety in their operations. Wenco offers a range of products including fleet management, asset health mining business analytics, and high-precision machine guidance. Working closely with its customers to extract unrealized value out of their mines, Wenco strives to be recognized as the industry leader for reliable solutions.

Wenco's commercial offering comprises a combination of software, hardware, and professional services. The hardware components are largely associated with sensors, computing and display units installed on mining equipment. Hardware imported to Canada for assembly, packaging and/or export include industrial computers, screens, GPS equipment and network communication devices. Some proprietary devices utilize Canadian-based electronics manufacturers drawing on components from a global electronics supply.

### Locations

Wenco has six registered active branches located in the following geographical locations: Richmond, British Columbia; Tucson, USA; Brisbane, Australia; Santiago, Chile; Centurion, South Africa; Ras Al Khaimah, UAE.

## Supply Chain

### Our Supply Chain

Wenco's supply chain encompasses a network of suppliers, manufactures, distributors and service providers, all of whom play an integral part in delivering Wenco's products and services to our customers.

During the reporting period, Wenco undertook a review of all suppliers. This review concluded at the close of March 2024 and identified a total of 460 active suppliers within Wenco's global supply chain.

The review served to identify an active or inactive status of suppliers, which included an analysis to identify the supplier home country along with the supplier's industry and industry risk rating. Each supplier was prescribed the vulnerability rating sourced from Walk Free Global Savery Index. This vulnerability rating is applied to identify suppliers in high-risk countries and will be used by Wenco to focus our efforts in working with these suppliers to see they share the same commitment and values as Wenco in eradicating modern slavery.

The last step in the analysis was for all-active suppliers to be screened through Wenco's external third-party risk and compliance screening provider. Regular and systematic screening of our active suppliers throughout future reporting period is an area identified for improvement by Wenco to ensure we are continually refining our supply chain maintenance processes.

Wenco's global supply chain can be categorized into 16 differing industries. Of these industries, 81% of our supplier base represent the five largest industries (Figure 1). These include manufacturing, electronics, professional services, finance, insurance, real-estate, and IT equipment/software. This spend is accounted based on our prescribed reporting period.

Category	%	Products and Services
Manufacturing	30%	GPS receivers, GPS antennas, cables, steel and aluminium product, network communication device manufacturing
Electronics	22%	Central processing units, printed circuit boards and suppliers of consumable electronics components for the manufacturing of products
Professional Services	15%	Company-wide professional services to support core business functions i.e.: financial, legal, human resources, sales and research and development departments
Finance, Insurance, Real-Estate	8%	Financial services, business insurances, and property/warehouse facility and management
IT Equipment and Software	6%	Laptops, desktop, servers, operating software and related services, software development tools, CRM, ERP, marketing tools and services

**Figure 1 – Main products / services purchased**

## Modern Slavery Risks

### Identifying Risks in Our Business

Our risk management practices include, without limitation, the following:

- **Incident Reporting:** If any staff member encounters situations that raise suspicion of modern slavery, we have clear reporting channels. They can confidentially report concerns, allowing us to investigate and take appropriate action.
- **Customer Engagement Strategies:** When dealing with customers in high-risk areas, we adopt tailored strategies. These may include contractual clauses that explicitly prohibit forced or child labour, regular audits, and ongoing dialogue. Our aim is to influence positive change within our customers' practices.
- **Global Offices:** Our confidence stems from our practices and oversight. Whether in our headquarters or global offices, we maintain consistent standards. Our commitment to fair labour practices transcends geographical boundaries.
- **Continuous Improvement:** We recognize that risk assessment is an ongoing process. As we learn and adapt, we continuously refine our protocols. Our aim is not only to prevent risks but also to foster a workplace where every employee feels valued, respected, and protected.

Our internal risk assessment protocols prioritize stability, fairness, and proactive engagement.

### Supply Chain Sector and Industry Risk Considerations

Recognizing that different sectors carry varying risks, Wenco assessed the potential for forced labour and child exploitation across our supply chains. Our principles of transparency and accountability drives us to acknowledge these risks openly.

Each industry sector presents unique challenges. From manufacturing to hospitality, the risk landscape varies. By drawing upon publicly available sources, we have identified the generally known modern slavery risks associated with these sectors. These sources include reputable reports, academic studies, and expert analyses. Our approach ensures that we consider a wide range of perspectives and stay informed about emerging trends.

The following table summarises the industry sectors, their known risks, and assign a risk score (on a scale of 0 to 100) based on relative comparisons and subjective assessments provided in the public sources, with the level of risk increasing from 0 to 100.

Sector/Industry	Generally known modern slavery risks	Risk Score
Manufacturing	Exploitative labour practices in factories, subcontracting, and supply chains	75
IT Equipment & Software	Risk of forced labour in electronics manufacturing and assembly	60
Electronics	Supply chain complexity, subcontracting, and exploitation of vulnerable workers	70
Professional Services	Vulnerability in outsourced services, such as cleaning and security	50
Facilities Maintenance & Services	High reliance on low-skilled labour, subcontracting, and hidden exploitation	65
Transport & Logistics	Exploitation in transportation, warehousing, and distribution networks	8
Hospitality & Entertainment	Vulnerability of hotel and restaurant workers, especially migrants	70
Textiles & Apparel	Forced labour risks in garment factories and cotton production	85
Travel services	Exploitation of migrant workers in travel and tourism	60

Associated Entity	Risks related to subsidiaries, joint ventures, and business partners	40
Industrial Supplies	Complex supply chains and subcontracting practices	55
Government	Risks in public procurement and government contracts	30
Telecommunications	Supply chain complexity and subcontracting	50
Finance, Insurance, Real-Estate	Low direct risk but potential exposure through supply chains	20
Mining & Energy	High-risk sectors due to labour-intensive operations and global supply chains	90
Office supplies & furniture	Risks in raw material extraction and manufacturing	70

**Figure 2 - High Risk Products / Services Identified**

### Supply Chain Geographical Risk Considerations

Wenco recognizes that geographical contexts significantly impact the risks associated with modern slavery within supply chains. By assessing these risks openly, we aim to foster awareness and informed decision-making.

### Geographical Variability

Different regions present distinct challenges, influenced by local laws, cultural norms, and economic conditions. Our approach involves drawing insights from publicly available sources, including reputable reports, academic studies, and expert analyses. By considering a wide range of perspectives, we stay attuned to emerging trends.

### Known Geographical Risks

The following table outlines the geographical risk considerations across various regions. We assign a risk score (on a scale of 0 to 100) based on relative comparisons and subjective assessments derived from public sources:

Region	Known Modern Slavery Risks	Risk Score
North America	Vulnerability in subcontracted services, such as janitorial work and security	45
Europe	Exploitative practices in agriculture, construction, and seasonal labour	60
Asia-Pacific	High-risk sectors due to subcontracting, migrant labour, and complex supply chains	80
Latin America	Risks in agriculture, mining, and informal labour markets	70
Middle East & Africa	Vulnerability of migrant workers in construction, domestic work, and hospitality	75

**Figure 3 - Geographical Risks**

### Geographical Risk Considerations

In the reporting period, Wenco conducted business with approximately 460 suppliers. The countries with the largest geographical representation include, Canada 41%, Australia 25%, USA 17%, Japan 3%, Taiwan 2%.

## Due Diligence Process and Steps Taken to Assess and Manage Risks

Wenco's supply chain involves purchasing a broad range of goods and services from international, national, regional and local suppliers. Our principal supply chain includes suppliers of technology and other office equipment, software, property and facilities management services, business travel, merchandise suppliers, software developers, recruitment agencies and various professional and technology related services.

Through our due diligence process, Wenco strives to:

- (a) identify and action potential risks (see related section for more details);
- (b) monitor potential risks; and
- (c) manage or mitigate the risks,

in our business and supply chain.

As part of Wenco's efforts to monitor and reduce the risk of slavery and human trafficking occurring in our supply chains, we have adopted the following due diligence procedures:

- A) Internal supplier assessments;
- B) Use of third-party risk assessment service provider; and
- C) Contractual commitments

Additionally, Wenco has policies and practices, and a due diligence process to assess and manage the risks of modern slavery within our operations and supply chains. Conducting a risk assessment is fundamental to our due diligence process.

We secure contractual commitments from our business partners, ensuring their explicit agreement to abstain from any involvement in modern slavery practices. Some of our relevant policies to mitigate against the risk of modern slavery includes: Compliance Agreement, Supplier Code of Conduct, Modern Slavery and Forced Labour Policy, and Code of Conduct, as described further below.

### Contractual Obligations and Compliance Commitment/Agreement

Our contracts with business partners include provisions that expressly prohibit illegal activities including modern slavery and human trafficking. These contractual obligations require business partners to comply with all applicable laws and regulations, including Canada's Modern Slavery Act. Non-compliance may result in termination of contracts or other appropriate actions.

### Supplier Due Diligence and Supplier Code of Conduct

We have established a Supplier Code of Conduct that outlines the ethical and social responsibilities we expect our suppliers to adhere to, including a commitment to human rights, labour standards, and ethical sourcing practices. This code is communicated to all our suppliers [through our website](#), and adherence to its principles is a requirement for doing business with us.

We have implemented a supplier due diligence process to assess the modern slavery risks associated with our suppliers, which includes evaluating their compliance with our Supplier Code of Conduct. This process involves conducting initial assessments of new suppliers before onboarding them and ongoing monitoring of existing suppliers.

## Modern Slavery and Forced Labour Policy

This policy underscores Wenco’s dedication to ethical conduct and integrity in all business relationships. We encourage employees to report any concerns about modern slavery through confidential channels. We regularly review our supply chains and contractors to identify and manage potential risks. Violations of this policy will result in appropriate disciplinary measures, including termination if necessary.

### Code of Conduct

Wenco’s Code of Conduct underscores our commitment to upholding internationally recognized human rights principles throughout all facets of our business operations. Should any potential violations arise, we will take corrective actions, both internally and externally. We are dedicated to respecting individual human rights in all aspects of employee recruitment, treatment, and company activities, rejecting any form of discrimination or acts that compromise human dignity.

## Employee Training

Wenco recognizes the importance of fostering internal understanding of Modern Slavery, Work Rights, and Workplace Exploitation. While as of this reporting period, we have not yet conducted specific training on Modern Slavery and Forced Labour for our employees, we are committed to enhancing awareness and comprehension of these issues within our operations and supply chain.

Our HR department is taking proactive steps to develop the first training program, which will be the foundation for our annual "Modern Slavery Awareness Training" sessions.

The Modern Slavery Awareness Training will provide comprehensive information and raise awareness about the various forms of Modern Slavery. It will be designed to deepen understanding and raise awareness of these critical issues among our employees.

To ensure the effectiveness of the training program, it will be integrated into our Learning Management System (LMS) “Wenco Learning” and will become a mandatory requirement for all our workforce. This approach will enable us to track participation and ensure that all employees receive the necessary training to identify and prevent Modern Slavery and Forced Labour in our operations and supply chain.

## Remediation Measures

The assessments carried out in this first reporting year (Apr 1, 2023 – Mar 31, 2024) did not identify any instance of forced labour nor child labour within Wenco’s business activities nor its supply chain. As such, there are no remediation measures to detail.

Wenco remains dedicated to working collaboratively with our existing suppliers. In cases where we identify instances that violate our Supplier Code of Conduct, we will engage in open dialogue to rectify the situation. Simultaneously, we recognize the importance of exploring alternative suppliers who uphold respectful labour standards. Our commitment extends to identifying and partnering with such suppliers to provide viable income alternatives for affected workers. All activities to resolve and remediate such instances will be tracked until resolution.



---

## Assessing Effectiveness of Actions

Wenco presently does not have a formal process to measure the effectiveness of our efforts and actions in mitigating and preventing forced and child labour risks, beyond periodic evaluations of our operations, suppliers, and supply chain. If through our standard due diligence process, we identify suppliers as being high risk of non-compliance or involvement in forced or child labour using our standard due diligence process described above, further investigations are conducted to assess appropriate risk mitigation measures and, or non-commencement or termination of the relationship.

## Board Approval and Attestation

This report was approved by the Board of Wenco International Mining Systems Ltd. on behalf of Wenco on May 10, 2024, pursuant to section 11(4)(b)(ii) of the Act.

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.

I have the authority to bind Wenco International Mining Systems Ltd, dated May 10, 2024.



---

Andrew Pyne

*President and Chief Executive Officer*

## Addressing the Mandatory Criteria set out in the Act

Mandatory Criteria	Relevant Page Number
(a) Describe the reporting entity structure, activities, and supply chains	Page 3
(b) Describe the reporting entity policies and its due diligence processes in relation to forced labour and child labour	Page 7
(c) Identify the parts of the reporting entity and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk	Pages 4-6
(d) Detail any measures taken to remediate any forced labour or child labour	Page 8
(e) Detail any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains	Page 8
(f) Describe the training provided to employees on forced labour and child labour	Page 8
(g) Describe how the reporting entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains	Page 9