

Annual Report on Forced and Child Labour in Supply Chains

1. Organizational Structure and Activities

Company Overview:

Location: Alberta, Canada

Employees: Approximately 200

Industry: Manufacturing products and providing manufacturing services for the oil and gas industry

Business Activities:

We manufacture and supply products and services primarily to the North American oil and gas sector.

Our raw materials, predominantly steel, are sourced from North American suppliers, with some past sourcing from China.

2. Supply Chain Details

Supply Chain Overview:

Primary Suppliers: North American-based suppliers

Raw Materials: Mostly sourced from Canada and the USA, with some historical sourcing from China.

Products and Services: Manufactured raw materials are sold mainly within North America.

3. Policies and Due Diligence Processes

Current Policies:

Our hiring practices ensure compliance with all occupational regulations and standards in Canada and the USA. The HR function oversees all hiring processes to ensure adherence to our regulatory and ethical standards.

We are developing a code of conduct for our suppliers to ensure materials are responsibly sourced by the suppliers we conduct business with.

Due Diligence Measures:

Identified the need to implement the review of major suppliers to identify the origin of raw materials.

Recognized the need to implement a supplier code of conduct to ensure responsible sourcing, which will be distributed in 2024.

4. Employee Training and Awareness

Training Programs:

No specific training on forced and child labour on the hiring side, as the risk is very low.

Developing training/awareness programs for supply chain personnel to educate about responsible sourcing and our commitment to not supporting forced and child labour. Training will be mandatory for supply chain personnel but not for all employees.



5. Remediation Measures

Actions Taken:

No instances of forced or child labour have been identified within our operations or supply chain. No remediation actions have been necessary to date.

6. Assessing Effectiveness

Assessment Plans:

The past year highlighted the need to focus on understanding legislative requirements and laying the groundwork for compliance.

Plans to implement processes to mitigate risks and establish accountability metrics to measure effectiveness are in place and are expected to be rolled out during calendar 2024.

7. Future Plans

Upcoming Initiatives:

Integrate risk assessments for forced and child labour into existing supplier performance evaluations.

Finalize and enforce a code of conduct for suppliers to ensure compliance with responsible sourcing standards. Develop process to ensure up-to-date compliance with code of conduct commitments.

8. Attestation Statement

I, Kyle MacDonald, hereby attest that the information contained in this annual report on forced and child labour in supply chains has been reviewed and approved by the governing body of Argus Machine Co. Lt. The report is accurate, complete, and prepared in accordance with the requirements set forth under Canada's Bill S-211.

Kyle MacDonald
Chief Financial Officer
May 31, 2024