
Argus Machine Co. Ltd

2025 Report on Forced and Child Labour in Supply Chains

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Organizational Structure and Activities

Argus is an Alberta-incorporated manufacturing company headquartered in Edmonton. Argus currently employs approximately 160 employees.

Argus manufactures customized products and provides services primarily to the North American oil and gas sectors. Argus' operations include the importation and domestic procurement of raw materials, predominantly steel, which are further processed in Canada.

A significant majority of raw materials are sourced from suppliers located in Canada and the United States. Argus continues to import a limited portion of raw materials from suppliers outside North America. These are imported for a specific product line only.

Supply Chain and Import Traceability Controls

Argus has established processes aimed at improving transparency across its supply chain and to support compliance with Canadian import requirements.

As part of these requirements, the organization collects supplier information such as country of origin and country of melt and pour for the material inputs used in the manufacturing process.

This information is reviewed in conjunction with supporting commercial documents, including invoices, bills of lading and mill tests where applicable. Through this approach, the organization maintains consistency between supplier representation and import reporting.

In addition, Argus, analyzed sourcing activities to identify potential exposure to high-risk or sanctioned jurisdictions. Documentation supporting origin, supplier information, and import transactions are retained in accordance with applicable Canadian Customs record keeping requirements, enabling the organization to respond to regulatory inquiries if required.

Policies and Due Diligence Processes

Argus remains committed to ethical sourcing and ethical business practices in regard to its operations and supply chain.

Argus remains committed to ethical sourcing and continues to develop and implement due diligence measures designed to promote supply chain transparency and support the identification and assessment of risks within its supply chain.

During the reporting period, Argus continued to review and analyze its supply chain to better understand the origin of products and raw materials sourced from its suppliers. As Argus primarily purchases finished products from suppliers in the USA, this review was

aimed at validating the accuracy of origin and gaining visibility into upstream sourcing practices. This included the origin verification of steel and other inputs that may be sourced from multiple countries. Through this process, Argus gained a better understanding of its tier 2 supply chain and was able to assess potential risks associated with forced and child labour.

Responsible business conduct principles for hiring and recruitment purposes are reviewed and updated as needed to ensure policies comply and adhere to the law.

Argus has progressed on development of child protection policies and standards addressing forced and child labour in the supply chain. Although these remain under various stages of implementation.

Risk Assessment and Import Controls

Argus conducted internal assessments of the potential risks of forced and child labour within its operations and supply chains. This assessment considered several factors, including the origin of the goods, the nature of the materials procured, supplier characteristics and the degree of visibility available into upstream supply chain activities.

Based on this assessment, the organization determined that the risk within its internal operation is very low, given the application of Canadian labour laws and established hiring practices. With respect to supply chains, the organization concluded that the overall risks associated with forced and child labour also remain very low, while recognizing that certain exposure exists, particularly in relation to the limited portion of materials imported from outside North America as well as associated challenges with gaining visibility beyond tier 1 suppliers.

In support of mitigating these risks, Argus has emphasized the verification of origin related information, engaging with suppliers and increasing internal awareness of higher risk jurisdictions. The organization acknowledges that its assessment procedures need to continue to be refined and further work is required to increase validation and visibility into our supply chain. .

Measures to Prevent and Reduce Risk

Over the course of the reporting year, Argus developed, implemented and strengthened a number of measures intended to prevent and reduce the risk of forced or child labour within its supply chains.

The organization undertook efforts to map its supply chains to better understand supplier concentrations and to determine alternate supplier opportunities. Argus also initiated review of raw materials origin information to assess consistency of that information with supporting documentation and import records.

These activities are designed to increase coordination between the procurement team and internal compliance functions while ensuring alignment between sourcing practices and the import declarations.

Remediation measures

During the reporting period Argus did not identify any instances of forced or child labour within its operations or supply chain.

Although no remediation actions were required, the organization has initiated the development of formal mechanisms to support the reporting and escalation of related concerns. These mechanisms are intended to facilitate timely identification and resolution of potential issues should they arise in the future.

Training and Awareness

Argus has taken steps to increase awareness of forced and child labour risks within relevant areas of the organization. Efforts during the reporting period focused primarily on personnel involved in procurement and human resource functions. These roles are essential in managing supply chain relationships, hiring practices and overall communication with stakeholders.

Internal discussions have contributed to the identification of enhancements to hiring practices, including the development of a worker recruitment checklist intended to support voluntary employment conditions. While formal training programs have not yet been implemented, the organization is working toward developing structured training initiatives that will address both labour risk awareness and related compliance considerations.

Assessing Effectiveness

Argus recognizes that the effective management of forced and child labour risks requires ongoing evaluation and monitoring of its operations and supply chain. At this stage, the organization is focused on establishing strong foundational policies and processes including improved data collection, supplier engagement and internal coordination. The

intention is to further develop metrics and monitoring processes to assess effectiveness over time.

Future Plans

Looking ahead, Argus intends to continue strengthening its due diligence and compliance framework. Planned initiatives include the implementation of supplier codes of conduct, child protection policies, grievance mechanisms, and improved worker recruitment controls.

Additional efforts will focus on expanding supply chain due diligence activities, improving visibility into upstream sourcing where feasible, and enhancing documentation and record retention practices. Argus also plans to implement structured training programs across the organization to support awareness and compliance with its commitments.

Attestation

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I, in the capacity of Chief Financial Officer, attest that I have reviewed the information contained in the report on behalf of the governing body of the Argus Machine Co. Ltd, 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 within this report.



Kyle MacDonald
Chief Financial Officer
June 25, 2026

I have the authority to bind Argus Machine Co. Ltd.