

Annual Report on Forced and Child Labour in Supply Chains

1. Organizational Structure and Activities

Company Legal Name: Argus Machine Co. Ltd.

Headquarter Location: Edmonton, Alberta, Canada

Structure: Incorporated in the Province of Alberta (1958)

Employees: Approximately 210

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 primarily from North American suppliers, we have a small percentage of raw materials sourced from China.

2. Supply Chain Details

Primary Suppliers: North American-based suppliers

Raw Materials: Metals mostly sourced from Canada and the USA (70%+), one tier-1 supplier in Mexico. We have one product line which sources raw materials from China, these materials represent less than 10% of our total raw materials consumed.

Products and Services provided: Raw materials are converted through our manufacturing processes to meet customer needs, and then sold mainly within North America to support the oil and gas industry.

3. Policies and Due Diligence Processes

- Our hiring practices ensure compliance with all occupational regulations and standards in Canada. The HR function oversees all hiring processes to ensure adherence to our regulatory and ethical organization standards.
 - We investigated options to enhance our hiring processes that increase the likelihood of identifying a potential candidate who may be victim to a forced labour environment. Adjustments yet to be formally implemented.
- We have developed an ethical sourcing policy we will expect our suppliers to live into that outlines an expectation they are committed to ensuring materials are responsibly sourced and live into reducing global child and forced labour.

- Implemented and executed a tactical campaign to ensure our raw material suppliers accurately report the country from which their steel was melted and poured. The country of melt and pour is reviewed and at a minimum we will not work with the high-risk & sanctioned countries.

4. Assessment of forced labour and child labour risks

In reviewing our supply chains and activities we have concluded our overall risk of child or forced labour being used in our supply chains or activities to be very low. We primarily focus on North American supply chain where much regulation exists to negate these environments. We believe the biggest risk we have would be related to the supply of raw material coming from China, however, even within this risk, we are working with internationally acclaimed organizations for whom we believe carry high ethical standards in their work. Also, while this is our largest area of risk, it also represents a very small portion of our overall supplied raw material.

5. Employee Training and Awareness

For hiring practices, we had previously identified the risk as very low, given we ensure we meet all Canadian and Alberta legislated standards. The process of staying compliant with and living into Bill S-211 forced internal discussions and raised awareness within our HR function, this awareness and discussion has resulted in identifying some adjustments to our hiring practices that will reduce the risk of hiring a victim of forced labour.

Employee training and awareness has been primarily focused within the mid-to-upper management levels, with necessary awareness communication filtering down to the appropriate departments (primarily raw material procurement and human resources). We have also had to educate our sales team as our customers have been inquiring about our efforts to support Bill S211 and our sales team needed to understand where these questions were coming from.

We continue to explore formal training requirements to educate our work force on our commitment to ensuring we are adequately reducing our risk of supporting child and forced labour. We have also done an internal restructuring in our procurement team which will help manage and support some of the due diligence requirements we are putting in place for our suppliers.

6. Remediation Measures

No instances of forced or child labour have been identified within our operations or supply chain.

No remediation actions have been necessary to date.

7. Assessing Effectiveness

This year being the first complete year of Bill S-211 was a good learning opportunity, we generated more awareness and implemented a couple of key expectations of our suppliers. We have not been able to implement any measurables that would indicate the effectiveness of our efforts, we will continue to explore these possibilities using our business partners and industry/regulatory guidance.

8. Future Plans

Roll out ethical sourcing policy to key suppliers, implement process to ensure policies are adequately filed & maintained.

Develop training process for procurement team to ensure an adequate level of understanding around our responsibility and commitment to reducing the risk of child and forced labour activities.

Implement hiring practice adjustments to reduce risk of employing victims of forced labour.

9. Attestation Statement

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains 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 Argus Machine Co. Ltd. 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 purpose of the Act, for the reporting year listed within this report.



Kyle MacDonald
Chief Financial Officer
May 30, 2025

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