



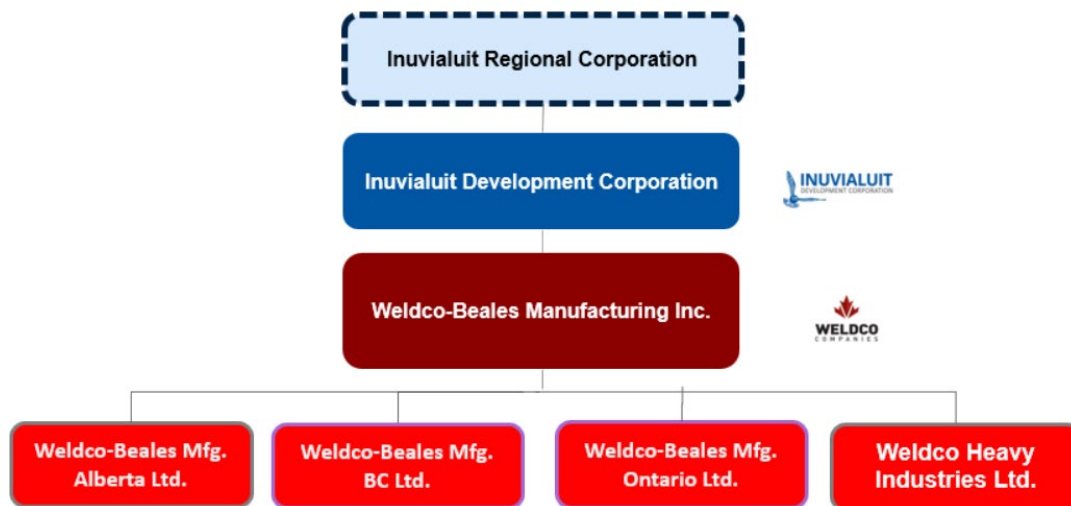
I. Introduction

This Modern Slavery Report (the “**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 the reporting period from January 1, 2024, to December 31, 2024, 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.

II. 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. Its operations extend across Alberta, British Columbia and Ontario. Weldco also services the United States. Weldco’s corporate structure is as follows:



An overview of the primary functions of the Weldco entities is provided below for reference:

Entity	Function	Reporting Entity
Weldco-Beales Manufacturing Inc.	Parent company overseeing operations and corporate governance across all Weldco entities.	✓
Weldco-Beales Mfg. Alberta Ltd.	Operates manufacturing and design facilities in Alberta focused on the design, production, refurbishing and distribution of heavy machinery and industrial equipment attachments.	✗
Weldco-Beales Mfg. BC Ltd.	Operates manufacturing and design facilities in British Columbia focused on the design, production, refurbishing and distribution of heavy machinery and industrial equipment attachments.	✗
Weldco-Beales Mfg. Ontario Ltd.	Operates manufacturing and design facilities in Ontario focused on the design, production, refurbishing and distribution of heavy machinery and industrial equipment attachments.	✗
Weldco Heavy Industries Ltd.	Focuses on steel fabrication and repair along with large-scale industrial fabrication and refurbishment projects for resource sectors.	✗

As indicated above, none of Weldco’s subsidiaries meet the criteria to qualify as “Reporting Entities” under the Act. However, each plays an integral role in Weldco’s success. All Weldco’s entities generally follow the same policies and procedures to ensure operational consistency, effective risk management, and a strong commitment to social responsibility.

Industries and Expertise

Weldco engineers, manufactures and refurbishes a variety of attachments and other equipment specialized to the forestry, construction, road maintenance and mining industries. All Weldco products are specialized to complement the machine and the job to maximize productivity and enhance product service life. Weldco’s reputation is built on supplying attachments that are custom designed and built for the unique application and environment they will be working in. Weldco’s in-house engineering and design teams utilize the latest software to design and develop solutions to support diverse market applications.

III. 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:

Component	Approach	Rationale & Risk Mitigation
Steel	Sourced through a vetted and reputable North American intermediary distributor that procures material strictly to Weldco's technical specifications.	Leveraging the distributor's aggregation capabilities streamlines logistics and reduces the risks associated with direct purchases.
Welding Wire	Obtained for both Weldco Heavy and Weldco Manufacturing from a longstanding United States supplier that operates distribution centres across North America.	The supplier's North American footprint ensures reliable lead times, consistent inventory, and compliance with relevant quality and sustainability standards.
Ancillary Materials and Consumables	Procured through Weldco's established dealer network.	A diversified supply base enhances flexibility, supports continuity of supply, and allows rapid response to evolving project requirements.

IV. 2024 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 maintaining high ethical standards (including compliance with legal requirements), Weldco took the following specific measures in 2024 (either directly or through assistance of external experts, including legal counsel) which aided the Company in preventing Modern Slavery:

- Reviewed updated 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);
- Undertook a detailed review of internal policies, practices, and contractual safeguard mechanisms, while assessing areas for improvement;
- Conducting a high-level risk assessment based on review of supplier transactions; and
- Engaged a third-party service provider to deliver formal training focused on understanding and preventing Modern Slavery (discussed further below).

Continuing into the 2025 reporting year, Weldco departments, and primarily legal, have been working to identify further areas of improvement for consideration by its leadership teams and stakeholders.

V. Policies and Due Diligence Processes

Weldco has several policies, procedures, and due diligence processes in place that aid in reducing the risk of Modern Slavery 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. This policy functions as a critical control point for identifying and managing risks before supplier relationships are formalized and ensures that Weldco's ethical expectations are embedded within commercial arrangements.
- **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. Employees are required to review and acknowledge the Code as part of their onboarding and ongoing compliance obligations.
- **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. This policy helps uphold Weldco's values and strengthens its internal safeguards against conditions that may give rise to modern slavery.
- **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. By ensuring that the work environment remains physically and emotionally safe, the policy supports Weldco's broader commitment to the health, safety, and well-being of all personnel, which is essential to its ethical and legal compliance framework.
- **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:** Certain Weldco entities are 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.

VI. 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 in Article III above. Utilizing reputable procurement intermediaries primarily situated in the United States and Canada, Weldco effectively mitigates risks associated with international sourcing.

Although Weldco's direct supply chain risks regarding Modern Slavery are generally low, challenges still exist in areas where there may be Tier 2+ suppliers located in other, higher-risk jurisdictions. Nonetheless, Weldco is confident that by prioritizing reputable vendors/procurement intermediaries, and limiting international transactions, effective risk management can be maintained.

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

- Implementing a standalone Modern Slavery Policy.
- Enhancing contractual protections for suppliers.
- Improving risk screening through the use of third-party risk management providers.
- Increasing awareness around Weldco's ethical commitments.
- Implementing a formal Whistleblower policy to facilitate safe and confidential reporting of concerns by employees and the public.
- Enhanced training initiatives.
- Develop and implement key performance indicators (KPIs) to assess the effectiveness of supplier modern slavery prevention initiative

VII. Remediation Measures

Weldco has not identified any instances of Modern Slavery in its supply chains and thus no remediation measures have been taken. As part of broader remediation-related efforts, Weldco notes that its third-party Modern Slavery training provider advertises that a portion of the proceeds from the sale of its E-Course are donated to non-profit or charitable organizations that support initiatives to combat and prevent Modern Slavery.

VIII. 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.

In 2024, Weldco 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.

The training was reviewed by in-house counsel and Weldco expects the course to be offered in across the company in 2025. The course consists of two modules and quizzes. Participants are required to achieve a minimum score of 80 percent to receive a Certificate of Completion. Tracking course completion can aid Weldco in assessing the effectiveness of its training and monitor employee engagement and understanding. Management will determine which departments and employees will be required to complete the course.

IX. Assessing Effectiveness

Weldco is able to monitor the effectiveness of its measures to prevent Modern Slavery through its robust policies and the experience of its departments, including in-house legal counsel. Weldco is also able to assess its effectiveness in preventing Modern Slavery through:

- Regular review of policies and procedures, with a goal of continuous improvement.
- Utilization of known and reputable vendors from low-risk jurisdictions.
- Collaboration with its partners and vendors with respect to ensuring consistency.
- Engagement with external advisors.

On a go-forward basis, Weldco will continue to consider potential initiatives for further improvement.

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X. Approval and Attestation

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 and Director, attest that I have reviewed the information contained in the report for the entity 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 by Weldco's governing body pursuant to paragraph 11(4)(a) of the Act, and I have the authority to bind the Company.

(signed) "*Mark Fleming*"

Full Name: Mark Fleming

Title: Chief Financial Officer and Director

Date: May 30, 2025