

Annual Report, Forced Labour and Child Labour

Published May 31, 2024

Pyrotek Incorporated (“Pyrotek”) publishes this Annual Report, pursuant to Section 6 of Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“Act”) for the fiscal year ended 30 June 2023 (“FY23”). This Report applies to Pyrotek and its wholly owned subsidiaries identified below.

Introduction

Pyrotek is committed to good corporate citizenship and the highest ethical standards. We comply with the letter and spirit of the applicable laws, regulations, and rules in jurisdictions where we operate and do not tolerate forced labour, child labour, or human trafficking in our organization or in those of our suppliers and subcontractors. To facilitate the fulfilment of these commitments, we have established and maintain appropriate measures to safeguard against the occurrence of human rights abuses, modern slavery, and related human trafficking within our supply chain as well as within our own operations, as further detailed in this Report.

Reporting Entities, Structure, Activities, and Supply Chains

Pyrotek is a United States based company with global operations in more than 35 countries which includes divisions in Canada. Our Canadian operations are in Quebec (Chicoutimi, Drummondville and Sherbrooke) and British Columbia (Kitimat) operating under the name of Pyrotek High-Temperature Industrial Products Inc.

Our company manufactures and supplies equipment to the aluminum industry. We also support our customers with technical services and maintenance agreements. Whilst our primary business is in the aluminum industry, we also have divisions that support glass production, acoustic and thermal solutions, and clean energy. We predominantly sell products that are designed and manufactured by our wholly owned subsidiaries.

Our supply chains are localized to support the respective customers and our internal manufacturing centers within specific regions. Our supply chains are predominately composed of companies in the industrial manufacturing, thermal insulation, and technical ceramics markets.

Policies and Due Diligence in Relation to Forced and Child Labour

Pyrotek does not tolerate any form of forced or child labour in any part of our business. We are committed to tackling the risk of forced and child labour or modern slavery from our supply chain and operations at a global scale. We outline this commitment and set clear ethical standards for our employees, affiliated companies, and third-party suppliers through a policy framework.

Pyrotek’s Code of Business Conduct and Ethics and its associated policies, procedures, trainings, and communications highlight our support and respect for human rights and outline how Pyrotek is committed to acting ethically in all aspects of our business while maintaining the highest standards of honesty and integrity. Our approach is consistent throughout our operations globally. The Code of Business Conduct and Ethics applies to all Pyrotek employees around the world and provides a framework within which we make responsible behavior a natural part of our operations.

In addition to our Code of Business Conduct and Ethics, we have specific policies addressing [Child and Forced Labor](#) and [Human Rights](#). We also have a [Supplier Code of Conduct](#) that references these two policies. We expect our suppliers and business parties to adopt and uphold policies and ethical business practices consistent with the principles and requirements described in the Supplier Code of Conduct.

The Supplier Code of Conduct reflects our core values, ethical principles, and our commitment to human rights. The Supplier Code of Conduct includes requirements for fair labour practices, human rights (including prohibition on child, forced or bonded labour), and social impacts (such as anti-bribery and corruption) as well as other sustainability issues. We reserve the right to evaluate compliance with the Supplier Code of Conduct through supplier surveys and review of relevant documents and policies.

Parts of Our Business and Supply Chains That Carry a Risk of Forced or Child Labour and Steps Taken to Assess and Manage That Risk

To date, we have not discovered any child labour or forced labour in our supply chains. We also believe based on the industrial nature of our supply chain, sourcing from mostly developed countries, and long relationships with our key suppliers, that there is a low risk of either forced labour or child labour in our supply chains. Whilst we have confidence in our supply chain partners, we acknowledge the responsibility for due diligence and will continue to work with our supply chain partners concerning this topic for both awareness and compliance.

Steps Taken During Previous Financial Year to Prevent and Reduce the Risk of Forced or Child Labour

The actions that we take to reduce the risk of forced and child labour in our operations and supply chains are driven by our due diligence and monitoring strategy.

As mentioned, our supplier relationships are governed by Pyrotek's Supplier Code of Conduct which includes an absolute prohibition on forced or child labour. We reserve the right to terminate contracts with any supplier who is found to be in breach of our Supplier Code of Conduct. Where appropriate, our principal agreements further require our business partners and suppliers to comply with all applicable laws that relate to their interactions with Pyrotek, including, but not limited to, modern slavery laws.

Throughout the 2023 fiscal year, we have continued to monitor and safeguard against human rights abuses by undertaking an ongoing review of our supplier terms and conditions and internal policies, and providing training to employees on the updated policies as updates are completed. Led by Pyrotek's Global Sustainability Team, we have also committed to formalizing our approach to measuring environmental and social Key Performance Indicators in an effort to better understand the implications of our business activities, relationships, and operations. In doing so, we seek to further emphasize and incorporate environmental and social considerations in our decision making.

Measures Taken to Remediate Forced or Child Labour and the Loss of Income to the Most Vulnerable Families Resulting from Any Such Measures

Pyrotek has not discovered any forced labour or child labour in our operations or our supply chains as of the publication of this Report. Hence, no remediation measures have been taken.

Training Provided to Employees on Forced and Child Labour.

We provide regular training to our employees regarding ethical business practices and the importance of acting with integrity in line with Pyrotek's Code of Business Conduct and Ethics. In addition, select segments of our executives and employees who oversee and manage our supply chain operations complete targeted training annually related to supply chain risks and review and acknowledge our Supplier Code of Conduct.

Assessing Our Effectiveness

Within Pyrotek, all managers must annually acknowledge the Pyrotek Code of Business Conduct and Ethics. Our Code is clear on the requirement to comply with all applicable laws, rules, and regulations of the countries in which we operate and requires all employees to report actual or possible misconduct. Non-compliance with local laws governing forced and child labour are grounds for disciplinary actions, including the possibility of dismissal. As of this writing we have not discovered any violations in our workforce concerning these laws.

In addition, Pyrotek has documented policies and procedures relating to grievances, disciplinary issues, and whistleblowing. These policies and procedures are a fundamental basis of our relationships with our employees. They both allow and encourage any employee with relevant information regarding violations of company policies or applicable laws to come forward without fear of retaliation so that we may promptly conduct an investigation and take all necessary corrective action. Furthermore, over the last year, we have begun the process to implementing anonymous reporting hotline for employees and/or outside third parties to raise concerns, including any concerns related to modern slavery or human rights abuses.

While at present we do not have a formal process to assess effectiveness in ensuring that forced and child labour are not being used in our supply chains; to date, we have not received any complaints from employees, or third parties related to concerns about forced or child labour.

Attestation

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.

Respectfully,



Don Ting,
President and COO

I have the authority to bind Pyrotek

Date 5-28-24