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Annual Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* May 25, 2026

1. Introduction

This annual report (this "Report") is submitted by Valtech Fabrication Inc. ("Valtech" or the "Company") pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act"), for its financial year which commenced on November 1, 2024, and ended on October 31, 2025 (the "Reporting Period").

This is the second reporting period for which the Company has been qualified as an "*entity*" under the Act and required to submit a report.

Valtech is committed to maintaining high standards of ethical conduct in all facets of its business interactions and to ensuring the sound and responsible management of its business. The Company takes measures to promote compliance with all applicable laws and regulations, including in respect of human rights, and expects each of its employees, representatives and partners to do the same.

This Report outlines the Company's current approach to identifying and addressing the risks of forced labour and child labour in its supply chain, which will be reviewed on an ongoing basis and reported annually as required by the Act.

2. Company Profile

a. Activities

Valtech is a leading custom metal fabricator of refractory-lined and pressure equipment used in various industries, notably energy, chemical processing, food, industrial construction and agricultural supply. We work mostly with carbon steel, low alloys, stainless steel and nickel alloys. The Company's primary products include regenerator and reactor cyclones, air grids and air distributors, overhead/riser lines, regenerator and reactor heads, regenerator and reactor vessels, pressure vessels, catalyst transfer lines, piping and expansion joints. We also provide engineering, design and other related services.

The Company's only premises are located in the industrial sector of Salaberry-de-Valleyfield, Québec, which is approximately 60 km from downtown Montreal. The offices house the Company's administrative, engineering, drafting and quality control functions. The manufacturing facility includes approximately 110,000 square feet of fabrication space, as well as a warehouse, sandblast facility and other accessory

buildings. The Company employs approximately 35 office employees and 130 production employees, comprised mainly of welders, assemblers, operators and general labourers.

The entirety of the fabrication process takes place at the Company's premises in Salaberry-de-Valleyfield. Occasionally, we use third-party subcontractors to perform discrete operations in the fabrication process. In the vast majority of cases, the subcontractors are Quebec, Canada-based and the subcontracted work is performed at the Company's premises.

Valtech's finished products are shipped to end-users throughout the world. However, the majority are shipped to customer sites within Canada and the continental United States. All shipping is done through unrelated third-party specialty transport partners.

To learn more about the Company's business, please visit its website at: www.valtechfabrication.com.

b. Structure

Valtech is a corporation incorporated under the *Québec Business Corporations Act* and is governed by a Board of Directors (the "Board"), with a majority of the members being independent. Valtech did not have any subsidiaries during the Reporting Period.

Valtech is a closely-held privately-owned company, and all of its shareholders, including a private equity investor, are based in Quebec, Canada.

c. Supply Chains

Valtech's supply chains consist of the procurement of:

- Raw materials (mainly steel alloy);
- Other materials used in the fabrication process;
- Office and building supplies; and
- Ancillary services (ex. specialized advice, transport, maintenance, training, etc.).

At Valtech, we seek to do business with suppliers that reflect our core values and high standards of ethical conduct. Furthermore, to the extent possible, we favour local or Canadian suppliers.

For the Reporting Period, the vast majority of Valtech's suppliers were located in Canada (over 89%) or the United States (10%), both of which have a low estimated prevalence of modern slavery according to the most recent report of the *Walk Free Global Slavery Index (2023)*¹ and are subject to rigorous human rights and employment regulation. The Canadian suppliers are also subject to the requirements of the

¹ Walk Free Global Slavery Index: <https://www.walkfree.org/resources/>



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Act. The remaining less than 1% relates to a single service provider located in Sweden, which has an even lower estimated prevalence of modern slavery than Canada and the United States.

We recognize that, for certain products, our Canadian and American suppliers have their own supply chains for which Valtech may have limited visibility. However, Valtech is proud to have established longstanding relationships with its suppliers, all of which are recognized and respected businesses in their respective spheres, giving us reasonable assurance that they operate their own businesses in accordance with high ethical standards.

3. Policies and Due Diligence Process

a. Policies Governing Modern Slavery

In addition to complying with applicable laws and regulations, including in respect of human rights, employment, harassment, health and safety, immigration and international trade practices, the Company's policies and practices aim to ensure respect for individuals, their personal safety and integrity, as well as their differences.

Code of Ethical Conduct

In particular, Valtech's *Code of Ethical Conduct* (the "Code"), which applies to all employees, officers and directors of the Company, sets out the Company's expectations for ethical conduct, defines the principles that should guide individual actions and establishes guidelines to help individuals navigate ethical issues with professionalism and integrity. Furthermore, the Code articulates the Company's expectation that all third parties with whom it does business, including suppliers, subcontractors, agents and other partners, will comply with the law and adhere to high standards of integrity and ethics.

With respect to international activities and trade in particular, the Code stipulates Valtech's commitment to comply with all international trade laws and regulations applicable in the countries in which it operates, including laws and regulations relating to anti-corruption measures, export controls and economic sanctions. In addition, any employee, officer or director of Valtech who deals with a person or entity engaged or mandated to act as a partner, representative, agent or facilitator for Valtech abroad must communicate Valtech's expectations regarding compliance with the Code and applicable laws, including anti-corruption laws, and take reasonable measures to ensure that these expectations are met.

The Code recognizes that the laws of Canada as well as the laws of other countries in which Valtech does business may provide for other requirements, controls, restrictions and sanctions applicable to international trade, in particular with respect to controlling financial crime (e.g. money laundering), the financing of criminal activities (e.g. terrorist activities, forced labour and child labour, trafficking in persons) and economic sanctions. It requires Valtech employees, officers and directors to take reasonable steps to inform themselves about the rules applicable to Valtech and to comply with them fully.



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Finally, the Code provides a mechanism for denunciation and treatment of any possible or actual breach of the Code or any law, internal policy or directive to which the Code refers.

Policy for the Prevention of Workplace Harassment and Violence and the Handling of Complaints

Valtech is committed to taking reasonable steps to provide a work environment free from any form of harassment or violence to protect the dignity as well as the psychological and physical integrity of individuals.

The Company's *Policy for the Prevention of Workplace Harassment and Violence and the Handling of Complaints* (the "Harassment Policy"), which applies to all employees, as well as directors, customers, suppliers and subcontractors who are on Valtech premises or who interact with Valtech employees in the course of their work. The Harassment Policy strictly forbids all forms of psychological, sexual or discriminatory harassment, as well as all instances of violence, including physical, sexual and domestic violence.

The Company's Visitor Guide and Safety Handbook that is provided to all visitors to the premises, including customers, subcontractors, third-party inspectors and suppliers, as part of the reception process, also refers to the Harassment Policy and reiterates the Company's commitment to maintaining a professional and respectful environment free from all forms of harassment or violence.

Any behavior related to harassment or violence may result in disciplinary action up to and including dismissal or, in the case of a third party, expulsion from the premises. When the seriousness of the situation so requires, Valtech may also request the intervention of law enforcement authorities.

b. Due Diligence Process in Relation to Forced Labour and Child Labour

Valtech has completed a comprehensive audit of its suppliers of both materials and services in the Reporting Period to assess whether they carry any risk of forced labour or child labour. As mentioned above, the vast majority of Valtech's suppliers in the Reporting Period were located in Canada, with the remaining suppliers being located almost entirely in the United States.

It is important to note that, given the specialized nature of the business and the size of the Company, we have a relatively limited supplier list. Valtech is proud to have established longstanding relationships with its suppliers, all of which are recognized and respected businesses in their respective spheres, and with whom we maintain close communication and personal contact. All of this gives us reasonable assurance that they operate their businesses in accordance with high ethical standards.

In addition, the purchasing function at Valtech is concentrated in the hands of a small number of identifiable individuals and is subject to multiple levels of oversight.



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All purchases of raw materials are overseen by a senior member of the management team who is knowledgeable in respect of the factors related to forced labour and child labour. As of this Reporting Period, all purchases of materials other than raw materials are now overseen by a Materials Manager, who is responsible for all aspects of procurement and supplier management, and who is also aware of the risks of forced labour and child labour. Both of these individuals, as well as their counterparts in the finance department, are involved in the preparation of this Report.

Moreover, due to the nature of Valtech's products and their system critical application within the industries for which they are destined, the Company is subject to rigorous internal and external procurement and quality control requirements at all stages of a project's lifecycle – from bidding to the receipt of materials and fabrication and, ultimately, to the final release and delivery of the finished product. These requirements necessitate, among other things, that all materials used in fabrication be documented and traceable.

Furthermore, the procurement process is managed and documented through the Company's enterprise resource planning software (ERP), which integrates the Company's main processes, notably production, procurement, inventory and finance.

Finally, Valtech is governed by an independent Board (as noted above) and is subject to an annual audit of its financial statements in accordance with Accounting Standards for Private Enterprises (ASPE) in Canada. Valtech's supply chain is reviewed by its independent auditor in connection with the annual financial statement audit. The audit results are then reviewed and approved by the Board before being submitted to the Company's shareholders.

c. Training and Compliance

All employees are provided with comprehensive information on all aspects of Company policies, including the Code and the Harassment Policy, as part of the induction process, and are required to review and undertake to comply with all Company policies, including the Code and the Harassment Policy, as a condition of employment. In addition, employees are required to undergo focused harassment training at hiring and at least every three years thereafter.

As part of its governance mandate, the Board is responsible for monitoring the Company's compliance with laws and regulations applicable to its operations and ensuring that it maintains appropriate internal controls and risk management processes. In addition, the Board is responsible for ensuring that rules of conduct and ethics, including matters set out in the Code, are maintained. Regular reporting on such matters is included at each quarterly meeting of the Board, and the periodic review of the Code and other Company policies falling under the Board's purview is also provided for as part of the Board's regular business.

Awareness of the risks of forced labour and child labour is discussed at management meetings, and managers are responsible for relaying that information to any employees with procurement responsibilities.

For the Reporting Period, Valtech has determined that, given its current risk profile (discussed further in Section 4 below), and considering the concentration of oversight and responsibility for procurement, there was no need for additional training on forced labour and child labour. Valtech will continue to monitor its structure and processes and consider whether it is necessary or desirable to offer more formal training on forced labour and child labour.

4. Risk of Forced Labour or Child Labour in Valtech's Supply Chains

Based on the results of the supplier audit and the other circumstances outlined above, Valtech has not identified any part of its business or supply chains that carry a risk of forced labour or child labour during the Reporting Period. Valtech will continue to monitor its supply chains and, should there be a material change in the business, procurement processes or suppliers, Valtech undertakes to reevaluate to determine whether such change results in an increased risk of forced labour or child labour.

5. Remedial Measures

Valtech has not identified or been made aware of any instances of forced labour or child labour in its activities or supply chains during the Reporting Period and, as such, has not been required to take any remedial measures. Similarly, because there have been no remedial measures, there has been no loss of income or other impact on vulnerable persons resulting from such remedial measures.

In the event that a situation of forced labour or child labour is identified in Valtech's supply chain, the Company undertakes to immediately take action to remediate the situation.

6. Assessing the Effectiveness of Measures to Ensure that Forced Labour and Child Labour are Not Being Used in its Business and Supply Chains

Because the Company has not identified or been made aware of any instances of forced labour or child labour in its activities or supply chains during the Reporting Period and has not been required to take any remedial measures, it has not had any real opportunity to assess the effectiveness of its preventive or remedial measures.

7. Approval and Attestation

This Report, delivered by Valtech in accordance with the requirements of the Act, was approved by the Board pursuant to Section 11(4)(a) of the Act by way of a duly passed written resolution of the Board signed by all directors on May 25, 2026.

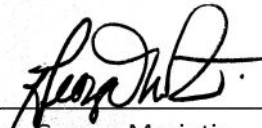


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In accordance with the requirements of the Act, and in particular Section 11 thereof, I, the undersigned, in my capacity as an officer and director of the Company, do hereby certify that I have reviewed the information contained in this Report on behalf of the Board of Valtech. Based on my knowledge and having exercised reasonable diligence, I that the information contained in this Report is true, accurate and complete in all material respects for the purposes of the Act for the Reporting Period referenced above. I further confirm that I have authority to bind Valtech.

VALTECH FABRICATION INC.

By:  Date: May 26, 2026
Name: George Maziotis
Title: President and Chief Operating Officer, Director