



Annual Report with respect to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

April 1, 2024, to March 31, 2025

**Copyright © Wenco International Mining Systems 2025
All parts of this document are the property of Wenco International Mining Systems.**

CEO Statement

As the Chief Executive Officer of Wenco, I am proud to reaffirm our unwavering commitment to internationally recognized human rights. We acknowledge that modern slavery remains a grave concern globally, affecting millions of people. At Wenco, we take this issue seriously, and we are dedicated to mitigating the risk of modern slavery within our operations and supply chain.

Our business principles, as outlined in our Code of Conduct, serve as our compass. They guide our actions and decisions across all our offices worldwide. We operate with integrity, transparency, and a deep sense of responsibility. Our commitment extends beyond financial success; it encompasses the well-being of our people, the communities we serve, and the environment.

We value our employees, suppliers, and partners. We foster a culture of respect, diversity, and inclusion. Our work is not just about profits; it's about making a positive impact. We take pride in our contributions to society, and we recognize that our actions matter. By adhering to our principles, we actively contribute to the fight against modern slavery.

With the support and approval of Wenco's Board of Directors, I am pleased to submit this report in partial fulfilment of Wenco's obligations with respect to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* for the financial year of April 1, 2024, to March 31, 2025.



Yoshinori Furuno

President and Chief Executive Officer

Structure & Activities

Structure

Wenco International Mining Systems Ltd. (Wenco), is incorporated under the British Columbia *Business Corporations Act*, headquartered in Richmond, British Columbia, and is a wholly owned subsidiary of Hitachi Construction Machinery Co. Ltd. (HCM). To coincide with HCM's financial reporting period, Wenco operates under a fiscal year of April 1 to March 31.

Wenco is a global business with 246 employees in 13 countries, with the majority (115) based in Canada.

The organizational structure at Wenco is separated into twelve departments: Administration, Client Services, Corporate (which includes Legal/Compliance), Finance, Global Services, Human Resources, Information Technology, Marketing, Operations, Product Management, Research & Development, Sales and Audit. While many of these departments are led by a designated Department Head, in certain cases, there may be secondary leaders who oversee specific areas within those departments. All Department Heads, either indirectly or directly report to the President & CEO.

Activities

Wenco is a software development company that specializes in the development and services of its technology products for the mining industry. For over 30 years, Wenco has been developing technology solutions to help mining companies increase productivity, efficiency, and safety in their operations. Wenco offers a range of products including fleet management, asset health mining business analytics, and high-precision machine guidance. Working closely with its customers to extract unrealized value out of their mines, Wenco strives to be recognized as the industry leader for reliable solutions.

Wenco's commercial offering comprises a combination of software, hardware, and professional services. The hardware components are largely associated with sensors, computing and display units installed on mining equipment. Hardware imported to Canada for assembly, packaging and/or export include industrial computers, screens, GPS equipment and network communication devices. Some proprietary devices utilize Canadian-based electronics manufacturers drawing on components from a global electronics supply.

Locations

Wenco has five registered active branches located in the following geographical locations: Richmond, British Columbia; Australia; Chile; South Africa; and the UAE.

Supply Chain

Our Supply Chain

Wenco's supply chain encompasses a network of suppliers, manufactures, distributors and service providers, all of whom play an integral part in delivering Wenco's products and services to our customers.

During the reporting period, Wenco undertook a review of all suppliers. This review concluded at the close of March 2025 and identified a total of 551 active suppliers within Wenco's global supply chain.

The review served to identify an active or inactive status of suppliers, which included an analysis to identify the supplier home country along with the supplier's industry and industry risk rating. Each supplier was prescribed the vulnerability rating sourced from Walk Free Global Savery Index. This vulnerability rating is applied to identify suppliers in high-risk countries and will be used by Wenco to focus our efforts in working with these suppliers to see they share the same commitment and values as Wenco in eradicating modern slavery.

The last step in the analysis was for all-active suppliers to be screened through Wenco's external third-party risk and compliance screening provider. Building on our initial efforts, we continued to apply regular and systematic screening of our active suppliers with a more consistent and structured approach in this reporting period. This remains a key area of focus for ongoing improvement in refining our supply chain maintenance processes.

Wenco's global supply chain can be categorized into 16 differing industries. Of these industries, 82% of our supplier base represent the five largest industries (Figure 1). These include manufacturing, electronics, professional services, finance, insurance, real-estate, and IT equipment/software. This spend is accounted based on our prescribed reporting period.

Category	%	Products and Services
Electronics	22%	Central processing units, printed circuit boards and suppliers of consumable electronics components for the manufacturing of products
Manufacturing	21%	GPS receivers, GPS antennas, cables, steel and aluminium product, network communication device manufacturing
Professional Services	20%	Company-wide professional services to support core business functions i.e.: financial, legal, human resources, sales and research and development departments
Finance, Insurance, Real Estate	11%	Financial services, business insurances, and property/warehouse facility and management
IT Equipment and Software	8%	Laptops, desktop, servers, operating software and related services, software development tools, CRM, ERP, marketing tools and services

Figure 1 – Main products / services purchased

Modern Slavery Risks

Identifying Risks in Our Business

Our risk management practices include, without limitation, the following:

- **Due Diligence:** We conduct risk-based due diligence on our suppliers, contractors, and business partners to identify, assess, and address potential risks of modern slavery and human trafficking. This process includes evaluating geographic and sector-specific risks, reviewing supplier policies and practices. For higher-risk relationships, we may conduct further screening, or require relevant commitments. Our procurement and legal teams are engaged in these efforts to ensure our supply chain and business operations uphold our commitment to ethical labour practices.
- **Incident Reporting:** If any staff member encounters situations that raise suspicion of modern slavery, we have clear reporting channels. They can confidentially report concerns, allowing us to investigate and take appropriate action.
- **Customer Engagement Strategies:** When dealing with customers in high-risk areas, we adopt tailored strategies. These may include contractual clauses that explicitly prohibit forced or child labour, regular audits, and ongoing dialogue. Our aim is to influence positive change within our customers' practices.
- **Global Offices:** Our confidence stems from our practices and oversight. Whether in our headquarters or global offices, we maintain consistent standards. Our commitment to fair labour practices transcends geographical boundaries.
- **Continuous Improvement:** We recognize that risk assessment is an ongoing process. As we learn and adapt, we continuously refine our protocols. Our aim is not only to prevent risks but also to foster a workplace where every employee feels valued, respected, and protected.

Our internal risk assessment protocols prioritize stability, fairness, and proactive engagement.

Supply Chain Sector and Industry Risk Considerations

Recognizing that different sectors carry varying risks, Wenco assessed the potential for forced labour and child exploitation across our supply chains. Our principles of transparency and accountability drive us to acknowledge these risks openly.

Each industry sector presents unique challenges. From manufacturing to hospitality, the risk landscape varies. By drawing upon publicly available sources, we have identified the generally known modern slavery risks associated with these sectors. These sources include reputable reports, academic studies, and expert analyses. Our approach ensures that we consider a wide range of perspectives and stay informed about emerging trends.

The following table summarises the industry sectors, their known risks, and assign a risk score (on a scale of 0 to 100) based on relative comparisons and subjective assessments provided in the public sources, with the level of risk increasing from 0 to 100.

Sector/Industry	Generally known modern slavery risks	Risk Score
Manufacturing	Exploitative labour practices in factories, subcontracting, and supply chains	75
IT Equipment & Software	Risk of forced labour in electronics manufacturing and assembly	60
Electronics	Supply chain complexity, subcontracting, and exploitation of vulnerable workers	70
Professional Services	Vulnerability in outsourced services, such as cleaning and security	50

Facilities Maintenance & Services	High reliance on low-skilled labour, subcontracting, and hidden exploitation	65
Transport & Logistics	Exploitation in transportation, warehousing, and distribution networks	8
Hospitality & Entertainment	Vulnerability of hotel and restaurant workers, especially migrants	70
Textiles & Apparel	Forced labour risks in garment factories and cotton production	85
Travel services	Exploitation of migrant workers in travel and tourism	60
Associated Entity	Risks related to subsidiaries, joint ventures, and business partners	40
Industrial Supplies	Complex supply chains and subcontracting practices	55
Government	Risks in public procurement and government contracts	30
Telecommunications	Supply chain complexity and subcontracting	50
Finance, Insurance, Real Estate	Low direct risk but potential exposure through supply chains	20
Mining & Energy	High-risk sectors due to labour-intensive operations and global supply chains	90
Office supplies & furniture	Risks in raw material extraction and manufacturing	70

Figure 2 - High Risk Products / Services Identified

Supply Chain Geographical Risk Considerations

Wenco recognizes that geographical contexts significantly impact the risks associated with modern slavery within supply chains. By assessing these risks openly, we aim to foster awareness and informed decision-making.

Geographical Variability

Different regions present distinct challenges, influenced by local laws, cultural norms, and economic conditions. Our approach involves drawing insights from publicly available sources, including reputable reports, academic studies, and expert analyses. By considering a wide range of perspectives, we stay attuned to emerging trends.

Known Geographical Risks

The following table outlines the geographical risk considerations across various regions. We assign a risk score (on a scale of 0 to 100) based on relative comparisons and subjective assessments derived from public sources:

Region	Known Modern Slavery Risks	Risk Score
North America	Risks in manufacturing component sourcing, electronics assembly, and outsourced IT services	20
Europe	Manufacturing risks in Eastern Europe, outsourced IT development, and hardware component supply chains	25
Asia-Pacific	Electronic component manufacturing, hardware assembly, outsourced software development with limited labor protections in some countries	65
Latin America	Emerging technology manufacturing hubs, software development outsourcing with variable labor enforcement	45
Middle East & Africa	Limited manufacturing presence but growing software services sector with emerging regulatory frameworks	55

Figure 3 - Geographical Risks

Geographical Risk Considerations

In the reporting period, Wenco had 551 active suppliers. The countries with the largest geographical representation include, Canada 34%, Australia 28%, USA 15%, Chile 6%, Taiwan 3%.

Due Diligence Process and Steps Taken to Assess and Manage Risks

Wenco's supply chain involves purchasing a broad range of goods and services from international, national, regional and local suppliers. Our principal supply chain includes suppliers of technology and other office equipment, software, property and facilities management services, business travel, merchandise suppliers, software developers, recruitment agencies and various professional and technology related services.

Through our due diligence process, Wenco strives to:

- (a) identify and action potential risks (see related section for more details);
- (b) monitor potential risks; and
- (c) manage or mitigate the risks,

in our business and supply chain.

As part of Wenco's efforts to monitor and reduce the risk of slavery and human trafficking occurring in our supply chains, we have adopted the following due diligence procedures:

- A) Internal supplier assessments;
- B) Use of third-party risk assessment service provider; and
- C) Contractual commitments

Additionally, Wenco has policies and practices, and a due diligence process to assess and manage the risks of modern slavery within our operations and supply chains. Conducting a risk assessment is fundamental to our due diligence process.

Some of our relevant policies to mitigate against the risk of modern slavery includes: Compliance Agreement, Supplier Code of Conduct, Modern Slavery and Forced Labour Policy, and Code of Conduct, as described further below.

Contractual Obligations and Compliance Commitment/Agreement

Our contracts with business partners include provisions that expressly prohibit illegal activities including modern slavery and human trafficking. These contractual obligations require business partners to comply with all applicable laws and regulations, including Canada's Modern Slavery Act. Non-compliance may result in termination of contracts or other appropriate actions.

Supplier Due Diligence and Supplier Code of Conduct

We have established a Supplier Code of Conduct that outlines the ethical and social responsibilities we expect our suppliers to adhere to, including a commitment to human rights, labour standards, and ethical sourcing practices. This code is communicated to all our suppliers [through our website](#), and adherence to its principles is a requirement for doing business with us.

We have implemented a supplier due diligence process to assess the modern slavery risks associated with our suppliers, which includes evaluating their compliance with our Supplier Code of Conduct. This process involves conducting initial assessments of new suppliers before onboarding them and ongoing monitoring of existing suppliers.

Modern Slavery and Forced Labour Policy

This policy underscores Wenco's dedication to ethical conduct and integrity in all business relationships. We encourage employees to report any concerns about modern slavery through confidential channels. We regularly review our supply chains and contractors to identify and manage potential risks. Violations of this policy will result in appropriate disciplinary measures, including termination if necessary.

Code of Conduct

Wenco's Code of Conduct underscores our commitment to upholding internationally recognized human rights principles throughout all facets of our business operations. In the event potential violations are identified, we will investigate and take corrective actions, as necessary.. We are dedicated to respecting individual human rights in all aspects of employee recruitment, treatment, and company activities, rejecting any form of discrimination or acts that compromise human dignity.

Supplier Site Visits

During the reporting period, two on-site supplier assessments were conducted as part of our ongoing commitment to mitigating modern slavery risks within our supply chain. These visits form a core component of our due diligence strategy, enabling direct engagement with suppliers, firsthand review of working conditions, and assessing general compliance standards.

1. Canadian Based Supplier Site Visit

A comprehensive assessment was carried out at the facility of a core supplier located in Canada. The visit included a full factory walkthrough of the manufacturing areas and associated amenities. The supplier was found to be operating in alignment with our modern slavery risk expectations, with appropriate employment safeguards in place and no indicators of forced or exploitative labour identified.

2. Australian Based Supplier Site Visit

A similar site visit was undertaken at the premises of a key supplier in Australia. The visit included a detailed tour, providing an opportunity to observe operational processes, worker conditions, and occupational health and safety practices. No signs of modern slavery were identified. The supplier demonstrated transparent employment practices and a proactive approach to compliance with workplace standards.

Both visits reaffirmed the strategic value of on-site engagement in strengthening supplier relationships and ensuring adherence to responsible business conduct.

Employee Training

Wenco recognizes the importance of fostering internal understanding of Modern Slavery, Work Rights, and Workplace Exploitation. During this reporting period (April 1, 2024 - March 31, 2025), we successfully implemented our first comprehensive "Modern Slavery Awareness Training" program. The training was developed internally and designed to provide employees with knowledge about various forms of modern slavery, their indicators, and Wenco's commitment to preventing such practices within our operations and supply chain.

The training program was integrated into our Learning Management System "Wenco Learning" and made mandatory for all employees across our global operations. At the time of submitting this report, 100% of employees had successfully completed the training. All new employees will have the training module assigned as mandatory with a 2-week period allowed for completion.

The Modern Slavery Awareness Training covers key topics such as the definitions and forms of modern slavery, global impact statistics, risk factors, and indicators of modern slavery such as abuse of vulnerability, deception, isolation, and withholding of wages. It also educates employees on relevant legislation, including Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act and other regional regulations where Wenco operates.

In addition, the training outlines Wenco's expectations of employees, including awareness of modern slavery's impact on their roles, due diligence with suppliers, monitoring for indicators, and annual completion of the training. Finally, it provides employee's with guidance on Wenco's reporting channels. A short quiz was issued at the end of the training to ensure comprehension of the training material.

Remediation Measures and Remediation of Loss of Income

The assessments carried out in this reporting year (April 1, 2024 – Mar 31, 2025) did not identify any instance of forced labour nor child labour within Wenco's business activities nor its supply chain. As such, there are no remediation measures to detail.

Wenco remains dedicated to working collaboratively with our existing suppliers. In cases where we identify instances that violate our Supplier Code of Conduct, we will engage in open dialogue to rectify the situation. Simultaneously, we recognize the importance of exploring alternative suppliers who uphold respectful labour standards. Our commitment extends to identifying and partnering with such suppliers to provide viable income alternatives for affected workers. All activities to resolve and remediate such instances will be tracked until resolution.

Assessing Effectiveness of Actions

We are committed to continuously evaluating the effectiveness of our efforts to combat modern slavery and forced labour within our operations and supply chains. To do so, we use a combination of qualitative and quantitative measures, including:

- **Key Performance Indicators (KPIs):** We track indicators such as completion rates of employee training, the number of reported concerns or incidents, and the responsiveness of any investigations related to modern slavery risks.
- **Internal Audits and Reviews:** We periodically assess our policies, procedures, and supplier due diligence processes to ensure they remain effective and are consistently applied across all regions where we operate.
- **Supplier Site Visits:** Where appropriate, we conduct site visits to selected suppliers to assess working conditions, verify compliance with our standards, and engage directly on modern slavery and labour practices.
- **Stakeholder Feedback:** We seek input from internal stakeholders, including procurement, legal, and compliance teams to evaluate whether our actions are leading to improved awareness and stronger controls.
- **Continuous Learning:** We consider lessons learned from industry developments, regulatory changes, and our own operational experience to refine our approach. This includes benchmarking against peers and best practices in modern slavery prevention.

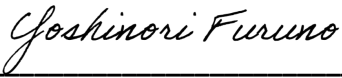
Through these efforts, we aim to ensure that our actions are not only compliant but impactful, supporting a culture of transparency, accountability, and respect for human rights throughout our global operations.

Board Approval and Attestation

This report was approved by the Board of Wenco International Mining Systems Ltd. on behalf of Wenco on May 15, 2025, pursuant to section 11(4)(b)(ii) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, in the capacity of CEO, 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.

I have the authority to bind Wenco International Mining Systems Ltd.



Yoshinori Furuno
President and Chief Executive Officer
May 15, 2025

Addressing the Mandatory Criteria set out in the Act

Mandatory Criteria	Relevant Page Number
(a) Describe the reporting entity structure, activities, and supply chains	Page 3
(b) Describe the reporting entity policies and its due diligence processes in relation to forced labour and child labour	Page 7
(c) Identify the parts of the reporting entity and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk	Pages 4-6
(d) Detail any measures taken to remediate any forced labour or child labour	Page 9
(e) Detail any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains	Page 9
(f) Describe the training provided to employees on forced labour and child labour	Page 8-9
(g) Describe how the reporting entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains	Page 9