

ISCO Canada, Inc.

Modern Slavery Statement

For the Period Ending December 31, 2023

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Modern Slavery Statement

This Modern Slavery Statement (the “Statement”) is prepared for ISCO Canada, Inc. (“ISCO Canada” or the “Company”) as a single reporting entity and made to comply with Canada’s Modern Slavery Act of 2023 (i.e., the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*) for the period ending December 31, 2023.

Introduction

ISCO Canada acknowledges the seriousness of modern slavery and human trafficking and is committed to ensuring that there is no modern slavery or human trafficking in our operations, supply chain or any other part of our business. As required by Canada’s Modern Slavery Act of 2023 (the “Act”), this Statement, which is our first, sets out our approach and outlines the steps we are currently taking or plan to take in the future to assess and address modern slavery risks in our business and ensure compliance with our legal obligations.

Our Structure

ISCO Canada was established on January 28, 2014 and it a wholly-owned subsidiary of ISCO Industries, Inc., a company incorporated under the laws of the Commonwealth of Kentucky, United States of America (“ISCO”).

Operations

ISCO Canada is a value-added manufacturer and distributor that stocks and sells a wide variety of piping materials and provides customized piping solutions for various environmental, geothermal, golf, industrial, landfill, municipal, nuclear, waterworks and culvert-lining applications, such as High-Density Polyethylene (“HDPE”) piping fabrication, supply and installation, and the sale and/or rental of HDPE pipe fusion or welding equipment.

At the time of this Statement, ISCO Canada operates from seven facilities throughout Canada and the U.S. state of Alaska, with its primary offices located in Edmonton, Alberta. It currently employs 66 people in Canada across the Provinces of AB, BC, MB, ON, QC and SK. Our workforce, from time to time, also includes a small number of individuals from outside Canada who arrive and operate on work visas for a limited duration.

Supply Chain/Suppliers

ISCO Canada’s supply chain comprises primarily of manufacturers of HDPE pipe, pipe fittings and pipe fusion/welding equipment and related products and services. For the last 10 plus years. we have developed strong long-term relationships with our suppliers in order to ensure quality, consistency and reliability of supply.

During the 2023 calendar year, ISCO Canada engaged approximately 161 suppliers, with 72% of those suppliers based in Canada. The remaining 28% of suppliers were based in the United States, United Kingdom, and Italy.

Certain of our products that are sourced either locally or in the United States originate from countries such as South Korea, Thailand, and China.

ISCO Canada has already reviewed our supply chain spend for 2023 and understand that the largest portion of such spend falls in the following categories: HDPE Pipe, HDPE Pipe Fittings and HDPE Pipe Fusion Equipment.

Risks of Modern Slavery Practices in Operations and Supply Chains

As of the date of this Statement, ISCO Canada has conducted a very high-level and preliminary assessment of its operations and supply chains to identify any risk factors for modern slavery or human trafficking practices that may be inadvertently incorporated into our business practices.

During the calendar year ending December 31, 2023, all of ISCO Canada's workforce was recruited and employed directly by the Company's Human Resource personnel in accordance with all applicable federal and provincial legislation.

During the calendar year ending December 31, 2023, the majority of ISCO Canada's procurement spend was in North America, where the risk of child, forced or involuntary labor in manufacturing activities is relatively small. In addition, North American suppliers are subject to compliance with laws that strictly prohibit modern slavery practices.

Following this preliminary assessment, ISCO Canada considers that the overall risk of modern slavery or human trafficking existing within our immediate operations and first tier suppliers is very low.

Actions Taken and Due Diligence Processes for Modern Slavery

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chain or in any part of our business. To that end, we are committed to conducting thorough assessments and implementing policies and procedures to understand and mitigate these risks effectively, such as:

1. **Due Diligence Process:** We intend to establish a comprehensive due diligence process to identify potential areas of vulnerability to modern slavery and human trafficking. This process will involve evaluating various factors and criteria, including geographic locations, country of operation and government response (as assessed by the Corruption Perceptions Index (CPI) that incorporates the Global Slavery Index), market sectors, types of labor, and supply chain complexity.
2. **Internal Operations:** We intend to assess our internal operations to identify any areas where modern slavery or human trafficking may occur, including recruitment practices, and working conditions. This includes reviewing our hiring processes, employment contracts, and workplace policies to ensure compliance with relevant laws and standards.

3. **Policy Development:** We intend to develop and publish internal and external policies that reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure modern slavery and human trafficking is not taking place anywhere in our supply chain.
4. **Training:** We intend to develop a comprehensive training program on modern slavery and human trafficking tailored to the needs of our employees. This program will cover key topics, including the definition and indicators of modern slavery, applicable laws and regulations, our Company policies and procedures, and the importance of ethical sourcing and supply chain management. In addition, we are committed to working with our suppliers to help them understand and address these critical issues effectively.
5. **Supply Chain Analysis:** We intend to conduct an analysis of our supply chain to identify potential risks of modern slavery and human trafficking among our suppliers and business partners. This will include assessing supplier demographics, labor practices, vendor relationships, and geographical locations to understand the full extent of our exposure to these risks.
6. **Collaboration and Information Sharing:** To the extent possible, we intend to collaborate with industry peers, applicable civil society organizations, and other stakeholders to share information and best practices for identifying and addressing the risks of modern slavery and human trafficking. This collaboration will enable us to leverage collective knowledge and resources to enhance our risk assessment processes.
7. **Continuous Monitoring and Review:** We intend to continuously monitor and review our risk assessment processes to ensure they remain effective and relevant. This will include staying informed about emerging trends, regulatory changes, and industry developments related to modern slavery and human trafficking to adapt our approach accordingly.

By actively identifying and assessing the risks of modern slavery and human trafficking, we can better understand the complexities of these issues and take proactive steps to prevent their occurrence within our operations and supply chain.

Measures to Remediate Loss of Income to Vulnerable Families

As the Act was just passed on May 3, 2023, but effective January 1, 2024, this is the first Statement for ISCO Canada and the Company is currently in the process of developing and implementing certain policies and procedures and other measures to identify and address modern slavery risks within its operations and supply chains. As a result, ISCO Canada is not able to identify any loss of income to vulnerable families resulting from measures taken by the Company to eliminate the use of forced labor or child labor in our activities and supply chains since those measures are currently being developed with the commitment to implement the same before the end of the next reporting period, or December 31, 2024.

Measuring the Effectiveness

As noted above, this is the first Statement for ISCO Canada and the Company is currently in the process of developing and then implementing certain policies and procedures and other measures to further identify and address modern slavery risks within its operations and supply chains.

ISCO Canada has, however, relied upon being able to conduct a preliminary rudimentary assessment of its effectiveness based on the fact that the Company has not been notified of or is not aware of any modern slavery complaints against our operations or supply chains prior to or during the 2023 calendar year.

Training and Consultation

ISCO Canada operates through a centralized procurement and human resources system to minimize any risks of modern slavery or human trafficking. We are committed to ensure that appropriate Team Members are trained in corporate social responsibility and that such training highlights the risks of child labor, forced labor and human trafficking.

Also, ISCO Canada is committed to consulting with its customers and suppliers in relation to modern slavery and human trafficking, and working cooperatively to achieve the collective goal of abolishing child labor, forced labor and human trafficking.

Ongoing Steps and Continuous Improvement

ISCO Canada does not tolerate child labor, forced labor or human trafficking in any form and expects its suppliers to adhere to the same standards. We are also committed to the continuous development and improvement of our policies, procedures and processes as they relate to these issues.

During the next reporting period, ISCO Canada intends to develop and implement a corporate social responsibility compliance program addressing how we ensure our supplied products are not made using child labor, forced labor or human trafficking. To that end, we are committed to:

- Commence development and roll out of a Global Code of Conduct and Business Ethics, Supplier Code of Conduct and Human Rights Statement;
- Require all suppliers to adhere to the Supplier Code of Conduct, requiring them and any upstream vendors to implement policies and procedures to ensure that modern slavery or human trafficking practices are not being used at any stage of the supply chain;
- Develop a complete supply chain profile by mapping our entire supply chain from raw materials to subcontracted manufacturers to the finished goods;
- Create and deploy an internal risk assessment tool to help the Company identify modern slavery and human trafficking risks in our supply chain;
- Conduct a detailed modern slavery and human trafficking risk assessment, including the vetting of suppliers and vendors through questionnaires, third-party audits, and our own onsite visits and inspections, especially for any identified high-risk products, regions or countries;

- Include terms and conditions in our contracts with suppliers that strictly prohibit the use of modern slavery or human trafficking practices by them or any upstream vendor;
- Require suppliers to certify annually that i) modern slavery or human trafficking practices are not being used in their operations, ii) to the extent any modern slavery or human trafficking practices are identified, corrective action shall be taken immediately, and iii) to the extent any such supplier fails to take such corrective action, the consequences of same will be the automatic termination of the supplier contract;
- Conduct training on modern slavery and human trafficking awareness, particularly to those Team Members with responsibilities relating to the sourcing and importation of foreign-produced goods; and
- Other steps as identified by ISCO Canada during the next reporting period.

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 this Statement for ISCO Canada, Inc. Based on my actual knowledge, and having exercised reasonable diligence, I attest that the information in the Statement 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 ISCO Canada, Inc.



Signature

Richard Butler _____

Print Name

Director and General Manager _____

Title

05/20/2024 _____

Date