

SAFEGUARDING  
OUR SUPPLY CHAIN  
**PREVENTING FORCED  
AND CHILD LABOUR**

2026

# Identifying Information

This report is being submitted by Thermo Design Engineering Ltd., a private limited company operating under business number 105246664 with headquarters in Edmonton, Alberta, Canada. This is not a revised version of a report previously submitted for this reporting year. This is not a joint report.

Thermo Design Engineering Ltd. is not subject to reporting requirements under supply chain legislation in another jurisdiction.

This statement is pursuant to Bill S-211, an Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff. It outlines the approach and initiative by Thermo Design Engineering Ltd. to identify and address the risks of forced labour and child labour in its business operations and supply chains during the financial year commencing May 1, 2025 and ending April 30, 2026.

## Statement of Commitment

Thermo Design Engineering Ltd. is committed to preventing and eliminating the risks of forced labour and child labour in our operations and supply chains. We recognize our responsibility to uphold human rights and are dedicated to fostering ethical and responsible practices across all aspects of our organization.

## Corporate Structure and Business Operations

Established in 1979, Thermo Design Engineering Ltd. is a Canadian-owned and recognized world leader in the design, engineering, manufacturing, installation and construction of energy-related facilities and sustainable projects around the world. Thermo Design Engineering Ltd. has approximately 380 employees with offices in Edmonton, Nisku, and Calgary, Alberta, Canada.

In the previous financial year, Thermo Design Engineering Ltd. operated primarily in the following sectors: oil and gas extraction, utilities, manufacturing, and professional, renewable energy and fuels, and scientific and technical services.

Thermo Design Engineering Ltd. is involved in the following activities: producing goods in Canada, selling and distributing goods in Canada, selling and distributing goods outside of Canada, and importing into Canada goods that are produced outside of Canada.



## Supply Chain

Thermo Design Engineering Ltd. purchases a broad range of materials, including steel and manufactured components, sourced through a network of approved suppliers and distributors across multiple countries.

Suppliers and distributors are vetted through an integrated management system certified to ISO 9001 (Quality Management) and ISO 45001 (Occupational Health & Safety).

Primary sourcing regions include North America, Europe, and Asia. Materials and components may originate from countries such as the United States, Germany, Italy, South Korea, India, China, and Japan, among others.

These suppliers operate in multiple jurisdictions, some of which may present increased risks related to labour practices due to differences in labour standards and regulatory enforcement. Thermo Design Engineering Ltd. meets the applicable revenue, asset, and employee thresholds under the Act, thereby triggering this reporting obligation.

Approved vendors are subject to periodic evaluation, including when documentation is incomplete or requires updating. As part of onboarding and requalification, vendors must complete a prequalification form that includes confirmation of compliance with Bill S-211 requirements. These processes are maintained by Thermo Design Engineering Ltd.'s supply chain group to support supplier oversight and risk awareness.

Thermo Design Engineering Ltd. complies with Canadian laws prohibiting the import of goods produced using forced or child labour and considers these requirements in its supplier onboarding and procurement practices.

## Risks in Supply Chain

Thermo Design Engineering Ltd. has identified that risks of forced labour and child labour may arise within certain areas of its supply chain due to the nature of its operations and sourcing activities. These risks are primarily associated with:

- Geographic exposure, where materials and components are sourced from jurisdictions with varying labour standards and regulatory enforcement.
- Material categories, including steel and manufactured components, which are often produced through complex industrial processes and may involve multiple upstream suppliers.
- Supply chain structure, particularly within multi-tiered supply chains where visibility over subcontractors and Tier 2 and Tier 3 suppliers may be limited.

Thermo Design Engineering Ltd. assesses these risks by reviewing supplier information and sourcing practices.

## Actions Taken

Thermo Design Engineering Ltd. maintains processes to identify and manage the risk of forced labour and child labour within its operations and supply chains. Building on prior reporting periods, the Company has maintained and strengthened its approach through the following measures:

- Maintenance of formal policies and processes to identify, assess, and mitigate risks of forced labour and child labour, including the Human Rights Policy (TDE-CR-POL-0005) and the Supply Chain Code of Conduct (TDE-CR-POL-0004).
- Suppliers are required to confirm compliance with forced labour and child labour obligations as part of structured prequalification and re-evaluation processes.
- Maintenance of existing compliance provisions within standard terms and conditions, and implementation of explicit human rights, forced labour, and child labour requirements within subcontract agreements during the reporting period, including flow-down obligations to subcontractors and suppliers.
- Continued implementation and use of formal grievance mechanisms, including the Whistleblower Protection Procedure and Policy (TDE-HR-PRO-0017), to support internal reporting and ensure concerns are appropriately reviewed and addressed.
- Ongoing supplier monitoring activities, including documentation validation and review of supplier information.

Thermo Design Engineering Ltd. does not knowingly engage with suppliers involved in forced labour or child labour. Responsibility for identifying and managing these risks is assigned to the Company's Supply Chain Department and supported by internal processes, with oversight from senior management.

## Updates and Improvements During the Reporting Year

During the 2025–2026 reporting period, Thermo Design Engineering Ltd. implemented the following improvements:

- Implementation of a new Enterprise Resource Planning (ERP) system, which went live company-wide on August 1, 2025, enabling centralized storage of vendor records, including prequalification documentation.
- Use of explicit human rights, forced labour, and child labour provisions within subcontract agreements, including flow-down requirements to subcontractors, vendors, and suppliers.
- Improved documentation practices for supplier compliance, including consistent retention of prequalification records within vendor files and internal systems.

These updates reflect Thermo Design Engineering Ltd.'s commitment to continuous improvement in identifying, assessing, and mitigating risks related to forced labour and child labour within its operations and supply chains.

## Future Objectives and Continuous Improvement

Thermo Design Engineering Ltd. is committed to strengthening its approach to identifying, assessing, and managing risks related to forced labour and child labour within its operations and supply chains. The Company has identified the following objectives to support continuous improvement:

- **Short-term (next 12 months):** Enhance supplier onboarding and prequalification processes by incorporating additional questions related to forced labour and child labour risk indicators, and improve internal onboarding materials to increase awareness of supply chain risks.
- **Medium-term (2–3 years):** Build on existing material traceability and country-of-origin tracking practices by expanding the collection of sourcing information from key suppliers, and incorporate forced labour and child labour considerations into existing supplier review processes.
- **Long-term:** Continue to develop internal systems and processes by enhancing the use of the Enterprise Resource Planning (ERP) system to support supplier information tracking, and evaluate the use of additional supplier-provided documentation or certifications to support compliance for higher-risk suppliers, where appropriate.

These objectives are intended to support ongoing improvement in how Thermo Design Engineering Ltd. identifies, assesses, and manages risks related to forced labour and child labour.

## Remediation

Up to the date of this report, Thermo Design Engineering Ltd. has not identified any instances of forced labour or child labour within its activities and supply chains. As a result, no remediation measures have been taken. If forced labour is identified, TDE will take immediate corrective action, which may include engagement with the supplier to implement corrective actions, as well as suspension or termination of the supplier relationship where appropriate. Suspension will remain in effect until satisfactory evidence of compliance and remediation is provided.

As part of its supplier onboarding process, Thermo Design Engineering Ltd. requires vendors to confirm compliance with forced labour and child labour requirements. Where a vendor has indicated non-compliance, onboarding has not proceeded until satisfactory confirmation of compliance has been provided.

Any remediation actions would prioritize the protection of affected individuals and alignment with internationally recognized human rights standards.

Thermo Design Engineering Ltd. has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains.

## Training

Thermo Design Engineering Ltd. communicates expectations related to forced labour and child labour through onboarding processes and internal policy distribution. Employees and independent contractors are introduced to relevant policies, including human rights and reporting procedures, and are informed of where to access these documents.

## Effectiveness Assessment and Monitoring

Thermo Design Engineering Ltd. assesses the effectiveness of its measures through the following activities:

- Conducting periodic reviews of policies and procedures related to forced labour and child labour.
- Tracking relevant performance indicators, such as employee policy awareness, the number of reported concerns, and the inclusion of compliance provisions within contracts and agreements.
- Reviewing supplier documentation and prequalification records to support compliance with forced labour and child labour requirements.
- Maintaining open communication with suppliers and service providers to address any identified compliance concerns.

## Attestation

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”), and in particular section 11 thereof, I, in the capacity of President, attest that I have reviewed the information contained in this report on behalf of the governing body of Thermo Design Engineering Ltd.

Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate, and complete in all material respects for the purposes of the Act, for the reporting year listed within this report.

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**Sean Montgomery**

President

May 20, 2026

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