

Modern Slavery Statement for the Financial Year ended 2025

INTRODUCTION

At AarKel Tool and Die Inc, we are committed to upholding the highest standards of ethics and integrity in all aspects of our business operations. We recognize the responsibility we must respect and uphold human rights, including combating modern slavery and human trafficking in all its forms. This statement outlines our commitment to preventing modern slavery within our own operations and supply chain.

In alignment with the requirements of the Modern Slavery Act and Bill S-211, AarKel Tool and Die Inc. reaffirms its commitment to combatting modern slavery and human trafficking within its operations and supply chains. This report outlines the steps taken in 2025 to prevent and mitigate risks associated with forced labour, child labour, and human trafficking, and details our ongoing efforts to uphold the highest ethical standards.

AarKel Tool and Die Inc. is a Canadian corporation engaged in the manufacture of high-precision tooling and molds serving the automotive and industrial sectors.

The Company operates in Canada and maintains relationships with approximately 158 approved suppliers located in:

Canada
United States
Mexico
China
India

Suppliers provide raw materials, machined components, coatings, subcontracted services, and industrial inputs required for manufacturing operations.

The Purchasing Department maintains an Approved Supplier List within the Company's ERP system and is responsible for collecting and monitoring supplier compliance documentation.

1. Policies and Due Diligence Processes

AarKel Tool and Die Inc. maintains policies and procedures designed to prevent and reduce the risk of forced labour and child labour in its operations and supply chains.

The primary supply chain control is the Supplier Corporate Social Responsibility (CSR) Compliance Letter. All approved suppliers are required to review, sign, and return this letter as confirmation of adherence to the Company's standards.

The CSR Compliance Letter requires suppliers to confirm:

- Prohibition of forced labour, bonded labour, slavery, servitude, and human trafficking
- Strict prohibition of child labour
- Compliance with applicable minimum age and employment laws
- Compliance with wage, hour, and benefit regulations
- Provision of a workplace free from harassment and discrimination
- Compliance with occupational health and safety laws
- Compliance with environmental laws and responsible practices

- Prohibition of bribery, corruption, fraud, and unethical conduct
- Suppliers are expected to apply similar standards within their own supply chains.

2. Risk Identification and Assessment

During the 2025 reporting period, AarKel Tool and Die Inc. reviewed its supplier base to identify potential exposure to forced labour and child labour risks.

Risk considerations included:

- Geographic location of suppliers
- Nature of goods supplied
- Use of subcontracted services
- Operational criticality

The Company recognizes that risks related to forced labour and child labour may exist in global supply chains. However, no specific jurisdictions or suppliers were identified as presenting elevated risk during the reporting period.

3. Measures to Prevent and Reduce Risk

During the reporting period, the Company implemented the following measures:

- Mandatory supplier acknowledgment of CSR commitments
- Maintenance of an Approved Supplier List
- Documentation collection and tracking by the Purchasing Department
- Review of suppliers based on operational complexity and risk exposure
- Follow-up with suppliers where compliance documentation was incomplete

These measures are proportionate to the size and nature of the Company's operations.

4. Training

During 2025, relevant management and procurement personnel received guidance regarding:

- Supplier compliance expectations
- Indicators of forced labour and child labour
- Internal compliance procedures

Modern slavery risk awareness is incorporated into relevant onboarding and management review processes.

5. Assessing Effectiveness

The Company assesses the effectiveness of its measures by:

- Monitoring supplier acknowledgment rates
- Reviewing documentation completeness
- Conducting management oversight

The Company believes its controls are appropriate given its size, operational scope, and risk profile.

6. Continuous Improvement

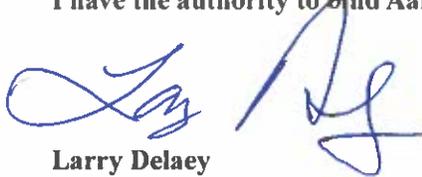
AarKel Tool and Die Inc. recognizes that preventing forced labour and child labour requires ongoing vigilance. The Company will continue to evaluate and strengthen its internal controls and supplier engagement practices in future reporting periods.

7. Approval and Attestation

This report was prepared in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Bill S-211) for the reporting period January 1, 2025, to December 31, 2025.

In accordance with section 11 of the Act, I attest that I have reviewed the information contained in this report. 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.

I have the authority to bind AarKel Tool and Die Inc.

A handwritten signature in blue ink, appearing to read 'Larry Delaey', is written over the printed name.

Larry Delaey
President / CEO
AarKel Tool and Die Inc.

Date: March 4/2026

