



Forced Labour And Child Labour Report

INTRODUCTION

This Forced Labour and Child Labour Report (this “**Report**”) for the financial year ending December 31, 2024 is made pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada), also known as the Modern Slavery Act (the “**Act**”).

PFM Capital (2010) Inc. (“**PFM**”) was founded in 1989 as a corporate finance company, and has been managing private equity and venture capital funds since 1993. Currently, PFM and PFM’s affiliates (“**PFM Affiliates**”) manage the following investments funds:

- APEX II Investment Fund Limited Partnership (“**APEX II**”);
- APEX III Investment Fund Limited Partnership (“**APEX III**”);
- APEX IV Investment Fund Limited Partnership, APEX IV Investment Fund Limited Partnership (LP II), and APEX IV Investment Fund Limited Partnership (LP III) (“**APEX IV**”, and together with APEX, APEX II, and APEX III, the “**APEX Series of Funds**”); and
- SaskWorks Venture Fund Inc. (“**SaskWorks**”), which invests in two separate investment funds/portfolios:
 - SaskWorks Diversified (“**SWD**”) and
 - SaskWorks Resources (“**SWR**”).

(collectively the “**Funds**”)

This Report is a joint report which applies to PFM, PFM Affiliates, and the Funds (collectively “**PFM Group**”, “**we**”, “**us**” or “**our**”). Schedule A outlines the PFM Group in further detail.

Except as otherwise provided in this Report, PFM’s policies, procedures, and practices (including but not limited to those relating to investment decision-making, contracting, purchasing, and human resources) apply to each entity within PFM Group.

In satisfaction of the Act's reporting requirements, this Report describes the reasonable steps taken by PFM Group to identify and address the risk of forced labour and child labour in its operations and supply chains.

Note on Investees: This report is focused on PFM Group. Investees listed in Schedule A have their own reports available, as outlined below. In accordance with the Act, Investees listed in Schedule A are limited to investee companies that: (a) meet the size-related thresholds to be considered an "entity" pursuant to the Act; and (b) are either directly or indirectly controlled by PFM Group.

RESPECT FOR HUMAN RIGHTS

PFM Group supports the objectives of the Act and opposes the use of all forms of forced labour and child labour. PFM Group is committed to preventing, detecting and addressing risks of forced labour and child labour in its operations and supply chains.

For the reasons described in this Report, PFM Group is of the view that there is low risk that our operations have caused or contributed to adverse human rights impacts.

STRUCTURE, OPERATIONS, AND SUPPLY CHAINS

1. Structure

PFM is an employee-owned investment management firm, and PFM Group consists of PFM, PFM Affiliates, and the Funds. As described in further detail in Schedule A, PFM either directly or indirectly controls each entity within PFM Group, and each entity is either: (a) a corporation incorporated pursuant to *The Business Corporations Act, 2021* (Saskatchewan); or (b) a limited partnership formed pursuant to the laws of Saskatchewan or Manitoba.

2. Operations

PFM invests in mid-market businesses, with the objective of achieving long-term capital appreciation. By strategically focusing on both yield and growth, we are able to structure our investments in a way that suits both our investors and our portfolio companies. We use a broad range of securities, from common equity to subordinated debt, which ensures that our investees are able to grow and execute on their business plan without ever impeding the balance sheet.

i. Experienced Management Team

With more than 18 years of experience each and 16+ years of working together in Private Equity fund management, our senior management team has been active in our network for years and has experience in all major industries that drive growth in the prairies. Our team consisted of seventeen individuals at year-end 2024. Please see <https://www.pfm.ca/team> for more information on our team.

ii. Investments

At PFM we are able to structure our transactions using a variety of instruments and ownership stakes to match the needs of our investee companies. While our flexibility allows us to invest in a wide range of companies and industries our business partners typically exhibit the following attributes:

- Well aligned experienced management teams;
- Market segments with growth potential;
- 5-8 year investment timeframe;
- A clear identifiable exit opportunity; and
- EBITDA of \$2 – \$10 MM and/or enterprise value of \$10 – \$50 MM.

The Funds' operations are summarized as follows:

- **APEX Series of Funds:** offers institutional and accredited investors exposure to a professionally managed, diversified portfolio of private companies. Building on the success of APEX, our other funds, APEX II, APEX III, and APEX IV target mature companies with established operations that can provide high growth and/or yield potential across different sectors. Sector exposure includes, but is not limited to the following:
 - Industrials & Manufacturing;
 - Consumer Discretionary & Staples;
 - Energy Production & Midstream; and
 - Ag Products & Services.
- **SaskWorks:** a Saskatchewan-based retail mutual fund that invests in small and medium-sized Saskatchewan eligible businesses with the objective of achieving long term capital appreciation and/or a recurring income stream. SaskWorks may also participate in a syndicate where an investment opportunity involves a larger investment than allowed by legislation or SaskWorks believes prudent to make by itself. SaskWorks is divided into two share classes: Diversified (Class A Shares) and Resources (Class R Shares). Shareholders may choose to place 100% of their investment dollars into one of the share classes or divide their investment between the two by any percentage they choose. Investors in SaskWorks are eligible to receive a 17.5% provincial tax credit and a 15% federal tax credit on their investment of up to \$5,000 annually.

3. Supply Chains

PFM Group’s supply chains primarily consist of professional services and other business supplies.

These supply chains are summarized as follows:

Professional Services, Insurance, and Banking	Federal/Provincial Regulatory Agencies and Associations	Miscellaneous Suppliers
<ul style="list-style-type: none"> • Law firms • Accounting firms • Information technology (IT) firms and consultants • Banks or credit unions • Insurance providers 	<ul style="list-style-type: none"> • Canadian Securities Administrators, including the Financial and Consumer Affairs Authority of Saskatchewan • Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) • Professional associations 	<ul style="list-style-type: none"> • Computers, printers, and other electronics • Printing and office supplies • Courier services • IT and compliance training and support services

RISK OF FORCED LABOUR OR CHILD LABOUR IN OPERATIONS AND SUPPLY CHAINS

1. Operations

i. Experienced Management Team

All of our senior management and employees are directly employed under employment contracts, and we are committed to complying with all applicable laws and regulations, including human rights and labour laws. As a result, we have assessed the risk of forced labour or child labour within our internal operations to be very low.

ii. Investments

All Investees have a place of business in Canada, do business in Canada and/or the United States, and all capital is raised in Canada. Given that Canada and the United States are both jurisdictions with

comprehensive human rights and labour laws, we have assessed the risk of forced labour or child labour within our investments to be low.

2. Supply Chains

Using reasonable efforts, we did not identify any suppliers located outside of Canada or the United States, and we are not aware of any goods purchased and/or imported outside of these jurisdictions during our previous financial year. Given that Canada and the United States are both jurisdictions with comprehensive human rights and labour laws, we have assessed the risk of forced labour or child labour within our supply chains to be low.

FORCED LABOUR AND CHILD LABOUR PREVENTION AND REDUCTION MEASURES

1. Policies

We have adopted and implemented the following policies and procedures to identify and address the risk of forced labour and child labour in our operations and supply chains:

- **Code of Business Conduct and Ethics Policy (“Code”):** defines the standards of conduct that we expect from our directors, officers and employees. Among other requirements, our Code requires PFM Group to conduct all its business and affairs in full compliance with applicable laws, rules and regulations, and it must encourage and promote such behavior for itself and all other stakeholders. Additionally, our Code requires PFM Group to promote ethical behavior and encourage an environment in which employees may disclose any potential unethical behavior or observed illegal behavior of other parties related to PFM Group. It is the policy of PFM Group to not permit retaliation for reports of misconduct by others made in good faith.
- **Environmental, Social and Governance (“ESG”) Policy:** defines PFM’s approach to assessing ESG risks and opportunities when considering a potential investment and when managing existing investments in one of its Funds. Material ESG factors are taken into account when determining suitability of a potential investment, as the factors can have a lasting impact on an investment’s risk profile and return. PFM believes that companies with sound business practices, including appropriate attention to ESG, are more likely to generate attractive risk-adjusted returns. PFM will address ESG issues through risk assessment and engagement as opposed to through exclusionary investment practices.
- **Modern Slavery Policy:** outlines the importance of forced labour and child labour considerations to PFM Group. To the extent that PFM may influence investees through contractual relations, board representation, or otherwise, it will use such influence to encourage investees to consider and implement processes that mitigate the risk of forced labour and child labour practices being used in operations and supply chains.

2. Due Diligence

We are not currently aware of any forced labour or child labour practices occurring within our operations or supply chains and we believe that our operations and supply chains present a low risk of forced labour or child labour being utilized. Accordingly, aside from the aforementioned policies and procedures, we did not take any additional steps to conduct due diligence relating to forced labour or child labour during our previous financial year.

We are continuing to evaluate our existing policies and procedures to identify areas of improvement, and we may consider taking additional steps to conduct due diligence in the future.

FORCED LABOUR AND CHILD LABOUR REMEDIATION MEASURES

We are not currently aware of any forced labour or child labour practices occurring within our operations or supply chains and we believe that our operations and supply chains present a low risk of forced labour or child labour being utilized. Accordingly, we have not undertaken any measures to remediate any forced labour or child labour to date.

LOSS OF INCOME REMEDIATION MEASURES

We are not currently aware of any forced labour or child labour practices occurring within our operations or supply chains and we believe that our operations and supply chains present a low risk of forced labour or child labour being utilized. Accordingly, we have not undertaken any measures to remediate any loss of income relating to any forced labour or child labour to date.

TRAINING

We do not currently provide formal training to our employees on forced labour and child labour. However, our senior management and employees have alerted themselves to the requirements of the Act and the need to contribute to Canada's fight against forced labour and child labour.

ASSESSING EFFECTIVENESS

We are continuing to assess the effectiveness of our activities to identify areas of improvement in our efforts to minimize the risk of forced labour and child labour being used in our operations and supply chains. We will continue to assess the effectiveness of our actions by working with our senior management and employees, suppliers, and other industry stakeholders.

APPROVAL AND ATTESTATION

This Report has been approved in accordance with the Act.

In accordance with the requirements of the Act, I attest that I have reviewed the information contained in this Report for the entities listed in Schedule A. 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 above-stated financial year.

PFM CAPITAL INC.

Per:  _____

Name: Rob Duguid

Title: Chief Executive Officer

Date: 29 May 2026

Schedule A – Organizational Structure

	PFM Group	
	<u>Entity</u>	<u>Abbreviation</u>
1.	PFM Capital (2010) Inc.	PFM
2.	PFM Fund Operations Inc.	PFMO
3.	PFM Venture Capital Operations Inc.	PFMV
4.	TBW Holdings Inc.	TBW
5.	APEX II Investment Fund Limited Partnership	APEX II
6.	APEX III Investment Fund Limited Partnership	APEX III
7.	APEX IV Investment Fund Limited Partnership (LP I), APEX IV Investment Fund Limited Partnership (LP II), and APEX IV Investment Fund Limited Partnership (LP III).	APEX IV
8.	SaskWorks Venture Fund Inc.	SaskWorks

PFM, PFMO, PFMV, TBW, and SaskWorks are all corporations incorporated pursuant to *The Business Corporations Act, 2021* (Saskatchewan). APEX II, APEX III, APEX IV (collectively, the “**APEX Series of Funds**” and each an “**APEX Fund**”) are limited partnerships formed pursuant to the laws of Saskatchewan or Manitoba.

PFM owns and directly controls PFMV. TBW owns and directly controls PFMO. PFMO indirectly controls the APEX Series of Funds through ownership and control of the general partner of each APEX Fund. PFMV indirectly controls SaskWorks

PFMO, PFMV, and TBW (collectively, “**PFM Affiliates**”) have engaged PFM to provide management and administrative services to PFM Affiliates. PFMO and PFMV have engaged TBW to provide management and administrative services to PFMO and PFMV. The APEX Series of Funds have engaged PFMO to provide management and administrative services to the APEX Series of Funds. SaskWorks has engaged PFMV to provide management and administrative services to SaskWorks.

Together, the APEX Series of Funds and SaskWorks (collectively, the “**Funds**”) directly or indirectly control the following Investees as at December 31st 2025.

Investees

	<u>Entity</u>	<u>Abbreviation</u>
1.	Hi-Tec Profiles Inc.	Hi-Tec
2.	Sexton Family of Companies Inc.	SFOC
3.	VAW Systems Ltd.	VAW
4.	Weldco Heavy Industries Ltd.	Weldco

The Investees have separate reports available as follows:

- Hi-Tec Profiles Inc. - <https://www.hitecprofiles.com/>
- Sexton Family of Companies Inc. - <https://kenroc.com/>
- VAW Systems Ltd. - <https://vawsystems.com/>
- Weldco Heavy Industries Ltd. - <https://weldcoheavyindustries.com/>