



2023 Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

Introduction

This report has been prepared by AccessSMT Holdings Ltd. (“**AccessSMT**”) in response to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) for our financial year ending December 31, 2023.

AccessSMT is a construction materials supplier based in Vancouver, British Columbia. Providing a safe and healthy working environment is one of our primary responsibilities and is fundamental to our success. We will collaborate with our workforce and business partners to identify and eliminate, or otherwise control, risks to people and the environment in which we operate.

Organizational structure, activities, and supply chain

AccessSMT is a private company incorporated under the laws of British Columbia. AccessSMT was formed in 2019 following a merger between McGregor & Thompson Hardware Ltd. and Shanahan’s Limited Partnership, which share more than 140 years of industry experience in Canada. AccessSMT’s head office is located in Surrey, British Columbia. We employ approximately 200 employees in Canada and 50 employees in the United States in our operations and distribution facilities, as well as qualified subcontractors.

AccessSMT is an active member of national and provincial associations including Construction Specifications Canada, Canadian General Standards Board and BC Construction Association.

AccessSMT provides materials and services for commercial, residential, institutional, hospitality, industrial and modular projects across Canada and in the United States. Our services including consultation and specification, hardware schedules, shop drawings, project coordination, quotation and budgeting, site support, installation, and inspection.

We supply a range of construction materials, specializing in materials known in the industry as Division 8 (Windows and Doors), Division 28 (Electronic Safety and Security) and Division 10 (Specialty Supplies, such as lockers, partitioners, washroom accessories and display boards). We focus on procuring goods from Canadian suppliers. In our financial year ending December 31, 2023, we acquired approximately the vast majority of these materials (approximately 97% of our total spending) from manufacturers and distributors in Canada. The majority of these materials (approximately 98%) were purchased from Canadian manufacturers. We imported materials from the United States and United Kingdom (approximately 3% of our total spending).

Steps to prevent and reduce the risks of forced labour and child labour

In the financial year ending December 31, 2023, AccessSMT has taken the following steps to prevent and reduce the risks of forced labour or child labour in our operations and supply chain:

- Upholding our values and ethics set out in our Code of Conduct;
- Providing orientations, ongoing training and development to keep worker knowledge and skills up to date with current industry standards relating to health, security, safety and environment;
- Maintaining high standards of workplace safety, which are monitored through internal audits and external audits under provincial Certificate of Recognition program requirements in Alberta and Manitoba;
- Continuing to enforce our health and safety policy to protect workers' safety;
- Training our managers and supervisory personnel to ensure they receive instruction, training, and are equipped with the tools to direct, monitor, and control safe working conditions on our sites;
- Screening suppliers in accordance with ethical standards established by Construction Specifications Canada; and
- Administering a whistleblower reporting and investigation process to encourage reporting of complaints or concerns relating to violations of labour rights.

Policies and due diligence processes

We consider safe work practices to be a critical part of preventing risks of forced labour and child labour in the construction industry. To date, our risk management policies and processes have focused on ensuring the safety of workers in our operations and vetting our suppliers for compliance with our ethical standards, including respect for safety and human rights.

Our **Code of Conduct** applies to all employees, contractors, officers, and directors of AccessSMT. The principles set out in our Code of Conduct include acting with honesty, integrity, trust, and respect, upholding the high moral and ethical principles and demonstrating zero tolerance for any form of abuse to workers or human rights violations. We expect our managers, workers and contractors to uphold the letter and spirit of applicable laws and regulations.

Our **Health and Safety Program** affirms our commitment to safe working conditions at our worksites, by setting an expectation that each site will carry out internal safety audits, identify hazardous practices and hazardous conditions, make necessary changes to correct conditions, and provide employees with information, preparedness and aid to enable them to work safely.

Our **Safe Work Practices and Safe Job Procedures** implement health and safety standards specific to the risks of the construction project. We identify the hazards associated with the jobs, provide training to supervisors and employees, implement and maintain the safe work practices and procedures, and evaluate the effectiveness of the standards. AccessSMT participates in the Certificate of Recognition (COR) program in Alberta and Manitoba, which is provided to employers who develop health and safety programs that meet established provincial safety standards. AccessSMT is audited by an independent, certified auditor at least once a year to maintain its status under the COR program requirements.

Our **Incident Investigation and Reporting Policy** ensures that all incidents or accidents including injuries, illnesses, dangerous occurrences, and near misses are adequately investigated, reported, and that corrective actions are undertaken to prevent similar events from reoccurring in future.

Our **Whistleblower Policy** establishes reporting processes for any violation of, *inter alia*, safety or ethical concerns that involve our employees and contractors.

To manage risks in our supply chain, AccessSMT has a dedicated procurement team who are responsible for establishing and maintaining relationships with our suppliers. No one is authorized to solicit or procure any material or service from a new supplier without the approval of our Director of Procurement. Our Director of Procurement is responsible for overseeing the vetting process, which includes ensuring that any new supplier's references have been checked and that the supplier has been assessed for legal and reputational risk through publicly available information.

Our procurement team sources products that have been identified by Industry Specification Writers who comply with ethical standards established by Construction Specifications Canada (CSC) relating to vendor selection. The CSC ethical standards include refraining from using manufacturers and suppliers that operate unethically and maintaining consideration for the safety and welfare of the public when selecting manufacturers and suppliers.

By engaging with and vetting our suppliers, AccessSMT is positioned to evaluate supplier compliance with our business ethics and commitments. We procure our goods from reputable and long-term suppliers in the industry who uphold high standards of labour protection, business ethics and sustainability. Many of our suppliers have written policies related to forced labour and child labour and other policies and certifications relating to human rights and social sustainability.

Assessing the risk of forced labour and child labour

AccessSMT has policies and due diligence processes in place to identify hazards and mitigate the risks of unsafe or unlawful working conditions, as required under laws protecting workers human rights in Canada and the United States. We conduct business with reputable suppliers and subcontractors who are responsible for complying with employment, human rights, and safety laws. For these reasons, we have identified the risk of forced labour and child labour in our operations and direct supply chain to be low.

We are aware that the global construction industry has been identified by the International Labour Organization (ILO) and other government and industry organizations as a high-risk sector for forced labour. Indicators of forced labour in the construction sector include exploitative recruitment practices and construction services performed through the use of violence, coercion or debt bondage. We are also aware that there is an increased prevalence of forced labour and child labour in the extended construction supply chain, in materials such as bricks, cement and timber.

To date, AccessSMT has no indication that these risks exist in our extended supply chain. However, we are committed to collaborating with our suppliers and reviewing publicly available information to improve our awareness and approach of any human rights risks that existed in our extended supply chain.

Remediation measures and remediation of loss of income

AccessSMT's safety policies and processes set expectations regarding the remediation of any violation of worker rights and to ensure that complaints or concerns relating to health and safety, or other human rights protections are heard and adequately addressed. If any of our suppliers or contractors fail to comply with standards relating to workplace safety, we will advise of the breach of contracts and the action that will be taken as a result of the breach, including to stop the work until corrective actions are implemented.

We have established a complaint procedure in our Whistleblower Policy to permit our employees and contractors to make disclosures regarding suspected wrongdoings in the workplace. Our Human Resources Department and the Chief Executive Officer receive information about the reports for appropriate investigations, and the Executive Leadership team will review and make a final decision.

To date, AccessSMT has not received reports or identified incidents relating to forced labour or child labour in our operations or supply chain, and as such has not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

Employee training

AccessSMT provides training to our workers with respect to compliance with our Code of Conduct and safety standards, and channels for raising and resolving issues and complaints. To date, we have not provided training to employees specifically on the risks of forced labour or child labour in our supply chains.

Assessing effectiveness

AccessSMT monitors compliance of our workers, contractors and suppliers with the standards set out in our Health and Safety Policy. We have adopted an internal assessment mechanism, including regular internal and external safety audits of our sites, to ensure compliance with our safety policies on our work sites. As part of our commitment to continuous improvement, we review our safety programs regularly, through learnings, inspections, and open communication with our workers.

Beyond our safety assessments, we have not adopted any specific mechanisms to assess the effectiveness of steps taken to prevent or reduce the risks of forced labour or child labour in our supply chain.

Approval and 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 the report for the entity 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.

Dated in the City of Surrey, British Columbia, this 23 day of May, 2024.



Mike Barnes, CEO

I have the authority to bind the company.