



Alliance Concrete Pumps Inc.

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

May 31, 2024

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Background

This report is made on behalf of Alliance Concrete Pumps Inc. (referred to as, “Alliance”, “we”, “us” or “our”) pursuant to Section 11(1) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (“Bill S-211” or the “Act”) covering our most recently completed fiscal year from November 1, 2022, to October 31, 2023. This is the first version of the report submitted by Alliance.

Forced labour can be found in almost every country and every sector. The International Labour Organization estimates that there are approximately 27.6 million victims of forced labour worldwide. Forced labour and child labour risks occur primarily through the global supply chains of businesses. As such, there is a risk that goods imported into and distributed in Canada were produced with forced labour or child labour. Entities and government institutions doing business in Canada have a responsibility to ensure that exploitative labour practices are identified, addressed, and eradicated from supply chains. Based on the Act, there are eight mandatory areas that must be reported:

1. The steps the entity has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.
2. Its structure, activities, and supply chain(s).
3. Its policies and due diligence processes in relation to forced labour and child labour.
4. The parts of its business(es) and supply chain(s) that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.
5. Any measures taken to remediate any forced labour or child labour.
6. Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.
7. The training provided to employees on forced labour and child labour.
8. How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business(es) and supply chain(s).



1. Steps Taken by Entity

To address the requirements of Bill S-211, the following steps have been undertaken by Alliance to identify and manage risks associated with forced labour and child labour in our businesses and supply chains:

Step 1 - Assess Applicability

Our work commenced with a planning meeting involving Alliance's accounting and production departments and an independent consulting firm, where the applicability of the Act was thoroughly discussed, and initial activities such as identifying key stakeholders, management, and personnel; obtaining necessary documentation; and developing a draft timeline for the required analysis, and ultimately for report preparation were completed.

Step 2 - Scope Identification

Our management conducted an assessment and identified relevant business areas by analyzing Alliance's financial statements and other data to understand transaction streams and accounts related to our supply chains, both at a consolidated company and individual business entity level. We documented Alliance's business structure, related activities, and reviewed existing policies and processes that may be relevant to identifying risks and mitigations related to forced labour and child labour within our operations and supply chains. Additionally, our management evaluated and considered delivering training programs to ensure our team members' effectiveness in meeting the Act's requirements and documented policies relevant to supplier conduct.

Step 3 - Risk Assessment

Our management reviewed the supply chains data, analyzed suppliers, expenditures, and categories of goods across various jurisdictions, and conducted a preliminary analysis of significant suppliers in high-risk areas to assess relationships and financial flows. Following this, we prepared a comprehensive risk assessment categorizing potential exposure levels in Low, Medium, and High-risk categories with respect to forced or child labour. Factors that were considered in our risk assessment included significance of spend, category of goods, and origin of goods.

Step 4 - Remediation and Action Plans

Based on the results of our initial risk assessment (please refer to Section 4 for details), no suppliers were identified as posing a high or medium risk. As a result, there is no need to develop or implement any remediation efforts.



2. Structure, Activities and Supply Chains

This Bill S-211 report is for Alliance which is engaged in the assembly and distribution of concrete pump trucks. Alliance is a privately owned company located in Aldergrove, British Columbia. Alliance meets two of the three criteria (assets, revenue, number of employees) in fiscal year 2023, with total assets exceeding \$20M and revenue exceeding \$40M.

99% of Alliance's supply chain is sourced from the U.S., Canada, and South Korea, thus inherently carrying lower risk of forced labour or child labour. For fiscal year 2023, Alliance's supply chains spend primarily consisted of the following activities:

- Concrete Pumps (50%)
- Chassis (35%)
- Parts (8%)
- Painting and Decals (3%)
- Pump Build Materials (2%)
- Electronics (1%)
- Shop Supplies (<1%)
- Packaging (<1%)
- Safety Supplies (<1%)

3. Policies & Due Diligence

Alliance is a small private entity that maintains detailed oversight over the processes surrounding purchasing and procurement on a day-to-day basis. Currently, Alliance does not have specific policies and due diligence procedures in place as it pertains to forced and child labour mitigation but will review procurement practices to enhance the rigor of its due diligence processes including raising awareness with its suppliers.

In addition, we are committed to acting ethically in all matters of our business operations, which includes a zero-tolerance approach to modern slavery. Alliance expects its suppliers, contractors, and other service providers to share this same commitment.

Code of Conduct – Alliance has an established a code of conduct that requires sign-off by employees upon hiring.

4. Risk Assessment

To manage the risks associated with forced and / or child labour, Alliance employed a systematic approach to classify suppliers into low, medium, and high-risk categories. This involved evaluating a combination of multiple factors, including the origin of goods, the category of goods, and significance of spend.

Origin of Goods

All Alliance suppliers are based in either Canada, the United States, South Korea, or Turkey. Turkey is the only country considered high risk and only 0.8% of total spend is sourced from Turkey.

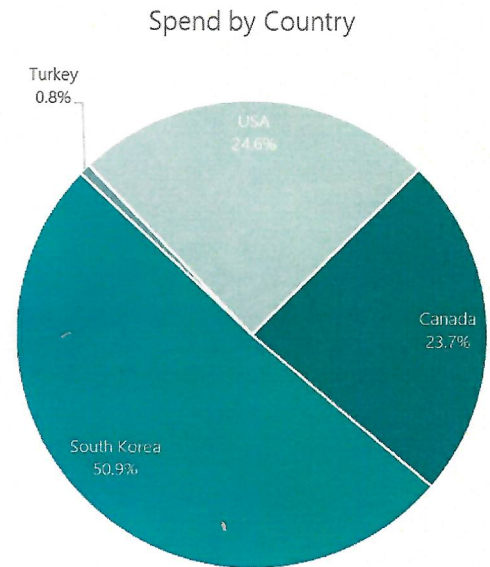
The risk assessment of the origin of goods references, amongst other publicly available data, the US Department of Labour (<https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods/supply-chains>).

Category of Goods

Alliance’s product categories procured include one high risk category (Electronics) which constitutes less than 1% of total spend. The remaining categories are considered low risk.

The risk assessment of the category of goods references the US Department of Labor

<https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>



Spend

The spend risk rating utilizes stratification of spend per vendor into three intervals to assess the significance (and accordingly, risk level) associated with supply chains expenditures. This approach enables management to prioritize oversight and control, ensuring that higher-risk financial activities receive the appropriate level of scrutiny. The classification is as follows:

- Expenditures that are equal to or less than 2% of the total annual supply chains spend are considered low risk.
- Expenditures that fall between 2% and 3.5% of the total annual supply chains spend are classified as medium risk.
- Expenditures that equal or exceed 3.5% of the total annual supply chains spend are deemed high risk.

Other factors

Other factors considered for the risk assessment included, but were not limited to:

- Small Local Business (Low Risk): These are locally operated small businesses known for their transparent supply chains, attributable to their small scale and emphasis on regional community engagement.
- Publicly Traded Company (Low Risk): These suppliers belong to publicly traded companies that are subjected to rigorous reporting standards, fostering greater transparency.
- Long-term Partner (Low Risk): Supplier with whom Alliance has maintained a long-term relationship, consistently proving their commitment to ethical labour practices.
- Suppliers with Unionized Workforces (Low Risk): Suppliers that have their workforce represented by labour unions are recognized for their advocacy of workers' and human rights.

Based on our comprehensive risk assessment, management evaluated over 200 suppliers to develop this joint report. The assessment revealed that all suppliers pose a low risk of forced labour or child labour.



5. Remediation - Forced & Child Labour

To date, Alliance has not identified any instances of forced or child labour, and our risk assessment and analysis, as described previously, does not reveal any high-risk exposures. Consequently, there are currently no remediation efforts required.

Should Alliance be made aware of any potential issues regarding the conditions of forced or child labour within our supply chains, Alliance is committed to promptly address such a situation by entering into discussions with the relevant party, investigating the facts and circumstances, developing appropriate corrective actions with the supplier and ensuring applicable corrective actions are implemented.

6. Remediation - Vulnerable Family Income Loss

As noted above, there have been no instances identified by Alliance of forced labour or child labour. As such remediation does not apply.

7. Awareness Training

No training related to child labour and / or forced labour has been conducted as of this report. Alliance will provide training in June 2024 to all relevant employees on identifying, assessing, and responding to the risks associated with child labour and forced labour within Alliance's operations and supply chains.

Alliance recognizes the importance of having employees aware of signs of child and forced labour and has considered incorporating training on this topic during the onboarding process and throughout its existing Code of Conduct policy.

8. Ensuring Effectiveness of Processes

On May 31, 2024, Alliance completed and reported our initial assessment of Bill S-211, and we remain committed to ongoing reviews of our processes, policies, and practices, including the assessment of our suppliers. This commitment is aimed at aligning with industry best practices and mitigating our risks related to forced labour and child labour.

Policies and Procedures

A forced and child labour clause will be added to the existing Code of Conduct. This clause will explicitly state that Alliance has zero-tolerance for forced and/or child labour. Employees will be required to sign-off on the Code of Conduct upon hiring, representing their adherence to Alliance's policy.

Supplier Activities

Supplier Monitoring: Key suppliers of Alliance will be monitored on an annual basis through performance reviews. Record keeping for frequency of reviews and date of last review will be kept in a centralized system to ensure these reviews are being performed by Alliance management.



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 or entities 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.

I have the authority to bind Alliance Concrete Pumps Inc. This report covers the financial year 2023 and applies to *Alliance* in terms of the Act.

Nolan Baerg

A handwritten signature in blue ink, appearing to read "Nolan Baerg", written over a horizontal line.

Full Name

Signature

CFO

A handwritten date in blue ink, "May 31, 2024", written over a horizontal line.

Title

Date