



CANSEL SURVEY EQUIPMENT INC.

Annual Compliance Report on Forced Labor and Child Labor

Under the Requirements of Canadian Legislative Bill S-211 Year 2023

Original Report

3900 North Fraser Way
Burnaby, BC V5J 5H6
Canada
May 31, 2024

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OPENING STATEMENT

It is with great pride and a deep sense of responsibility that we present this report demonstrating our commitment, efforts, and passion to prevent forced labor within our supply chain. Our mission at the Cansel Survey Equipment Inc. is to “provide a complete set of solutions to create, capture and manage geospatial, construction, and design data.” However, Cansel Survey Equipment Inc. recognizes that being a good corporate citizen goes beyond the values expressed in our mission statement. The gravity of the global challenge posed by forced labor and its impact on human rights is. Our commitment to ethical business practices extends beyond mere compliance—it is a cornerstone of our identity.

In this report, we will share the comprehensive measures we have implemented to identify, assess, and mitigate the risk of forced labor in our supply chain. By embracing transparency, accountability, and collaboration, we aim to set a standard for responsible business conduct that goes beyond mere compliance with regulations. Our journey towards eradicating forced labor is not just a corporate obligation but a moral imperative that we embrace wholeheartedly.

As you delve into the pages of this report, we invite you to join us on this journey of continuous improvement as we work together to fight forced labor and defend the inalienable human right of freedom for people all over the world. Together, we can create a supply chain ecosystem that stands as a beacon of fairness, dignity, and respect for all. Thank you for your interest in our commitment to preventing forced labor, and we look forward to your engagement and support in this critical endeavor.

SCOPE OF REPORT

This report is being submitted as a joint report representing the entirety of the Cansel Group of Companies whose legal name is Cansel Survey Equipment Inc. business number 100788629. The report is outlining activities for the most recently fully completed financial year which began on January 1st, 2023, and ended on December 31st, 2023. These companies include the following entities:

1. Cansel Survey Equipment Inc. – Business Number 100788629
2. SolidCAD Group Inc. – Business Number 873502264
3. BuildingPoint Canada Inc – Business Number 792061525
4. Camfocus Consultants Inc. – Business Number 851265892

Legal Status and Business Activities in Canada

- Cansel Survey Equipment Inc. is responsible for all shipments into Canada and manages all inbound shipments and factory relationships related to its entities and brands.
- Cansel Survey Equipment Inc. is the only reporting entity in Canada under the legislation found in Bill S-211 Part 2, 11, (2b and 4,b,ii). Cansel Survey Equipment Inc. acts as the central hub for compliance and oversight for all its owned entities listed above regarding the import and distribution of goods within Canadian jurisdiction.



SUPPLY CHAIN OVERSIGHT AND LABOR PRACTICES

The following outlines the steps that Cansel Survey Equipment Inc. (*the entity*) has taken during its previous financial year to prevent and reduce the risk that forced labor and child labor is used at any step of the production of goods imported into and sold in Canada.

In 2023, our actions were limited as we spent time researching upcoming legislation and preparing for how Cansel Survey Equipment Inc. could implement an effective strategy to combat forced and child labor in our supply chain. This research included investigating and creating a code of conduct that we will implement with our suppliers. The supplier code of conduct is titled *Ethical and Sustainable Sourcing Supplier Code of Conduct*. The *Ethical and Sustainable Sourcing Supplier Code of Conduct* will be distributed to current and future vendors for review and attestation. Further, we had conversations with our suppliers to investigate where they source the inputs for the manufactured products they supply us with. Most of our products are sourced in countries where forced labor is not a major concern with the United States being the nation where most of our products come from. Also, please be advised Cansel Survey Equipment Inc. rarely onboards new suppliers. We have multiple longstanding relationships with the suppliers that we have done business with over our existence as a company.

Cansel Survey Equipment Inc. is dedicated to meeting and exceeding labor standards in every market we operate in. We are committed to continuous improvement and transparency in our practices, ensuring that our supply chain is free of forced and child labor. Our efforts are documented in regular reports and subject to independent audits to validate the integrity of our operations and our commitment to corporate responsibility.

CHALLENGES AND STEPS FORWARD FOR OUR SUPPLY CHAIN OVERSIGHT

We will be developing a supplier onboarding policy that will incorporate forced and child labor screening and remediation in addition to our questionnaire and supplier code of conduct attestation. This onboarding policy will be in addition to our supplier code of conduct and will reflect the values stated within it.

OVERVIEW OF THE LEGAL ENTITY

The following is the structure, activities, and supply chains of Cansel Survey Equipment Inc. Enclosed is an organizational chart for reference. Below is a list and description of the key leadership roles of Cansel Survey Equipment Inc.

ROLES

Chief Executive Officer (CEO) – The CEO is responsible for leading and managing all aspects of the company. The CEO is responsible for delegating agendas, driving profitability, managing organizational structure, formulating business strategy, and reporting to the Cansel Survey Equipment Inc.'s board of directors.



Chief Financial Officer (CFO) - The CFO oversees all financial operations of Cansel Survey Equipment Inc. The CFO's primary duties include internal reporting, stewardship of the company's assets, administration of cash management, and leading acquisition negotiations.

Chief Revenue Officer (CRO) – The chief revenue officer oversees driving increased revenues for Cansel Survey Equipment Inc., including developing strategy, pricing, track and monitoring sales performance.

Vice President of Operations – The Vice President of Operations is responsible for day-to-day operations of organization including our information technology systems, procurement, customer success, operations administration, shipping and receiving, and rentals. The Vice President of Operations is responsible for developing operations strategies, manage operating budget, monitor performances, and ensure a safe work environment.

President of SolidCAD – The President for SolidCAD is responsible for leading and managing all facets of the SolidCAD subsidiary organization. This includes developing business strategy, delegating agendas, driving profitability campaigns, managing organizational structure, and reporting to the CEO and Board of Directors of Cansel Survey Equipment Inc.

Director of Advanced Manufacturing (CamFocus): The Director of Advanced Manufacturing (CamFocus) is responsible for leading and managing all facets of the subsidiary organization including developing strategy, delegating agendas, driving profitability, and managing organizational structure. The Director of Advanced Manufacturing (CamFocus) reports to the President of SolidCAD.

Director of Human Resources – The Director of Human Resources is responsible for managing all aspects of Human Resources for Cansel Survey Equipment Inc. This includes payroll administration, employee benefits, recruiting, policy development, employee relations, safety, and training.

Director of Marketing – The Director of Marketing is responsible for managing all aspects of traditional, digital marketing, and e-commerce marketing. Assist in managing e-commerce website and trade shows.

General Manager, BuildingPoint Canada – The General Manager responsible for leading and managing all facets of the BuildingPoint subsidiary organization. Including developing strategy, delegating agendas, driving profitability, managing organizational structure and strategy, and reporting to the CEO and Board of Directors.

Director of Technical Marketing – The Director of Technical Marketing is responsible for working with suppliers to negotiate volume pricing, manage product life cycle, introduce new product lines, and to oversee our professional services department.

Director of Procurement – The Director of Procurement is responsible for working with our supply chain to ensure we bring in products in a timely manner and to warehouse and distribute goods efficiently.

Director of Canadian Operations – The Director of Canadian Operations manages our Canadian Operational staff. This includes our customer success and operations



administration. The Director of Canadian Operations also assists in managing our SAP system to ensure a smooth operational experience.

Vice President of California Operations – The Vice President of Operation in California manages our California operational staff, including our Customer Success department, Operations Admin, Shipping and Receiving and Deliver. Assist in managing our SAP system to ensure a smooth operational experience.

Director of I.T. – The Director of I.T. is responsible for all our I.T. systems including SAP, Salesforce, E-commerce, including security, development, support, maintenance, and software upgrading.

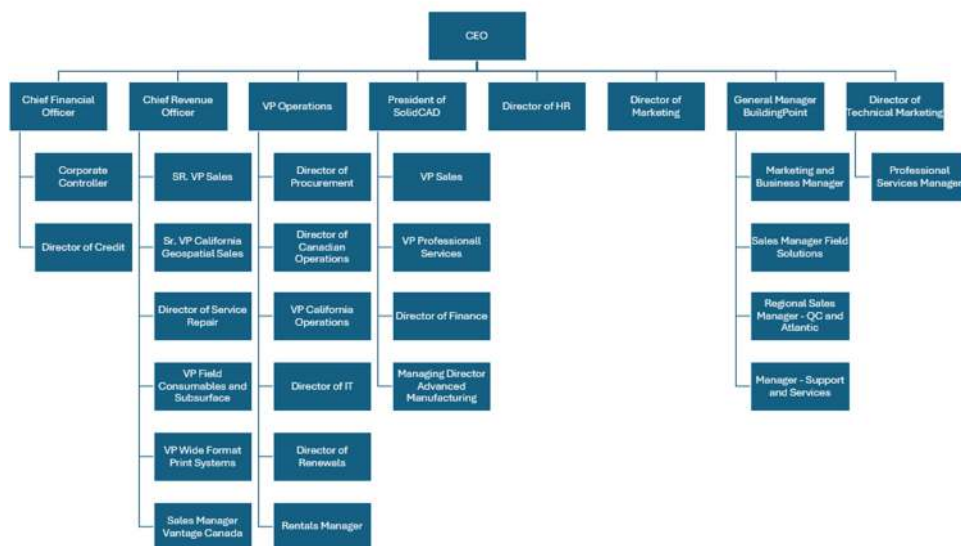
Director of Renewals – The Director of Renewals is responsible for our renewables business including Can-net, warranties, and other subscriptions including sales and operational components.

Rentals Manager – The Rental Manager is responsible for ensuring the smooth flow and efficiency of our rentals business.

WORKFORCE COMPOSITION

Cansel Survey Equipment Inc. employs a diverse and dedicated workforce that reflects our commitment to excellence and ethical business practices. There are approximately 535 employees across Canada and the U.S. that are employed at Cansel Survey Equipment Inc. and its subsidiaries.

ORGANIZATIONAL STRUCTURE





ACTIVITIES OF CANSEL SURVEY EQUIPMENT INC.

Cansel Survey Equipment Inc. is headquartered in Burnaby, British Columbia. Cansel Survey Equipment Inc. and its subsidiaries focus on distribution of various goods to the following industries: surveying, safety supplies, earth observation, agriculture, forestry, mining, quarrying, oil and gas extraction, electric utilities, construction, manufacturing, rental and leasing, scientific and technical services, educational services, government, land surveying and engineering, forensics, and educational institutions.

Each of Cansel Survey Equipment Inc.'s subsidiaries maintain a distinct operational process aligned with Cansel Equipment's overall business strategy. Cansel is also a part of multiple professional organizations as outlined below:

- Alberta Roadbuilders & Heavy Construction Association (ARHCA)
- British Columbia Common Ground Alliance (BCCGA)
- Canadian Association of Pipeline and Utility Locating Contractors (CAPULC)
- Nova Scotia Road Builders (NSRB)
- Saskatchewan Common Ground Alliance (SCGA)
- Transit Rail Association for Canadian Contractors (TRACCS)
- Utility Safety Partners (USP)
- Association of Road Builders and Major Works of Quebec (ACRGTQ)

SUPPLY CHAINS

Cansel Survey Equipment Inc.'s supply chain revolves mostly around shipments that originate from manufacturers in the United States. Cansel Survey Equipment Inc. is responsible of the carriage of goods from the factory door in the United States to the distribution center in Canada. Cansel Survey Equipment Inc. is also responsible for all customs clearances, payment of duties and taxes, and customs compliance pre and post import for all goods it imports.

REMEDIAION MEASURES FOR THE LOSS OF INCOME TO THE MOST VULNERABLE FAMILIES

Forced and Child Labor has not been apparent, nor has it been identified within Cansel International Group's supply chain. Therefore, no remedial action has been taken.

Currently, there are no remediation measures in place for the loss of income for vulnerable families or individuals if forced labor were to be discovered in our supply chain. However, this is a topic that Cansel Survey Equipment Inc. will be addressing in the future through a remediation plan for the next reporting period.

REGULAR REVIEW AND POLICY UPDATE

Our remediation strategies and policies will be reviewed regularly to ensure they remain practical and relevant to the needs of the communities we impact. This will include updating our risk assessments and remediation plans as part of our ongoing commitment to ethical practices.



TRAINING PROVIDED TO EMPLOYEES ON FORCED LABOR AND CHILD LABOR

Cansel Survey Equipment Inc. will be conducting training on new vendor onboarding as well as educating potential suppliers in Bill S-211 forced and child labor compliance. Although Cansel Survey Equipment Inc. did not commence with any forced labor compliance training in 2023, in 2024 we will be commencing training focused on our procurement teams within our entire organization and we will also be training the executive level of Cansel Survey Equipment Inc. and all its subsidiaries.

We have also developed a supply chain values document titled *Ethical and Sustainable Sourcing Statement*. In this document we outline and define Cansel Survey Equipment Inc.'s values regarding product sourcing. The *Ethical and Sustainable Sourcing Statement* covers multiple ethical issues including forced and child labor. All procurement teams and executive level members in the Cansel Survey Equipment Inc. of companies will be required to review and attest to this sourcing statement.

We will be training our procurement team in how to move forward in onboarding potential vendors based on the values outlined in our *Ethical and Sustainable Sourcing Statement*. A copy of this statement is attached to this report.

We will also be training our procurement team in administering a vendor onboarding questionnaire which we have developed. This questionnaire covers various ethical issues including forced and child labor. This questionnaire will be a required document that needs to be reviewed and attested to for all new suppliers.

All training has been developed by Cansel Survey Equipment Inc. and is administered by our Human Resources department to those mentioned above.

We recognize that the scope of responsibility for forced labor and child labor compliance extends beyond our direct operations. As such, Cansel Survey Equipment Inc. will be developing targeted training for our suppliers and business partners moving forward as we encounter new challenges and issues that need to be addressed in our supply chain regarding forced and child labor.

Through this comprehensive educational approach, Cansel Survey Equipment Inc. reaffirms its dedication to maintaining an ethical supply chain free from forced and child labor. We believe a well-informed and actively engaged procurement team, supplier base, and executive team is crucial to effectively combating forced and child labor in our industry.

ASSESSING THE EFFECTIVENESS OF OUR PLAN IN FIGHTING FORCED AND CHILD LABOR

2023 was a preparation year in adherence to the legislation of Bill S-211. In 2023, we began assessing how best to address combatting forced labor in our supply chains. Since Bill S-211 did not receive royal assent until May 11, 2023, and go fully into effect on January 1st, 2024, we could not know the exact requirements of the regulations that were required for this legislation through most of 2023. As a result, we cannot assess our plan to combat forced and child labor in our supply chains as we were instead preparing to create a



process to ensure that forced and child labor is not present in our supply chains in collaboration with our suppliers.

Cansel Survey Equipment Inc. will take the following steps to assess our effectiveness in ensuring that forced and child labor are not being used in its business and supply chains moving forward. We now have a supplier code of conduct, as mentioned earlier, titled, *Ethical and Sustainable Sourcing Supplier Code of Conduct* as well as a comprehensive questionnaire that will be distributed to all our vendors for adherence and completion. The supplier code of conduct is expected to be adhered to by all our vendors. Failure to adhere to the standards of the supplier code of conduct will result in a review by Cansel Survey Equipment Inc. and may result in remediation up to the termination of our relationship with any vendor who knowingly utilizes forced and child labor in the manufacture of its goods.

The comprehensive questionnaire that we will distribute to new suppliers will be kept on file as proof of investigation into our supply chain for forced and child labor. We will review with our suppliers by means of an interview on an annual basis the answers to these questions to investigate whether our suppliers are upholding our standards for ethical sourcing of materials that eliminates forced and child labor from our supply chain.

CLOSING STATEMENT

At Cansel Survey Equipment Inc., we remain steadfast in our commitment to ethical sourcing and supply chain integrity. Through rigorous monitoring, supplier engagement, and continuous improvement initiatives, we have implemented robust measures to prevent the scourge of forced labor from infiltrating our supply chain.

As detailed in this report, our efforts encompass comprehensive supplier vetting processes, ongoing audits, and partnerships with various credible third-party organizations to ensure compliance with internationally recognized labor standards. Furthermore, we recognize the importance of transparency and accountability, which is why we are dedicated to openly sharing our progress and challenges in combating forced and child labor.

While we are proud of the strides we have made, we acknowledge that eradicating forced and child labor requires sustained vigilance and collaboration across industries and borders. We remain committed to this cause and will continue to work tirelessly to uphold the dignity and rights of all workers throughout our supply chain.



ATTESTATION

This report has been reviewed and approved by the appropriate governing body of Cansel Survey Equipment Inc.

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.

Full name: MARTIN TRUDELLE

Title: CEO

Date: MAY 27, 2024

Signature: 

I have the authority to bind 'Cansel Survey Equipment Inc.'