



Abbotsford | Surrey | Kamloops | Kelowna | Williams Lake | Vernon | Rock Creek | Dawson Creek | Grande Prairie

Douglas Lake Equipment/Avenue Machinery group

Modern Slavery report 2024

Douglas Lake Equipment & Avenue Machinery Corp

Modern Slavery Report

Douglas Lake Equipment & Avenue Machinery (DLE/AMC, “the companies”) fully recognizes and supports international human rights throughout its operations. The companies demonstrate a recognition of human rights through the shared Policy manuals, Supplier Code of Conduct, and human resource framework. The company Human Rights Statement is guided by a commitment to the foundational principles and corporate responsibility as outlined in the UN Guiding Principles on Business and Human Rights.

The Modern Slavery Report is intended to meet the requirement of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) for 2024. This Report is submitted on the companies’ own behalf, representing our collective businesses, Douglas Lake Equipment and Avenue Machinery (DLE/AMC).

CORPORATE STRUCTURE, OPERATIONS, GOVERNANCE, SUPPLY CHAIN INFORMATION

Corporate Structure & Business Operations

Reporting companies:

Douglas Lake Equipment Ltd. and Avenue Machinery Corp, each operational entities under one common ownership referred to as the Equipment dealerships (*combined entities, companies*).

The equipment dealerships include both above companies operating as Construction and Agriculture equipment dealers for Sales, Parts, Service, and Rentals. The dealerships represent industry leading brands including CNH (New Holland), Kubota, and Kobelco.

Douglas Lake Equipment Ltd and Avenue Machinery Corp have a network of branches in British Columbia, and Alberta. The locations supply and support customers and their equipment including small and large excavators, and related earthmoving, and construction equipment. The locations sell and support Agriculture combines, tractors, hay tools, and seeding equipment. Turf products and products from smaller allied manufacturers are sold and serviced supporting construction businesses, agriculture producers, owner-operators, and consumer level users.

Governance

The companies share a corporate Health and Safety committee. Health and Safety committees are present at the network location level, and the companies share a corporate Human Resource Administrator. Each committee is comprised of staff members from all departments and the corporate administrator is a member of the corporate committee.

The corporate committee is responsible for oversight on all policies and expectations regarding health and safety for the combined entities including its approach to social responsibility, human rights and equality, and processes or policies as noted for the purpose of this Report. It is responsible for enforcing and supporting the Employee and Safety manuals, related policies, and the Supplier Code of Conduct that is present to reinforce human rights matters as relates to its duty as an employer.

The corporate Health and Safety committee reviews and approves this Report and its submission on behalf of the combined entities.

The location level Health and Safety committees share in the responsibility of employee safety, human rights, and are required to Report on any and all matters as relates to the health and welfare of all staff, including human rights and the companies' "open door" policy and the right of all staff to speak, without repercussion on any and all matters the concern employee matters including matters as relate to this Report.

Supply Chain

Douglas Lake Equipment Ltd and Avenue Machinery Corp principal business products are internationally recognized, industry leading capital goods items. The products are comprised of very sophisticated, engineered components and systems and a support and service system that are of the same level of sophistication. The products are primarily equipment as previously described in the Report and used in a variety of functions, including infrastructure and agriculture.

Both entities' primary suppliers are Kubota, New Holland, and Kobelco.

Kubota Canada (KCL) is headquartered in Ontario and is connected with US operations via Kubota North America (KNA) and to the rest of Kubota Corporation operations globally.

New Holland is a division of CNH Industrial, with operations throughout North America, and Western Europe, and having operations globally.

Kobelco is a division of Kobelco Construction Machinery Corp and is headquartered for North America in the United States. They too have operations globally, with the parent company being Kobe Steel Ltd based in Japan.

DLE/AMC also distributes and supports other manufactured goods from various suppliers to support our primary suppliers. These other goods are primarily North American or Western European based. These goods are complementary to the companies' main offerings.

The companies have explicit Dealer Sales and Service Agreements in place with all key manufacturers and have a direct relationship with them.

Regarding sales and support of the business of DLE/AMC, the vast majority of components sold come direct from the manufacturers noted above. Product support of the equipment further down the supply chain is done in-house with factory trained personnel and with supplier direct support where needed. The companies maintain dealership style locations, servicing vehicles and support equipment, along with tooling and training. The companies use supplies within our offices, service shop and field repair procedures to support customers. The main divisions for supporting the combined entities consist of business units; Sales, Service, Parts, Rentals, Accounting & Administration, and IT support.

Modern Slavery Risk Commentary

Douglas Lake Equipment Ltd and Avenue Machinery Corp operates only in Canada. As noted earlier in the Report, it's suppliers are primarily North American, European, or Japan based. Each of these regions have, to the best of our knowledge, very substantial human rights, labour equality, employment, and human rights legislation in place. It is our understanding that these frameworks are strong in mitigating risk of modern slavery in supply chain and operations that flow to the companies' operations at DLE/AMC. The combined entities in this Report use their framework in place to further enhance the governance required to mitigate modern slavery.

Employee Policy Manual:

The combined company policy manual is the central governance for employee behaviour and expectations. It outlines the "Act" to ensure employee awareness and the company commitment to same. The manual includes open-door policy, mutual trust, code of ethics, and other language enforcing respect, dignity, and fairness. Employees are also encouraged in writing to speak out without fear of repercussion should they feel something is unjust, unfair, or of importance.

Employee Safety Manual:

The DLE/AMC health and safety manual, program, and framework is an integral part of the systems in place to maintain an environment where the companies are an "employee of choice". There is an open commitment to all areas of occupational health, including the commitment and purpose of this report regarding forced labour and any form of modern slavery. The programs in place include:

- A full suite of specific health and safety policies, procedures, and expectations
- Reporting processes for all issues, incidents, injury, and near-miss events (Root Cause)
- Regular and consistent communication
- Violence, Bullying, Harassment, Discrimination specific language and forced labour statement as noted in the Employee manual
- Employee support policies, assistance language

DLE/AMC policies include complete fair-hiring and employee review processes. Full feedback and 360 method of employment review is in place. All employees are provided with complete and transparent role outlines, pay information, and full compliance with regard to employment legislation with the jurisdictions is in place.

There is a corporate culture and financial commitment to training and support. Employee training and support policies are in place, along with rewards for successful completion. There is job specific training as well as “one time” training available. The combined entities structure for training is set up to ensure that empowerment is clear at all levels within the organization and in partnership with the suppliers.

Modern Slavery Commitment

Douglas Lake Equipment Ltd and Avenue Machinery Corp has a reputation in the jurisdictions it serves as a reputable and transparent group and believes that maintain a high level of integrity is critical. The stakeholders are all employees, customers, suppliers, association affiliates, and relations in the community the companies serve.

DLE/AMC has the full expectation of its suppliers and has shared the commitment made with supplier representatives to mitigate any form of modern slavery and forced labour. The companies have explicitly stated their Supplier Code of Conduct and consider part of the business’ practices and therefore, expects the same from all suppliers and vendors.

It is the intent of the companies that it continuously monitors and keeps at “top of mind” all key elements of a fair and effective workplace which includes all elements of the “Act” and this Report. It will continuously monitor and ensure due diligence to the best of its ability in this regard and is committed to reinforcing the expectations of both the “Act” and the Report.

The companies are also committed to always trying to do better in policy, compliance, training, monitoring of suppliers, and exploring ways to continuously improve. **DLE/AMC is not aware of any instances of modern slavery or forced labour within it’s own operations or related supply chains and has no reason to be concerned about a risk within its sphere of influence.**

Reporting and Communication

Douglas Lake Equipment Ltd and Avenue Machinery Corp encourages reporting of any information relating to actions or behaviours that are inconsistent or against the principles in this Report and the “Act”. Reporting of information may be sent by email confidentially directly to the senior management team, or corporate HR Administrator.

[-info@douglaslake.com](mailto:info@douglaslake.com) (Administration email address monitored by HR Admin)

-Head Office contact number: 1-877-569-1691

Regards:



Michael Correale

AMC/DLE President