

Great West Equipment | Fiscal Year 2023

Modern Slavery Act Report

Introduction

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (hereafter referred to as "the Act") mandates that organizations report on the measures implemented to combat forced labour or child labour within their operations and throughout their supply chain.

This report highlights the commitment to transparency and accountability in confronting modern slavery in all its forms. As a responsible corporate entity, Great West Equipment is obligated to produce this report, thereby ensuring compliance with the Act's provisions.

Within the pages of this report, we detail the steps taken throughout the fiscal year of 2023 to assess, monitor, and mitigate potential risks of all forms of modern slavery within our extensive supply chain network.

Great West Equipment's commitment to these ethical practices and human rights extends beyond our corporate headquarters, encompassing our entire network of branches, business partners, and our extensive supply chain network. Upholding these principles is not only a moral imperative but also essential for sustainable business success. Therefore, Great West Equipment holds all its business partners, suppliers, contractors, agents, and subcontractors to the same high standards of ethical conduct. We expect all to demonstrate commitment to these principles in their operations and adhere to all applicable human rights and employment standards laws.

Through these collaborative efforts, shared values, diligent evaluation, ongoing monitoring, and strategic interventions, Great West Equipment strives to create a supply chain ecosystem that prioritizes dignity, fairness, and respect for all individuals involved.

Great West Equipment Structure, Activities & Supply Chain

Activities

Great West Equipment is a prominent Canadian company, serving as a full-service heavy equipment dealership primarily operating across British Columbia and the Yukon. With a network of 11 strategically positioned branches, Great West Equipment caters to the needs of diverse sectors across the region.

With an average workforce of 250 dedicated employees, Great West Equipment prides itself on delivering exceptional service and support to its clientele. With comprehensive range of services including equipment sales, rentals, parts and maintenance, Great West Equipment plays a role in

supporting the growth and success of businesses operating in forestry, construction and related sectors within the regions we serve.

Supply Chain

Great West Equipment's global supply chain serves as the vital link between our organization and a wide array of trusted vendors, encompassing third-party contractors, service providers, distributors, consultants, transportation companies, and producers. This intricate network plays a crucial role in fulfilling Great West Equipment's diverse operational needs and objectives. The procurement of goods and services essential to supporting our core functions is overseen by a variety of teams and functions across our business.

Great West Equipment actively sources products and services globally from approximately 500 vendors in 14 countries including Canada and the United States.

Great West Equipment Policies & Due Diligence Processes

Our Policies

In 2023, Great West Equipment developed and/or revised the following policies to address the requirements in relation to Modern Slavery risks within its operations. These developments/ revisions are as follows:

- **Code of Ethics:** Our Code of Ethics serves as the foundational framework that outlines Great West Equipment's principles, values, and standards of behaviour expected from all individuals within the organization. In 2023, we took steps to enhance our Code of Ethics by revising it to address the various forms of Modern Slavery comprehensively. This update explicitly includes references to forced labour, child labour, human trafficking, and other related practices, reaffirming our unequivocal stance against any form of Modern Slavery within any aspect of Great West Equipment's business activities. In addition to this amendment, our revised Code of Ethics expressly prohibits the use of Modern Slavery in any form within our organization, as well as among our network of vendors.
- **Modern Slavery Statement:** In 2023, Great West Equipment developed our Modern Slavery Statement. This statement publicly represents Great West Equipment's commitment to combatting modern slavery within its operations and supply chains. It includes reference to the actions Great West Equipment pledges to take to identify, prevent, and address modern slavery risks as well as the measures in place to ensure compliance with relevant laws and legislation.
- **Supplier Code of Conduct:** In 2023, Great West Equipment established our comprehensive Supplier Code of Conduct. This code sets out clear expectations for all

vendors, including producers, contractors, subcontractors, agents, and any other business partners, emphasizing our zero-tolerance policy towards modern slavery in any form. Suppliers are required to adhere to strict ethical standards, including the prohibition of forced labour, child labour, and human trafficking. Additionally, the code outlines requirements for fair wages, safe working conditions, and respect for human rights throughout the supply chain.

Due Diligence

Great West Equipment is currently in the process of developing an end-to-end Procurement Manual, aimed at providing a comprehensive guide that consolidates existing policies, procedures, and best practices. This manual will establish a standardized approach, encompassing various aspects of Responsible Supply Chain Management. The manual will address the following key topics in relation to Modern Slavery:

1. **Risk Assessments:** Offering guidelines for conducting thorough risk assessments across the entirety of the supply chain, pinpointing potential areas where modern slavery risks may exist, such as specific industries, regions, or types of suppliers.
2. **Supplier Due Diligence:** Outlining clear procedures for vetting and selecting suppliers to ensure adherence to ethical standards, including the prohibition of forced labour and child labour.
3. **Contractual Obligations:** Detailing specific contractual obligations pertaining to ethical sourcing and labour standards, ensuring alignment with organizational values.
4. **Training and Awareness:** Providing comprehensive guidance on training for procurement staff and relevant stakeholders, raising awareness of modern slavery risks, and equipping them with tools to identify and address these risks within the procurement process.
5. **Monitoring and Reporting:** Establishing robust mechanisms for ongoing monitoring of supplier compliance with ethical standards, facilitating timely reporting and remediation of any non-compliance issues.
6. **Continuous Improvement:** Underlining the significance of continuous improvement in supply chain practices related to modern slavery mitigation, encouraging proactive efforts to enhance ethical sourcing practices over time.

Through the implementation of this Procurement Manual, Great West Equipment aims to strengthen its commitment to ethical sourcing practices and contribute to the eradication of modern slavery within its supply chain.

Great West Equipment expects all suppliers to operate in a way that demonstrates high standards of ethical business conduct. Our Supplier Code of Conduct outlines the principles guiding our interactions with these suppliers, emphasizing their obligation to comply with laws, safety standards, and ethical business practices. Great West Equipment will not knowingly work with any suppliers who operate unethically, unsafely, violate the law, compete dishonestly, or implement

unfair business practices. Any violations of these standards constitute grounds for termination of contracts.

In keeping with our commitment to ensuring a responsible supply chain and continued improvement, Great West Equipment is integrating our Supplier Code of Conduct into our approved vendor contracts. This will ensure that suppliers are contractually bound to adhere to the ethical standards outlined within the code and support clarity and consistency in expectations.

Great West Equipment is currently developing an enhanced vendor onboarding process to streamline our procurement procedures. This process will serve as an initial step in our procurement workflow, facilitating the collection and assessment of essential vendor details. These include vendor classification, encompassing considerations of diversity, equity, and inclusion, as well as corporate structure, mandatory insurance, and certifications. Moreover, the onboarding process will enable the evaluation of critical policies and procedures such as health, safety, environment, and adherence to our code of conduct, including the disclosure of modern slavery policies.

These initiatives are being implemented to ensure that our vendor ecosystem at Great West Equipment comprises qualified partners who meet our stringent business, regulatory, and legal requirements before being awarded any contracts. We anticipate the rollout of this vendor onboarding process by Fall 2024.

Looking ahead to 2025 and beyond, Great West Equipment plans to further scale our Vendor Management Program. This expansion will include additional risk management programs, the refinement of policies and processes, comprehensive training initiatives, escalation procedures, and remediation plans. These ongoing efforts underscore our commitment to fostering a robust vendor management framework that upholds the highest standards of integrity and accountability throughout our operations.

Risks of Modern Slavery in Great West Equipment's Operations and Supply Chain

Modern Slavery in Great West Equipment Operations

Great West Equipment conducts its business within Canada, where the risk of Modern Slavery is considered low. Nonetheless, we recognize that Modern Slavery can impact any population, and we recognize that certain groups are considered particularly vulnerable, including:

- Domestic and foreign migrant workers
- Contract, agency, and temporary workers.
- Refugees, asylum seekers, ethnic/religious minorities, and displaced persons

➤ Young or student workers

Great West Equipment remains steadfast in its commitment to upholding human rights across all aspects of its operations. To this end, Great West Equipment has established internal policies and procedures to reflect recognized standards for human rights protection. These internal frameworks are informed by the United Nations Guiding Principles on Human Rights (UNGPs) as well as local human rights laws.

Great West Equipment has conducted an initial internal risk assessment of our operations, revealing that the risk level for our internal operations is assessed as low. This determination stems from several factors: our business operations are situated within Canada, with both our labour resources and customer base entirely located within the country. Additionally, our operations maintain strict adherence to legal and regulatory frameworks, further contributing to the classification of lower risk.

Vendor Risk Assessment

Great West Equipment recently completed our inaugural internal risk assessment of our vendors, identifying approximately 474 vendors for the 2023 fiscal year. The assessment process involved evaluating vendors based on their country of operation and assigning a risk score derived from the Global Slavery Index, reflecting the perceived risk level of their operational jurisdiction. Furthermore, we considered additional risk factors such as global commodity sourcing, manufacturing, and logistics from overseas countries, referencing the US Government List of Goods Produced by Child Labour or Forced Labour. The analysis revealed that the majority of our vendors, accounting for 88.4%, are located within Canada, with 5.9% situated in the United States and 5.5% operating overseas.

For this initial assessment, vendors operating within Canada and the United States are generally categorized as low risk. This determination is rooted in several factors, including the robust legal frameworks and regulatory environments in both countries, which prioritize labour rights and human welfare. However, while vendors in these regions are perceived as low risk, Great West Equipment recognizes the importance of further segmenting vendors by tier to enhance our risk identification efforts. By segmenting vendors into tiers, we can better prioritize our risk management efforts by focusing on those vendors that pose the highest potential risks to our operations and ethical standards. This tiered approach will enable us to implement targeted mitigation strategies and allocate resources more effectively, ultimately strengthening our ability to ensure ethical sourcing practices and uphold human rights across our entire vendor ecosystem.

Remediation

Measures to Remediate Modern Slavery

No instances of Modern slavery were identified within Great West Equipment Operations. All Great

West Equipment Operations in 2023 were conducted within Canada, a country deemed low risk compared to others in terms of modern slavery.

Great West Equipment is committed to addressing any concerns identified within our supply chain regarding modern slavery. Remediation efforts will be initiated following the completion of further evaluations and audits of vendors initially identified as moderate to high risk for modern slavery. This comprehensive process, scheduled to commence in 2024, will involve rigorous assessments to ascertain the extent of any potential risks and ensure appropriate remedial actions are taken.

Great West Equipment does not currently foresee the necessity for remedial action within its Canadian operations. We anticipate that our operations will continue to uphold ethical standards, mitigating the risks of modern slavery and safeguarding the livelihoods of vulnerable individuals. Should concerns arise post-audit of vendors, future reports will include comprehensive information regarding the steps taken to address any identified issues, ensuring transparency and accountability in our efforts to uphold human rights and ethical sourcing across our supply chain.

Training

Great West Equipment places a strong emphasis on ethical conduct and ensures that all employees are well-informed and aligned with our Code of Conduct. As part of our commitment to continuous improvement, we conduct training sessions on our Code of Conduct upon hire and annually thereafter. In 2024, we will enhance this training by incorporating specific content on modern slavery to raise awareness and competency on this critical issue. Each Great West Equipment employee will be required to undergo this training, review the Code of Conduct, and attest that they have read, understood, and will adhere to its requirements. Furthermore, employees who join the Great West Equipment team outside of the annual training period will also undergo this training as part of their mandatory onboarding activities.

Assessing Our Efforts Effectiveness

Great West Equipment aims to implement metrics to measure our progress in addressing modern slavery concerns within our supply chain. In 2024, Great West Equipment will track the following:

- **Vendor Compliance:** We will track the level of compliance among vendors with modern slavery policies and standards. This will include the percentage of vendors who have undergone audits, the number of non-compliance issues identified, and the rate of remediation.
- **Training Participation:** We will measure the participation rates in modern slavery awareness training among employees and suppliers.
- **Supplier Risk Assessment:** We will evaluate the outcome of supplier risk assessments, including the identification of high-risk vendors and the implementation of risk mitigation measures.
- **Supply Chain Transparency:** We will track improvements in supply chain transparency,

such as the availability of information on supplier's labour practices, traceability of raw materials, and disclosure of supply chain partners.

Approval and Attestation

In accordance with the requirements of the Act, I attest that I have reviewed the information contained within the report for the entity listed. 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.



Colin Matejka
Chief Executive Officer (CEO)
Great West Equipment