

Modern Slavery Report 2023

May 30, 2024

About this Report

This report is made pursuant to subsection 11(2) of the Fighting Against Forced Labour in Supply Chains Act, (the act) and has been prepared on behalf of Paradox Access Solutions Inc. for year ended September 30, 2023. As required by the Act, this report outlines the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods imported into Canada by the entity. The company does not report under legislations in any other federal jurisdictions other than Canada.

The terms "entity" and "company" refer to Paradox Access Solutions Inc. throughout this report.

Company Background

Paradox Access Solutions was incorporated in the province of Alberta in December 2004. Paradox is a privately held company that specializes in full suite matting services, including manufacturing, mat rental, mat sales and mat servicing, as well as a wide array of civil earthworks applications. Paradox employed an average of 84 employees across Alberta and Saskatchewan in 2023. The company is headquartered in Acheson, Alberta and maintains multiple storage yards throughout Alberta and Saskatchewan. Customers are primarily served at remote work locations throughout Alberta, Saskatchewan, British Columbia and Manitoba. Occasionally, our workforce will extend into other provinces for temporary projects. No projects occurred outside Canada in 2023.

Due to the company's geographical focus and the nature of business operations, inputs used in production such as lumber, aggregate and other construction raw materials are primarily sourced in Canada as these inputs are in abundance within Canada and are economically sourced through local suppliers.

Paradox utilizes various heavy equipment in its operations such as excavators, loaders, dozers and heavy haul trucks. This equipment is maintained through a combination of third-party service providers and internal fleet technicians.

Supply Chain Analysis and Risk Analysis

The company has undertaken the exercise to analyze the risk associated with the use of imported goods used in its business activities which carry a risk of production with the use of forced labour and child labour.

Utilizing the "Transparency International Corruption Perception Index", the company noted no direct imports from countries with low (less than 50/100) scores.

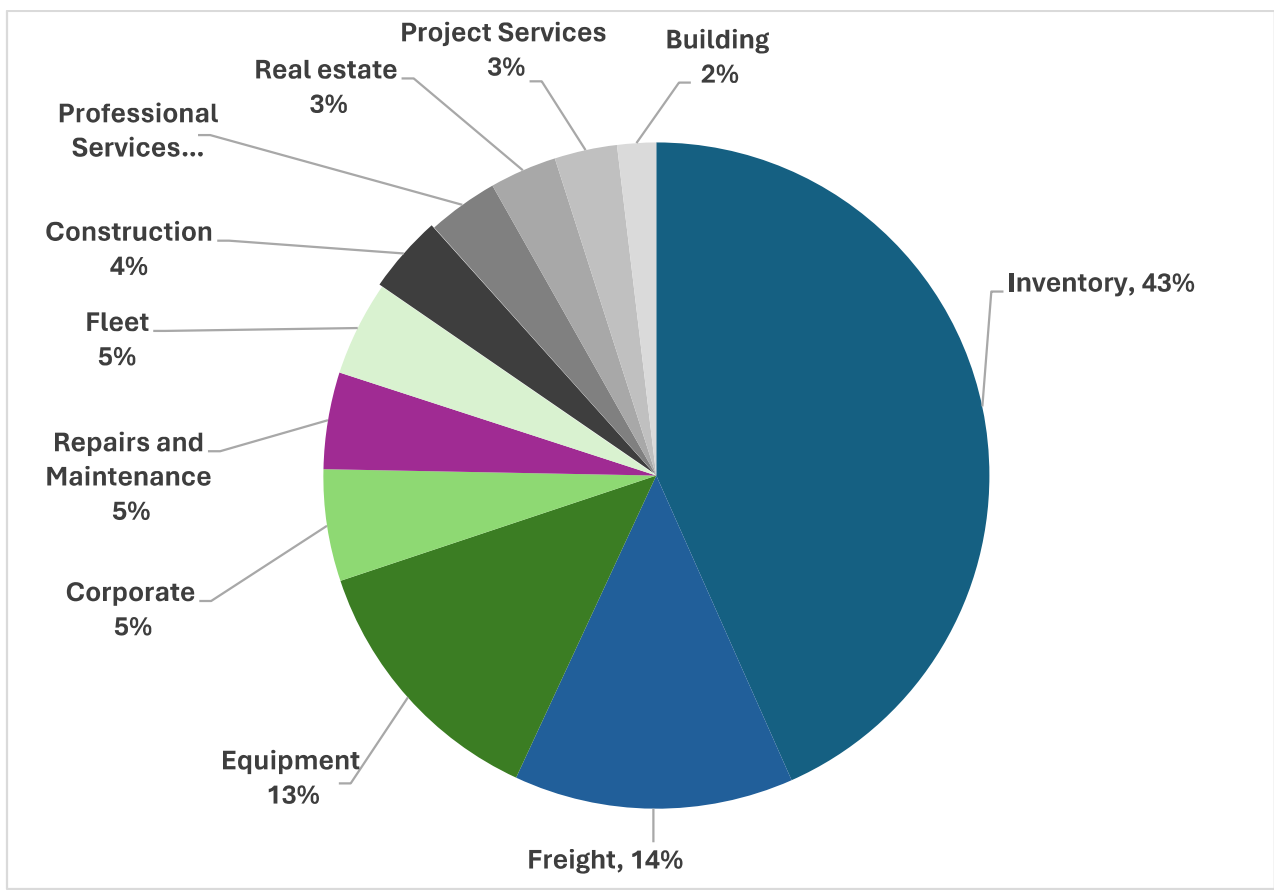
Additionally, the company has analyzed the "US Department of Labour List of goods produced by child labour or forced labour" and noted none of the goods contained in this list are used directly in the primary business operations of the company.

For 2023, the company performed a retrospective analysis of vendor spend to analyze areas where there may exist a risk of child or forced labour in upstream procurement. In 2023, Paradox vendor base comprised over 600 vendors with 97.5% of vendors located in Canada, 2.3% in the United States and 0.14% outside North America. Of all vendors only 22% of vendors were used for the purchase of goods. Of the vendors outside North America, the company determined no risk of child or forced labour exists in these vendors as the company has physically observed the manufacturing premises.

For goods purchased within Canada as direct inputs in Paradox’s activities, Paradox has determined the risk of Child and Forced Labour practices to be non-existent due to a remote chance these materials would be sourced by suppliers outside Canada.

Paradox has determined the greatest risk of the presence of child and forced labour exists in the products purchased from Canadian retailers who import their products from unknown sources, particularly in the repairs and maintenance and fleet spend categories (see Figure 1). Due to the impractical nature of tracing the source of vendor inputs in these categories, Paradox plans to rely on the Modern Slavery Reports produced by significant suppliers in 2023 and future years to assess the risk in this area moving forward.

Figure 1 – Percentage of Vendor Spend by Category



Note: For illustration purposes only. The above figure was produced using vendors set up by name in the company’s ERP system. Additional spend is not captured due to system constraints.

Policies and Due Diligence

The company adheres to all provincial and federal employment standards applicable to vacation and overtime and does not employ individuals younger than the minimum age requirement in the industries and jurisdictions in which it operates. Further the company has a deep-rooted safety culture which is ingrained throughout the company's hiring and employee management activities.

Paradox has developed a Social Responsibility Policy which guides all employees to practice transparency and business ethics in all their dealings. Additionally, the policy outlines a zero tolerance approach for violations of the law, human rights or any workplace regulations or legislation. The company

Employee Training

No formal training was provided to employees in direct relation to child and forced labour, given the assessed risk from the company operations, the company does not believe training is necessary as importing is isolated and a rare occurrence which is highly controlled.

Remediation Efforts

The company has not taken any measures to remediate any forced labour or child labour nor has the company taken any measures to remediate the loss of income resulting from any measures to eliminate the use of forced or child labour.

Measuring Effectiveness

Paradox will continue its efforts to understand its supply chain in 2024, including establishing measures to evaluate progress and the effectiveness of its program. The company plans to reevaluate its suppliers based on their 2023 Modern Slavery Reports once available.

Summary

Overall, the company finds the risks of unjust enrichment from Child Labour and Modern Slavery practices to be nominal, primarily due to the geographical area that the company operates, the nature of its business operations and how and where inputs are sourced.

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 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 Paradox Access Solutions Inc.

Marc Breault

Marc Breault

President

May 30, 2024