



CANADA'S BEST SNOW

FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS – ANNUAL REPORT

Introduction

Sunshine Village Corporation (“Sunshine”) is committed to the ongoing international fight against forced labour and child labour, and to meeting obligations introduced under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”).

Following the introduction of the Act and pursuant to section 11(1) thereunder, this report (the “Report”) includes information on steps Sunshine has taken to understand the potential forced labour and child labour risks related to our business and operations, and steps taken to reduce those risks, for the financial year ended June 30, 2023 (“Fiscal 2023”).

Structure, Activities, and Supply Chains

Sunshine is a corporation incorporated under the *Alberta Business Corporations Act*, with a head office located in Alberta. Sunshine operates a ski resort primarily in Banff National Park, with three mountains of terrain available to skiers and snowboarders of all ability levels. Sunshine employs approximately 120 employees year-round and approximately 600 employees on a seasonal basis.

Sunshine’s activities include the operation of ski lifts, ticket and pass sales, equipment rental and tuning services, a ski and snowboard school, a slopeside hotel, food and beverage services, and retail operations. Sunshine’s supply chain includes business that supply goods and services to our organization, including ski and snowboard equipment, replacement parts for equipment and routine maintenance to machinery, uniforms and clothing, food and beverage supplies, cleaning and safety supplies, signage, and printed materials. The most significant part of Sunshine’s supply chain is replacement parts for ski lifts and heavy machinery.

Policies and Due Diligence Processes

Sunshine’s policies and procedures apply to all persons working for or on behalf of Sunshine, including employees, directors, officers, volunteers, agents, contractors, and consultants.

Sunshine works with suppliers that reflect our core values and who provide the fundamental components of our tourism, hospitality, and recreation operations. All employees who may be involved in the procurement process with external suppliers take steps to review these relationships, undertaking due diligence regarding the supplier’s business, reputation, compliance with laws, health, safety, and sustainability practices and environmental standards. Employees may also request business references and additional, in-depth information from suppliers.

Sunshine recruits and hires employees regularly, we therefore review our recruitment process and partners on a continuous basis. New employees are vetted through an onboarding process, where our team directly confirms their identities and the set-up of appropriate personal bank accounts for direct payment of an employee’s wages.

Sunshine expects our supply chain to comply with, and respect, all applicable laws, and regulations, including the Act. Sunshine reserves the right to terminate any supplier relationship where a supplier is found to be in breach of any applicable laws, including the Act.



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Policies and Training

Employee Code of Conduct

Sunshine has adopted an Employee Code of Business Conduct, pursuant to which Sunshine's employees are encouraged to act with the highest standards of integrity and to always do the right thing, as it relates to their employment and representation of the business. We endeavor to maintain these high standards and treat our employees fairly and respectfully and expect the same in return.

Whistle Blowing Policy

We encourage all employees to promptly report evidence of activity that may constitute misconduct, including any dangers to the health and safety of individuals, or the deliberate cover up of any fraud, criminal offenses, and/or breaches of legal obligations. The Whistle Blowing Policy includes anti-retaliatory measures for employees who report truthfully.

Training

All employees are invited to orientation training, and are expected to read, review, and attest to the Employee Handbook, which contains our workplace policies.

Our Retail department managers ensure their employees are trained with in-depth product knowledge for the brands and suppliers we work with, so the teams can speak on an informed basis to customers and guests. Training highlights important information around minimum standards for employment conditions, brand and supplier due diligence in vetting their own supply chains, and best safety, health, and sustainability practices.

Risk Assessment and Management

Given the majority of our suppliers are located in Canada, we believe the risk at this time to be low. The areas of our supply chain that carry the greatest risk of forced labour and child labour are in a minor percentage of our retail operations. Sunshine plans to review our current supply chain and assess it against risk indicators of forced labour and child labour. Sunshine plans to make further inquiries of any supplier who is found to represent a higher level of forced labour and child labour risk. We plan to inquire as to whether they have appropriate policies and procedures respecting these risks, and whether the due diligence they undertake in reviewing their own supply chains is to a sufficient standard.

Remediation Measures

In Fiscal 2023, no incidents of forced labour or child labour were reported or identified in Sunshine's activities or supply chain. As a result, remediation measures were not required to correct any forced labour or child labour, or to compensate the loss of income to the most vulnerable families as a result of remediation measures taken.



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Effectiveness Assessment

Sunshine does not currently have processes in place to assess its effectiveness in preventing the use of forced labour and child labour in Sunshine's activities and supply chains. However, Sunshine monitors compliance with its policies and procedures described on an ongoing basis. Sunshine reviews any concerns raised through the Whistle Blowing Policy, as required.

Next Steps

Sunshine will strive to continually improve the policies, training, and systems we use to mitigate the risks of forced labour and child labour in our business and supply chain(s).

- Sunshine plans to ensure training is available for personnel, including education on forced labour and child labour. Training will be updated on a regular basis. The training will include responsibilities of employees, procurement teams, human resources, and general counsel as they relate to mitigating the risks of forced labour and child labour in Sunshine's supply chain.
- Sunshine plans to review and standardize criteria for existing and new suppliers, which will include, when applicable, forced labour and child labour undertakings in standard contracts and purchase agreements.

Attestation and Approval

This Report is made and approved pursuant to Section 11(1) and Section 11(4)(a) of the Act and constitutes Sunshine's Annual Report thereunder for the financial year ended June 30, 2023. The Board of Directors has overall responsibility for this Report.

I attest that I have reviewed the information contained in this Report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate, and complete in all material respects for the purposes of the Act for Fiscal 2023. I make this statement in my capacity as a member of the Board of Directors of Sunshine for and on behalf of the Board of Directors.

Signed on its behalf by , Director, on May 31, 2024

I have the authority to bind Sunshine Village Corporation.