



UCEL Statement Regarding Supply Chain and Modern Slavery

This statement, made by and for the legal entity UCEL Inc ("UCEL"), is in effect from May 31, 2024 to May 31, 2025 pursuant to Section 6(2) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

Introduction

UCEL acknowledges the existence and condemns the practice of modern slavery, which includes but is not limited to forced labour and child labour. This statement and the commitments herein apply to all within and without our organization, including employees, suppliers, vendors, contractors and subcontractors, at all times when working for, with, or on behalf of UCEL in any capacity. UCEL will act with integrity and comply at all times with the letter and spirit of the laws, regulations and rules that apply in the jurisdictions where we operate. If we are ever made aware of instances where these expectations are not met, we commit to review and respond immediately.

Our Business

UCEL Inc is a Canadian owned and operated, family run corporation that has been in business since 1963. Headquartered in Uxbridge, Ontario, and employing close to 100 people, UCEL sells and rents construction hoists and related equipment to developers and builders of high-rise construction projects in Southern Ontario, across Canada and the United States. UCEL also sells and services permanent industrial elevators, and Business Maintenance Units throughout Canada.

Our business consists of the following segments:

Rental business – Clients in Ontario, BC, and across Canada enter into rental agreements with UCEL for periods of up to three years, and we supply them with the machinery, equipment and labour required to erect, raise and dismantle hoists for high rise construction projects.

Sales – We import machinery and equipment in our function as a wholesaler for clients in Canada and the United States who wish to purchase machinery and equipment from us.

Equipment Leasing – UCEL leases equipment to other skilled elevator companies for use in their rental businesses.

Industrial Elevators – We engineer, sell, install and service industrial elevators across Canada on industrial projects such as steel mills, refineries, mines, aggregate plants and power plants.

Business Maintenance Units (“BMUs”) – we engineer, sell, install and service BMUs for high rise façade access in Ontario.

Maintenance/Service – We provide skilled labour to high rise construction sites to help ensure the machinery is maintained and any operating issues are quickly resolved to keep the equipment running smoothly at all times.

Risks of Modern Slavery in our operations and supply chain

Recruitment and Labour – We are not an employer of any labour located outside of Canada for any aspect of our business.

Our hourly labour force is unionized and we require proof of eligibility to work in Canada prior to commencing work.

Recruitment costs are never borne by the worker and job descriptions, wage ranges and training information are openly available to all workers.

Countries of Equipment Production – our equipment is primarily purchased from Canada, Spain and the Czech Republic.

None of these locations are developing nations or considered at high risk for worker exploitation at this time.

Purchasing – UCEL will commit to ensuring all suppliers and vendors have thorough policies and vetting in place prior to making business purchases.

All transactions require a Purchase Order and must be made with preapproved vendors.

Each UCEL Purchase Order contains verbiage to ensure compliance with the Act as a Term and Condition of doing business with UCEL.

Remediation

Our company policies require all employees to report actual or possible misconduct or concerns. Employees are able to speak to their supervisor, Senior Management or Human Resources at any time to report issues so they may be addressed quickly and objectively. An anonymous complaint form is available to all employees; an open "Contact Us" form is available on our website as a means for clients, vendors or the public to reach out with any concerns.

UCEL has conducted risk assessments and determined that our activities and supply chains do not currently carry a risk of forced labour or child labour being used, and as such the question of remediation is considered not applicable at this time. We acknowledge that we have an ongoing duty in this area and commit to reviewing our need for potential remediation annually.

Should remediation be required in future, it may take the form of:

- Actions to support victims of forced labour or child labour and/or their families
- Compensation for victims of forced labour or child labour and/or their families
- Actions to prevent forced labour or child labour and associated harms from reoccurring
- Formal apologies
- Contributions to verified organizations to compensate for loss of income

Training

Detailed training on the Act, this policy and enforcement is mandatory for all employees involved with purchasing of goods and services, as well as all members of Senior Management and Finance. All other employees will be provided a copy of the policy to review on an annual basis. The training, to be held in small groups over several hours, developed and conducted internally will cover:

- Definitions of forced labour and child labour
- Employee reporting process and obligations
- Reviews of organizational risk, departmental specifics and
- Final quiz to ensure learning is complete

Risk Assessment Timing

UCEL will conduct yearly and as-needed risk assessments to identify and mitigate potential corruption risks within the company and the supply chain.

Due Diligence

UCEL commits to maintaining a Preferred Vendors List, and no purchases will be authorized to vendors not pre-approved and vetted continually throughout the fiscal year.

UCEL will conduct due diligence on suppliers, contractors, and business partners to ensure they comply with anti-corruption laws and align with the company's values:

- Prior to contracting with any new or existing vendors, UCEL will conduct research to ensure the integrity of the supply chain from that vendor.
- All vendors from outside of Canada must provide signed statements ensuring their supply chain has been reviewed for risk of forced or child labour.
- For any vendor where purchases in aggregate exceed \$500,000 CDN over the course of doing business, an on-site visit shall be conducted to further verify safe and equitable business practices are in place.

Assessing our effectiveness

UCEL will regularly monitor and enforce compliance with this policy through yearly internal audits and investigations as needed. Non-compliance will result in appropriate disciplinary actions.

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.

Mackenzie Csaszar

President, UCEL Inc

May 31, 2024



I have the authority to bind UCEL Inc – Business Number 105463285

Appendix - Policy



Anti-Corruption and Supply Chain Code of Conduct

Purpose

This policy will establish guidelines and procedures to prevent corrupt practices within our company and its supply chain. UCEL recognizes that forced labour and child labour risks occur through the global supply chains of private businesses. We acknowledge we have a role to play in ensuring that goods we import into and distribute in Canada were produced without forced labour or child labour.

This policy will describe the ethical standards UCEL will maintain as a responsible and transparent business entity, and details the steps we will take to ensure our moral and legal obligations are met.

Scope

This policy applies to all employees, contractors, suppliers, and partners associated with the company. It covers all business activities and interactions within UCEL and throughout our entire supply chain.

Definitions

Corruption: Any form of unethical behavior, including bribery, extortion, embezzlement, fraud, money laundering, and any other illicit practices.

Forced Labour: Any work performed involuntarily under menace of penalty, and/or when an individual is compelled against their will to provide work or services through the use of force, fraud or coercion.

Child Labour: The exploitation of children through any form of work that is harmful to their development, interferes with their ability to attend regular school, or is mentally, physically, socially and/or morally harmful.

Supply Chain: All parties involved in the production, distribution, and delivery of goods and services, including suppliers, contractors, and service providers.

Principles

Ethical Conduct: Employees and stakeholders are expected to uphold the highest ethical standards in all business dealings. This includes honesty, integrity, and fairness.

Zero Tolerance: UCEL has a zero-tolerance approach towards corruption. Any form of corrupt practice will result in severe consequences, including termination of employment or business relationships, and potential legal action.

Corporate Accountability: To strive for increased knowledge of the materials and processes of manufacture, and to establish practical procedures for ensuring the integrity of the supply chain, and to denounce all forms of improper business practice.

Compliance with Laws and Regulations: All employees, contractors, and business partners must comply with relevant local, national, and international laws and regulations related to anti-corruption.

Transparent Financial Transactions: All financial transactions must be accurately recorded and transparent. No off-the-books or undisclosed financial activities are permitted.

Gifts and Hospitality: Employees are prohibited from giving or receiving gifts, entertainment, or hospitality that could compromise their integrity or create a perception of impropriety. All gifts and hospitality above a \$100.00 CDN value must be reported to the President.

Procedure

Risk Assessment: UCEL will conduct yearly and as-needed risk assessments to identify and mitigate potential corruption risks within the company and the supply chain.

Due Diligence: UCEL will conduct due diligence on suppliers, contractors, and business partners to ensure they comply with anti-corruption laws and align with the company's values:

- Prior to contracting with any new or existing vendors, UCEL will conduct research to ensure the integrity of the supply chain from that vendor.
- All vendors from outside of Canada must provide signed statements ensuring their supply chain has been reviewed for risk of forced or child labour.
- For any vendor where purchases in aggregate exceed \$500,000 CDN over the course of doing business, an on-site visit shall be conducted to further verify safe and equitable business practices are in place.

Training and Awareness: UCEL will provide a copy of this policy and anti-corruption training to all impacted employees and stakeholders to ensure they are aware of the policy and understand the importance of preventing corrupt practices.

Reporting Mechanism: UCEL will establish a confidential reporting mechanism to encourage the reporting of any suspected corrupt practices. Retaliation against whistleblowers is strictly prohibited.

Monitoring and Enforcement: UCEL will regularly monitor and enforce compliance with this policy through internal audits and investigations. Non-compliance will result in appropriate disciplinary actions.

Review and Revision: This policy will be reviewed regularly to ensure its effectiveness and relevance. Any necessary revisions will be made to address emerging risks and changes in laws and regulations.

Communication: This policy will be communicated to all employees, contractors, and business partners. It will also be made publicly available on the company's website.

Approval

This policy is approved by the company's senior leadership and is effective immediately upon distribution.