

Report under the

# Fighting Against Forced Labour and Child Labour in Supply Chains Act

For Fiscal Year ending March 31, 2025

As of May 2025

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## 1. INTRODUCTION

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) requires that businesses state actions they have taken during the fiscal year to prevent and reduce the risk of forced labour or child labour within their operations and supply chain.

This Report (“Report”) is a joint report for G.N. Johnston Equipment Co. Ltd (“Johnston Equipment”) and its subsidiary, The Econo-Rack Group (2015) Inc. (“Konstant”) (collectively “Company/We”). The Report refers to the period covering the fiscal year ending March 31, 2025 (“Fiscal Year”).

## 2. STEPS TO PREVENT AND REDUCE RISKS OF FORCED LABOUR AND CHILD LABOUR

The Company has taken the following steps in the Fiscal Year to prevent and reduce the risks of forced labour and child labour:

- a) Reviewed and updated procurement policy manual to include reference to the Act.
- b) Self-Assessment Questionnaire was completed by our key suppliers to help us understand how they are managing their modern slavery risks
- c) Updated Supplier Code of Conduct with reference to modern slavery was signed by most of the Suppliers
- d) Focused training under the Act was conducted for key employees of the Company
- e) Continued the Supply Chain Mapping Process
- f) Prepared Action Plan for Fiscal Year 25/26.

More details on these actions are set out in the Report

### 3. STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

#### Structure

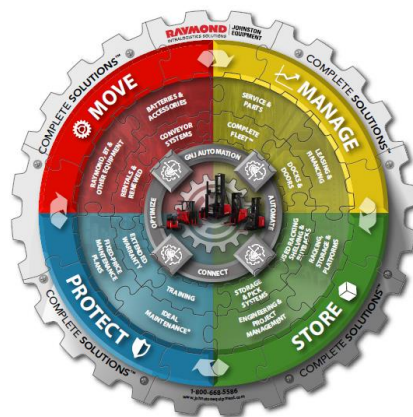
Johnston Equipment is a Canadian private entity incorporated in Ontario, with its Head Office located in Mississauga, Ontario. Konstant is a Canadian private entity incorporated in Ontario, with its Head Office located in Oakville, Ontario.

#### Activities

The Company's focus is to develop valued customer partnerships by providing precision, cost-effective:

- a) **Material Handling Equipment** to move product in, out and throughout the customer warehouse;
- b) **Service** solutions and tools to better manage customer productivity;
- c) **Racking, Storage and System Solutions** to optimize storage of customer goods; and,
- d) **Programs to enhance our customers' ability to protect** both their assets and people.

From new and used forklifts, service and parts to telematics, systems and automation, the Company offers a truly Complete Solution for our customers' warehouse materials handling needs.

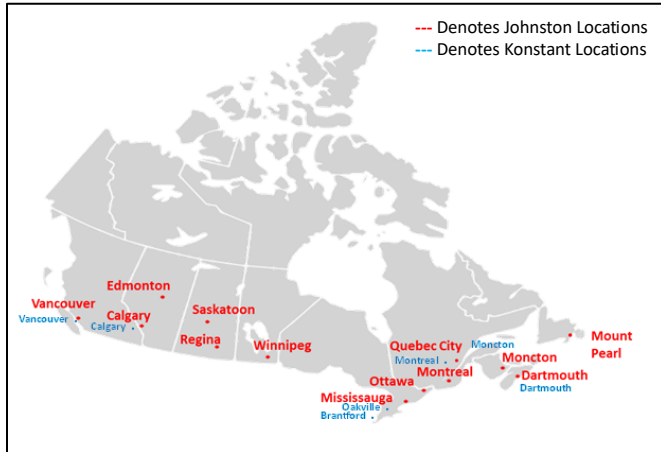


#### Complete Solutions™

*“Whether you need to **Move, Manage, Store or Protect™** your goods, you can rely on Johnston Equipment for **Complete Solutions** to help you **run better and manage smarter**, with **innovative solutions** both now and in the future”*

Johnston Equipment has 13 strategically located offices across Canada and more than 1,300 employees nationally. Konstant has 8 locations across Canada and more than 450 employees

nationally. Collectively, both Johnston Equipment and Konstant serve a diverse customer base within a variety of Industries.



Map showing the branch offices of the Company across Canada.

Most of the Company employees are directly engaged in the sales and service of our material handling solutions. Konstant also has a manufacturing facility located in Brantford, Ontario and LaSalle, Quebec. The overall operations of the Company are supported by various corporate functions including Finance, Human Resources, Information Technology, Health and Safety and Legal.

## Supply Chains

The Company's supply chains are concentrated in Canada and the United States. Suppliers provide a wide variety of products and services, ranging from imported equipment and parts to locally acquired products, services and utilities. All suppliers are individually assessed prior to entering into an agreement. The Company's supplier relationships are guided by the Supplier Code of Conduct. The Supplier Code of Conduct sets out the principles, standards and behaviors for the suppliers.

#### 4. COMPANY POLICIES AND DUE DILIGENCE PROCESSES IN RELATION TO FORCED LABOUR AND CHILD LABOUR

The Company has various policies and processes in place to ensure appropriate human rights practices are adhered to within our organization. We believe people are an essential element in our past, present and future success. The Company’s commitment to its employees is to provide:

- a) A safe and healthy work environment,
- b) Opportunities to learn and contribute, to the fullest extent, of their abilities; and
- c) Fairness, honesty and equity in the workplace.

Through our policies, we strive to mitigate the risk of forced labour and child labour. Some of the key policies include:

- Anti-bribery and Corruption Policy
- Code of Conduct
- Compliance Helpline
- Complaint Resolution Procedure
- Discrimination and Accommodation Policy
- Employee Equity Policy
- Environmental Policy
- Health and Safety Policy Manual
- Violence in the Workplace Policy
- Supplier Code of Conduct
- Procurement Policy Manual
- Commitment to Ethical Business Policy

In addition to the above policies, the Company also provides a Helpline for employees to report their concerns, and which is available 24 hours a day, seven days a week.

## 5. ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS OF FORCED LABOUR AND CHILD LABOUR

We recognize that in our supply chain there are limits on visibility beyond our first tier of suppliers. The preliminary assessment of our Supply Chain shows the majority of our Suppliers are based in United States and Canada, which as per the Global Slavery Index, has the lowest prevalence of modern slavery.<sup>1</sup>

The Company has implemented various initiatives and actions during the Fiscal Year to assess and address risks outlined in the Act, which include:

### a) Supplier Engagement

The Company continued mapping its supply chain. As part of supplier engagement, a **Commitment to Ethical Business Practices Letter** and **SAQ** was sent to the top-tier suppliers.

### b) Supplier Code of Conduct

The Company has shared its Supplier Code of Conduct with Suppliers, ensuring that our Suppliers understand their obligation to abide by applicable employment standards, labour, non-discrimination and human rights legislation. Additionally, the procurement policy was also updated to require Suppliers in high-risk locations, meeting a specified amount of annual purchase threshold, to complete and sign the Supplier Code of Conduct before approval. To enhance transparency, the Company has also published updated policies on its intranet.

### c) Self-Assessment Questionnaire (SAQ)

The SAQ was distributed to key Suppliers to assess their awareness and management of modern slavery risks. Suppliers were asked to provide information on the following:

- Regulatory Compliance: Whether they are required to comply with the act, and if so, to submit their reports.
- Investigation and Charges: Disclosure of any known investigations or charges related to modern slavery or other abuses within their supply chain.

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<sup>1</sup> *The Walk Free Foundation 2018 Global Slavery Index (GSI)* - Calculated using individual and country-level risk factors of modern slavery. Analysis draws on data from surveys implemented through the Gallup World Poll, including a module on modern slavery in 48 countries, and data from the GSI Vulnerability Model.

- **Modern Slavery Policies:** Confirmation of the existence of policies addressing modern slavery.
- **Employee Training:** Detailed information on training programs provided to employees regarding modern slavery and related human rights abuses.

#### **d) Training Provided for Employees on Forced Labour and Child Labour**

The Company's employees receive regular training on the Code of Conduct and our policies. All new employees are assigned a mandatory onboarding training package which includes training in our Code of Conduct. On an annual basis, all employees are required to review and acknowledge their understanding of the Code of Conduct. In addition to the above training, key stakeholders involved in supply chain and operations were provided with modern slavery training. This training aimed to raise awareness of modern slavery issues to ensure understanding of their obligations under the Act.

#### **e) Procurement Policy Manual**

The Company updated its Procurement Policy Manual to incorporate changes related to the Act and Supplier Code of Conduct requirements.

## **6. MOVING FORWARD**

For the forward-looking period of 2025/26, the Company has formulated an Action Plan which contains the following elements:

#### **a) Due Diligence**

As part of our 2025-2026 Action Plan, we will continue to engage with our stakeholders. Based on the response received from the self-assessment questionnaire and other factors like the nature of goods and services supplied, we will prepare a policy to conduct periodic due diligence on existing or potential major suppliers to assess the risks of forced labour and child labour in our supply chains.

**b) Risk Assessment**

We will conduct regular risk assessments to identify areas of potential forced labour and child labour within our operations and supply chain. The findings of these assessments will guide our approach to risk mitigation and management.

**c) Policies and Procedures**

The Company will continue to update, implement and maintain clear policies and procedures to prevent, and address forced labour and child labour.

**d) Training and Awareness Programs**

To enhance awareness, ensure compliance and strengthen accountability in identifying and addressing modern slavery risk, the Company will implement annual modern slavery act training for its employees on an as required basis.

## 7. REMEDIATION MEASURES

Given the nature of our business and supply chains and the risk assessments we have undertaken to date, we believe the risk of forced labour and child labour in our supply chain is low. As of the date of this Report, the Company is not aware of any incident of forced labour or child labour in our supply chain and has therefore not undertaken any measures to remediate the loss of income or specific activities for vulnerable families to remediate forced labour or child labour in our supply chain. If there is an incident the Company will implement applicable remediation measures.

## 8. ASSESSING EFFECTIVENESS

Collectively, this Report and processes as described herein, are all designed to ensure that the Company and its suppliers are committed to maintaining a workplace and supply chain free of forced labour and child labour.

## 9. ATTESTATION

This Joint Report was approved pursuant to subparagraph 11(4) of the Act by the Board of Directors of G.N. Johnston Equipment Co. Ltd and The Econo-Rack Group (2015) Inc.

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 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.

Michael G. Marcotte

President & CEO, G.N. Johnston Equipment Co. Ltd

Board Member, The Econo-Rack Group (2015) Inc

May 28, 2025

I have the authority to bind G.N. Johnston Equipment Co. Ltd. and The Econo-Rack Group (2015) Inc.