

Our Commitment to Ethical Supply Chains

At SMS Equipment, we are committed to responsible sourcing and the elimination of forced labour and child labour from our operations and supply chains.

In compliance with the **Fighting Against Forced Labour and Child Labour in Supply Chains Act**, we have taken the following actions:

- **Mapped our operations and supply chains** to understand potential risk areas.
- **Conducted risk assessments** related to forced and child labour in potential risk areas
- **Implemented due diligence and child protection policies**, including updated supplier contracts with clear anti-labour abuse clauses.
- **Engaged with subject matter experts and stakeholders** to better understand and manage risks.
- **Established a Supply Chain Working Group**, composed of senior leadership, to lead our compliance efforts.
- **Reviewed and confirmed applicability of our Code of Conduct and Whistleblower Policy** in preventing labour violations.

Our Business Activities

We sell, distribute, and import equipment and parts primarily manufactured by a small number of original equipment manufacturers (OEMs). We operate across Canada and internationally, with a focus on service excellence and responsible procurement.

Governance and Oversight

Our Supply Chain Working Group includes senior leaders from Legal, Purchasing, and Sustainability, and reports to our **Sustainability Oversight Committee**, composed of executive leadership from across the organization. We continually review

- Code of Conduct and Whistleblowing policies
- Vendor screening processes (RFPs, ServiceNow evaluations)
- Supplier contract clauses prohibiting forced and child labour

Risk Assessment and Remediation

- No instances of forced or child labour were identified in our supply chain in 2023 or 2024.
- No remediation measures were required, nor were any impacts on vulnerable communities identified.

- We are continuing to improve our due diligence processes.

Training and Effectiveness

- All employees are trained on our Code of Conduct and Whistleblower policies.
- We assess our program's effectiveness through ongoing policy reviews and cross-functional working group oversight.

Looking Ahead

We are committed to continuous improvement in our supply chain practices and will enhance our assessment tools, supplier engagement, and training over time.