

SUSTAINABILITY REPORT

SEPTEMBER

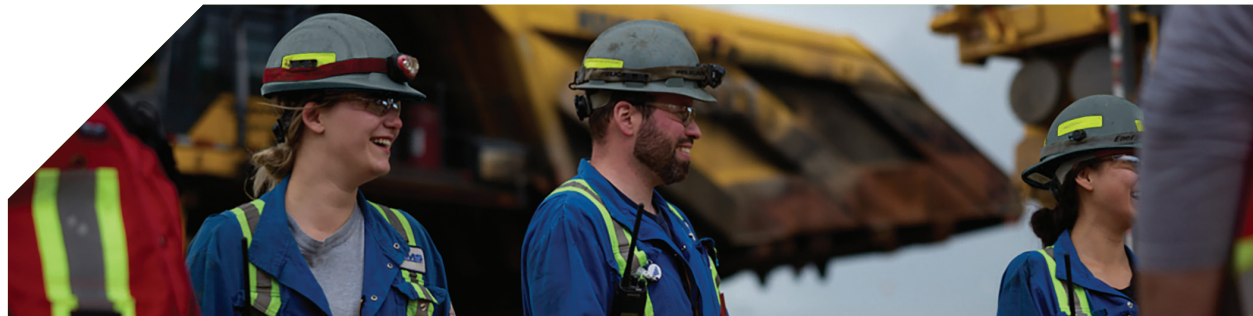


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Message from President & CEO



SMS Equipment is committed to being a collaborative growth partner for our customers, communities, and our employees. This is reflected in our brand promise to be “Partners in Your Possibilities”. This promise reinforces our role as a trusted, forward-thinking partner, dedicated to unlocking potential and shaping a brighter, more sustainable future.

At SMS Equipment, success is not just about business growth—it’s about the relationships we build and the positive change we help create. Whether by supporting our customers in achieving their sustainability goals, investing in our employees’ well-being, or contributing to the communities where we live and work, we recognize that progress is a shared journey.

We have an unwavering commitment to the health and wellness of our employees to ensure our employees can return home safely. Our continuous focus on our safety culture is delivered through training, awareness campaigns, and proactive hazard reporting. We have built an environment where employees feel valued and empowered to speak up. In addition to safety, our company values emphasize accountability and collaboration to achieve results, innovation, and authenticity. Sustainability is embedded in these values and our business priorities.

This report is more than an update on our initiatives—it is a reaffirmation of our ongoing commitment to responsible business practices. From driving decarbonization strategies to fostering an inclusive and people-centered culture, we are continuously evolving to set new benchmarks in sustainable business. This report outlines tangible ways we are integrating sustainability across our operations—reducing environmental impacts, strengthening our workforce, and deepening community partnerships. More than a goal, sustainability is a guiding principle that informs our decisions and actions every day.

I look forward to the impact we will create together toward a more sustainable future.

Robin Heard
President and CEO

Our Sustainability Leadership Group



Kelly-Ann Cordner
Executive Vice President,
Human Resources &
Chief Human Resources Officer



Mike Brown
Executive Vice President,
Technology & Innovation



Sundeep Bhango
Executive Vice President,
Finance & Chief Financial Officer



Dennis Chmielewski
Executive Vice President,
Mining

The Five Pillars of Sustainability

At SMS Equipment, sustainability is more than environmental responsibility—it’s about creating long-term value and opportunity. Grounded in our **commitment to sustainability**, these Five Pillars guide our efforts to build a responsible, resilient, and inclusive business.

As **Partners in Your Possibilities**, we embrace sustainability as a shared endeavor. Whether by reducing our carbon footprint, empowering our workforce, or strengthening communities, we collaborate with customers, employees, and stakeholders to drive meaningful progress.



Together, we are shaping a future filled with possibility.

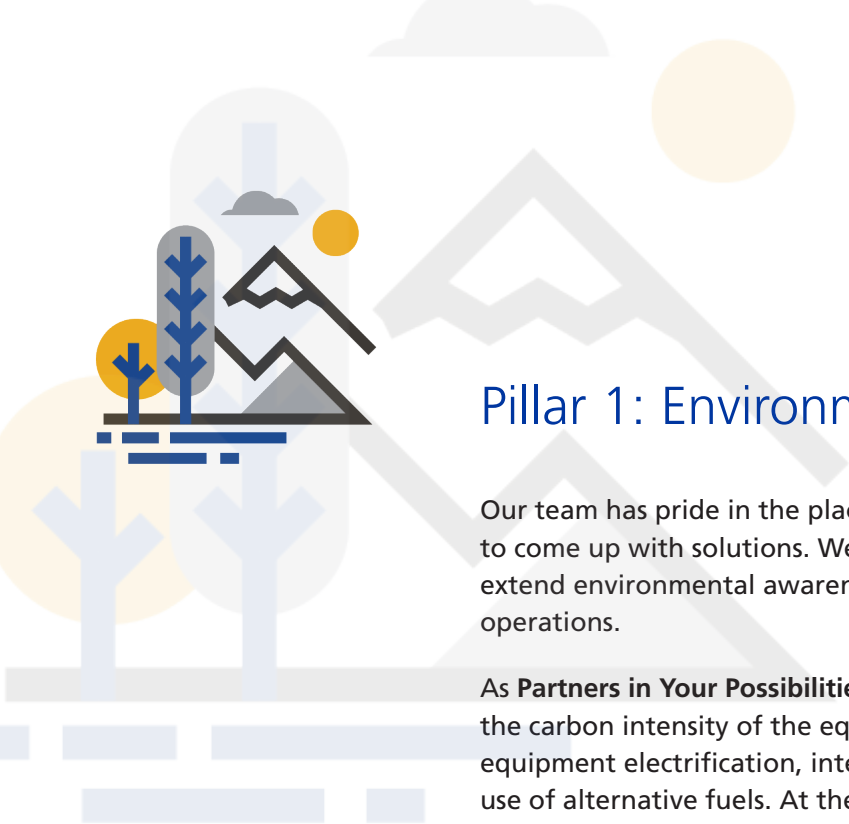
Our Commitment to Sustainability

We are committed to continuous improvement in sustainability—supporting our customers, reducing environmental impacts, and enhancing quality of life in the diverse communities where we live and work.

Our values.

- We are safe.
We care for each other, without exception.
- We are respectful.
We are inclusive and open to new ideas and approaches.
- We are performance-focused.
We are accountable to exceed expectations and work collaboratively to achieve results.
- We are authentic.
We are trustworthy, genuine and act with integrity.
- We are innovative.
We are creative in delivering solutions.





Pillar 1: Environment

Our team has pride in the places we work, and that’s why we don’t wait for others to come up with solutions. We take action. To grow our business sustainably, we extend environmental awareness, preservation, and measurable steps into our operations.

As **Partners in Your Possibilities**, we collaborate with customers and OEMs to reduce the carbon intensity of the equipment we sell and support. This includes advancing equipment electrification, integrating cutting-edge technologies, and expanding the use of alternative fuels. At the same time, we are driving meaningful environmental improvements within our own operations.

Progress

Refining data for bigger impact.

For years now, SMS Equipment has been strengthening and elevating our GHG reporting process. Partnering with a leading environmental consulting firm, we developed a five-year environmental roadmap—laying the foundation for long-term sustainability excellence.

With this roadmap in place, we welcomed a dedicated Sustainability Program Manager to drive progress across all five sustainability pillars, ensuring alignment and execution of key initiatives.

Recognizing the power of collaboration, we established critical working groups to champion our environmental priorities:



GHG Reporting Working Group
Developed comprehensive GHG Management and Inventory Documents, establishing a strong foundation for environmental accountability.



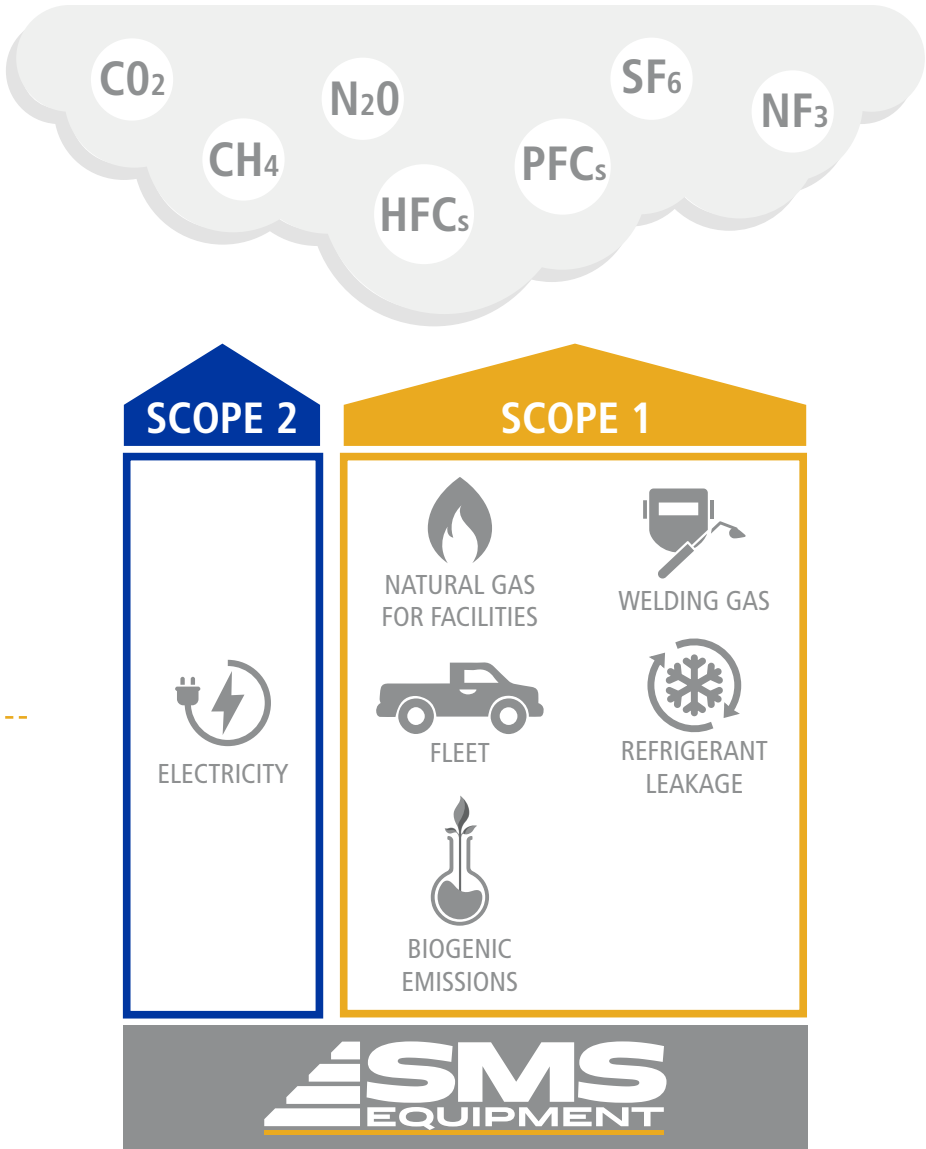
Clean Tech Working Group
Focuses on advancing low-carbon technologies and alternative energy solutions in partnership with OEMs and customers.



People Engagement Working Group
Drives company-wide sustainability awareness and engagement, ensuring every employee plays a role in shaping a greener future.

KEY ACHIEVEMENTS

- **Refined our data collection process**, marking 2022 as the baseline year for GHG reporting and setting a high standard for accuracy.
- **Launched the SMS Equipment Sustainability Awareness Program**, fostering an informed and engaged workforce.
- **Expanded environmental engagement with branches across our network**, creating a culture of shared learning and accountability.
- **Implemented facility enhancement projects**—improving air quality, energy efficiency, and overall environmental performance at multiple locations.
- **Embedded continuous improvement practices**, working closely with vendors and internal teams to refine processes and maximize sustainability impact.



This visual supports our emissions reporting, which currently includes Scope 1 and Scope 2 emissions. We are in the process of assessing scope 3 reporting and will update as our understanding and data collection evolve.

Advancing our electric fleet

SMS Equipment has introduced its first electric vehicle and charging infrastructure, marking a step toward a greener future. Evaluating its performance and impact will shape our sustainability strategy as we continue building a cleaner, more efficient industry together.

As demand for cleaner, high-performance solutions grows, SMS Equipment remains committed to helping customers navigate and adopt the latest innovations in electric machinery.

The e-machine revolution.

The shift toward electrification is transforming industries, from construction and mining to roadbuilding and demolition. Our major OEM partner, Komatsu, is helping drive this change with advanced electric equipment, from compact utility machines to massive electric mining shovels.

One standout is the Komatsu PC8000, a powerful electric shovel in Komatsu’s lineup, in operation at Hudbay Minerals Inc. These fully electric models showcase the capability of electric shovels in reducing diesel emissions while maintaining high performance.



Electric trolley-assist haulage systems—such as those used at the Copper Mountain Mine—demonstrate how electrification can significantly boost efficiency. By integrating trolley systems, sites can more than double haul speeds while cutting fuel consumption and emissions.



Hybrid technology empowers innovation.

SMS Equipment has long championed a hybrid approach. Through Komatsu’s Smart Construction platform, we integrate cutting-edge digital solutions—including drones, 3D machine control, and IoT sensors—to transform how mining and construction projects are planned, executed, and monitored. These innovations help customers optimize efficiency, accuracy, and safety across the entire project lifecycle.

Alternative fuels: paving the way to a lower-carbon future.

SMS Equipment has been closely tracking advancements in alternative fuels, recognizing them as a key part of the industry’s future. To support customers in navigating this evolving landscape, we’ve built a highly skilled team to assess which solutions are viable today—and which will require further development. While infrastructure and adoption take time, several proven alternatives are already available, offering companies a practical starting point in their decarbonization efforts.

The more you know: advancing our fleets.

To drive greater efficiency and lower emissions, SMS Equipment has invested in a next-generation fleet GPS system with telematics reporting. This technology enhances our ability to analyze fleet usage, optimize performance, and implement data-driven solutions to reduce our environmental impact.

By monitoring key operational factors, we can identify opportunities to improve performance and reduce carbon intensity:

- **Idling times** – Reducing unnecessary fuel consumption and emissions
- **Fuel consumption** – Identifying efficiency improvements across operations
- **Driving behavior** – Monitoring acceleration, speed, and braking for safer, more efficient operations
- **Tailpipe emissions** – Tracking and minimizing our carbon footprint
- **Optimized routes** – Reducing fuel use by improving travel efficiency
- **Preventative maintenance** – Enhancing performance and extending equipment life



Where Equipment Gets a Second Life.

In 2023 and 2024, we've recycled over 1,034 metric tons of parts through the purchase of used machines and salvage — a clear example of Surmicon's focus on equipment reusability and resource optimization.

MANUFACTURE
OEMs build equipment to meet performance standards.



SELL

Dealers provide machines to customers.



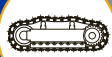
USE & MAINTAIN

Customers operate equipment and perform regular service.



DECOMMISSION

Equipment reaches end of primary life.



SALVAGE

Surmicon acquires used machines for parts recovery.



REPURPOSE

Surmicon reuses quality parts and components to extend value and reduce waste.



Maximum value, minimum waste.

Through our salvage and remanufacturing processes, we're keeping historically scrapped components out of landfills and giving them new life in equipment builds. This approach not only supports sustainability but has also delivered over \$54.4M in cost savings for SMS Equipment and our customers.

Beyond equipment, we're also maximizing resource efficiency through initiatives at branches like Timmins and Laval—where wash bay wastewater is captured, filtered, and reused to reduce consumption and minimize waste. Our recycled oil programs, also active in these locations, help extend the lifespan of critical components while reducing reliance on virgin materials. We're actively exploring ways to expand these efforts to more branches wherever possible.

These efforts reflect our commitment to continuous improvement, ensuring that every resource is used to its full potential—reducing waste, lowering costs, and driving long-term sustainability.



Reman reinvention: sustainability meets savings.

Process improvements in our Reman department have delivered significant environmental and financial benefits. By refining maintenance programs and streamlining operations, we've cut chemical usage by 67%, and lowered electricity and freshwater consumption by 75%—resulting in annual savings of over \$600,000. These efficiencies reflect our commitment to sustainability while ensuring cost-effective solutions for our customers.



Surmicon: Redefining the Heavy Equipment Life Cycle

A division of SMS Equipment

Surmicon is transforming the industry's approach to used and surplus parts. By salvaging, repairing, and remanufacturing components from decommissioned machines, they help customers extend equipment life, reduce emissions, and lower costs—often at a significantly lower price point than new parts. With access to bulk preventative maintenance supplies, high-quality alternatives, and rigorous inspection standards that meet or exceed OEM specs, Surmicon provides reliable, sustainable solutions that support both productivity and ESG goals—proving there's lasting value in every machine.

Building a sustainable future, together.

Every job site has unique challenges when it comes to reducing environmental impact. Whether you're in mining, heavy construction, roadbuilding, or light construction, having a tailored strategy is essential.

SMS Equipment partners with you to develop practical decarbonization plans, offering solutions like fully electric and zero-emission equipment, alternative fuel expertise, hybrid technologies, and efficiency-enhancing innovations. Whatever your goals, we're here to help you achieve them.



Sustainability where we work.

At SMS Equipment, we are committed to reducing emissions and enhancing energy efficiency across our facilities. Through a comprehensive audit and improvement program, we assess our operations and implement strategic upgrades that create better work environments for employees while minimizing environmental impact.

Facility enhancement projects are driving measurable improvements, with potential emission reductions estimated between 15–25%. By continuously refining our operations, we are strengthening our commitment to sustainable excellence and responsible growth.



Styrofoam doesn't live here anymore.

At SMS Equipment's Chicoutimi branch, sustainability isn't an afterthought—it's built into daily operations. Major renovations between 2019 and 2023 transformed the facility inside and out, enhancing efficiency, environmental compliance, and workplace safety.

But sustainability goes beyond infrastructure. Years ago, Service Manager Gilles Tremblay noticed Styrofoam cups and plastic utensils piling up in the lunchroom, sparking a movement toward waste reduction. Small but impactful steps—like introducing recycling bins and reusable SMS Equipment-branded water bottles—helped shift everyday habits. The branch's wastewater grease filtration system further protects the environment by preventing harmful pollutants from entering local waterways.

From smarter waste management to a 6,000 sq. ft. workshop expansion with improved ventilation, heating, and air filtration, Chicoutimi continues to evolve—proving that sustainability and operational excellence go hand in hand.

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Pillar 2: People Development

We invest in our people to keep moving forward. New challenges constantly redefine human potential, and when our employees, customers, and stakeholders believe in what's possible, they can break barriers in areas where we need change the most. Guided by our values and commitment to being Partners in Your Possibilities, we prioritize diversity, equity, inclusion, continuous learning, and community building.

Building skills, growing careers.

At SMS Equipment, people drive our success. That's why we invest in training, mentorship, and leadership development—ensuring our workforce is prepared for both today's industry demands and tomorrow's challenges.

Our Manager and Supervisor Training Programs provide employees with hands-on learning, leadership coaching, and direct engagement with senior leaders. The result? A more resilient, adaptable, and high-performing workforce. With a 150% increase in participation and 82% retention of graduates, the program is shaping the next generation of SMS Equipment leaders.

We're also building the future workforce. Through our partnership with Keyano College, SMS Equipment sponsors students in the Heavy Equipment Technician – Pre-Employment Program, providing essential training and career opportunities in the trades. By supporting education and skill development, we're strengthening the industry and positioning SMS Equipment as an employer of choice.

Empowering growth and transition.

Growth comes from adaptability. Our **Training & Change Management Site**, available on the intranet, streamlines transitions by providing employees with the tools, resources, and training they need to navigate change confidently.

By making the process clear, structured, and accessible, we minimize disruptions and foster a culture of continuous improvement—helping employees embrace change and drive progress across the organization.

A place to recharge.

SMS Equipment's new **Prayer/Meditation Room** offers a quiet, inclusive space for employees to reflect, meditate, or take a break. This initiative supports mental well-being and aligns with our goal of ensuring everyone feels valued and supported.

Manager & Supervisor Training Programs

150%
PARTICIPATION
INCREASE

82%
RETENTION

"Partnering with SMS Equipment, an industry leader in the Fort McMurray Region, is a great opportunity to support workforce expansion by proactively increasing the number of qualified candidates in the local area."

Robert Marsh
Interim Dean, School of Trades and Heavy Industrial for Keyano College



Our workforce reflects early progress in equity and inclusion. By the end of 2024, we reached **17.3% women**, **3.8% Indigenous employees**, and **5.9% visible minorities**. As we look ahead, we're focused on improving access and advancing opportunities across all levels of our organization, especially in leadership, skilled trades, and future talent pipelines.

Women powering the trades.

SMS Equipment proudly completed the **930E Truck rebuild** in Wabush/Lab City with a 50% female technician crew. This milestone showcases the growing representation of women in trades, a shift we're proud to support and foster at SMS Equipment.

Building a safe, supportive culture.

SMS Equipment's **Psychological Safety Courses** empower employees to speak up, collaborate, and thrive. This investment strengthens our culture, ensuring a safe and productive work environment for all.

Our employees, along with our customers and our community, are at the centre of what we do. We recognize and celebrate the diversity that exists in our employee population, customer organizations, and communities. We look for ways to leverage diversity, and foster equity and inclusion, at all stages of our employee lifecycle and in relationship with customers and communities.

SMS Equipment is committed to fostering a workplace culture where all employees are invited to bring their authentic selves to work and where everybody's unique contributions are valued.

Making wellness work.

SMS Equipment's **Employee Assistance Program** offers free, confidential support for health and wellness goals, from health coaching to nutrition advice. With TELUS Health One resources, employees receive guidance to improve their well-being.

With **Virtual Care**, SMS Equipment offers 24/7 on-demand medical consultations, making healthcare accessible to our employees across Canada. Whether it's physical or mental health support, help is just a call away.

When feedback drives growth.

At SMS Equipment, we believe in the power of open dialogue between leaders and team members. Our performance review process focuses on evaluating progress, identifying career goals, and supporting employee development. Aligned with our values and competency framework, the process delivers tailored feedback that reflects individual aspirations. We emphasize two-way communication, addressing concerns and ensuring that employees feel heard. As we move forward, we are committed to enhancing this process to provide ongoing, valuable feedback that drives continuous development and growth.





Pillar 3: Health & Safety

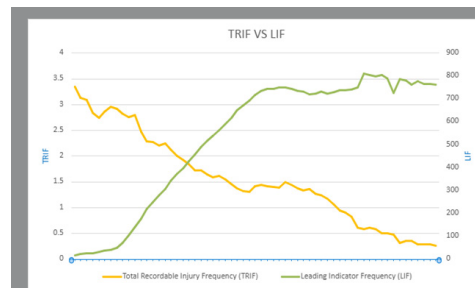
Under our dedication to safety and mutual care, we value every team member—without exception. Underpinned by mutual care, trust, and innovation, we’ve cultivated a culture of continuous improvement—achieving a remarkable 400% reduction in TRIF (Total Recordable Injury Frequency) over three years.

Our dedication extends beyond compliance; it’s about building a foundation of care where employees return home safe, every day. From proactive injury prevention programs to supporting physical and mental well-being, we believe that creating a safe workplace unlocks possibilities for everyone—employees, families, and communities alike.

Go home safe, always.

At SMS Equipment, our unwavering commitment to safety isn’t just about meeting targets—it’s about ensuring every member of our team can return home to their families or the people they care about. We’ve strengthened our safety culture through extensive training, awareness campaigns, and proactive hazard reporting.

What fuels this progress? Genuine care for our employees—the proactive discussions about potential hazards, the encouragement to report concerns, and the celebration of positive reinforcement practices. By fostering a culture where speaking up is expected, we’re building an environment where everyone feels valued and empowered to be part of our journey.



Since 2020, we’ve tracked a steady increase in our Leading Indicator Frequency (LIF) while our Total Recordable Injury Frequency (TRIF) continues to decline. A clear sign that proactive safety actions are making a real impact

Aligning leadership, prioritizing safety.

At SMS Equipment, safety is paramount, and our **Safety Leadership Alignment Meeting** exemplifies this attitude. Every two weeks, over 150 leaders gather to create a crucial forum for sharing insights and best practices. Originally conceived as a means to address incidents, it now unifies our leadership around proactive safety measures. These sessions foster collaboration, fact-finding, and knowledge sharing across the entire company and ensure that safety remains our top priority. It’s how we drive continuous improvement in our safety performance.



Everyday safety, guided by life-saving choices.

Every day, SMS Equipment employees face a variety of hazards while performing their duties and supporting our customers. While these hazards may differ depending on role and location, our commitment stays the same—to protect the health, safety, and wellbeing of every employee.

That’s why we focus on **5 Life Saving Choices**. These are the critical, everyday decisions we want our team members to make in the areas that carry the most significant risk. We encourage employees to take their time, not rush, and be mindful of these:

- Supporting new employees
- Mobile equipment
- Cranes, hoists and rigging
- Working at heights
- Energy Isolation

myLife champions representing all branches enhance our health strategy by promoting our program with on-the-ground support.



Health and well-being come first.

The **myLife Health & Well-being Program** empowers employees and their families with access to events, education, and resources to support their total well-being. Built around five key pillars—physical, mental, work, relationships, and financial—the program encourages employees to take an active role in their health. A network of myLife champions across all locations drives awareness and engagement, reinforcing our commitment to a workplace that prioritizes well-being.

Our best flex forward.

At SMS Equipment, we take a proactive approach to workplace health. Our onsite physiotherapy services help prevent and manage workplace injuries, ensuring employees stay strong and pain-free.

“This program isn’t just about treating injuries; it’s about preventing them from happening in the first place,” says Melanie Britton, OHSE Manager. With early intervention, direct billing to benefits, and a tailored approach to employees’ physical demands, the program has helped reduce musculoskeletal injuries—particularly among the welding group.

The service, provided by WPC Health, is especially beneficial for fly-in fly-out employees who may have limited access to care. With dedicated weekly hours, the program continues to gain momentum. Employees are not only recovering faster but also taking control of their health before small issues become major setbacks.

Employee health, empowered.

SMS Equipment offers **Biometric Health Screening Clinics** to provide employees with confidential testing for blood pressure, cholesterol, and glucose levels. The strong response from employees demonstrates the value of these health checks.

By expanding Biometric Screening Clinics to multiple branches, we address a critical healthcare need and promote a culture of well-being within our organization.

Enhancing incident communication for a sustainable future.

To ensure rapid, transparent reporting of high-risk events, SMS Equipment launched the **High Potential Incidents Communications** protocol. This initiative bridges communication gaps and prevents similar occurrences across operations. With updates shared quickly, the protocol fosters a culture of awareness, learning, and continuous improvement.

Healthy workplaces are built on environments that prioritize and protect well-being. SMS Equipment is committed to supporting employees in balancing life and work responsibilities at every stage.



Pillar 4: Social Engagement

Getting involved creates momentum for positive change. We build commitment to our communities and enhance quality of life by investing in the places where we live and work. We focus on community investment activities, and Indigenous relations.

Through our initiatives and partnerships, we aim to be Partners in Possibilities, creating opportunities for growth and connection within our communities. The right kind of support is critical, especially in times of need.

Progress

Strengthening connections with our communities.

SMS Equipment recognizes and celebrates special days that hold significance for our team members and the communities we serve. These days of recognition are not only valuable opportunities for us to invest in and learn about important social causes and awareness campaigns that resonate with our collective values, but also honour the diverse perspectives that make up our company.

Colours of Compassion.

At SMS Equipment, we believe in the power of awareness and action. Through initiatives like **Orange Shirt Day** and **Pink Shirt Day**, we stand with our communities to promote reconciliation, inclusion, and respect. From meaningful partnerships to fundraising efforts, these events provide opportunities for reflection, education, and positive change—reinforcing our commitment to social responsibility year after year.



Pink Shirt Day



Earth Day

JANUARY

4 National Ribbon Skirt Day

MARCH

7 Employee Appreciation Day
8 International Women's Day
20 International Francophonie Day

APRIL

7 Green Shirt Day
22 Administrative Professionals Day
28 National Day of Mourning

MAY

Asian Heritage Month
5 Red Dress Day

JUNE

National Indigenous History Month
Men's Health Month
Pride Month
21 National Indigenous Peoples Day

JULY

30 International Day of Friendship

OCTOBER

5-11 Fire Prevention Week
13 Indigenous Peoples' Day (USA)

NOVEMBER

November Campaign
13 World Kindness Day
15 National Philanthropy Day
19 International Men's Day

DECEMBER

3 National Day of Persons with Disabilities
5 International Volunteer Day



National Day for Truth & Reconciliation / Orange Shirt Day

Awareness Recognition Days

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Showing up when it matters most.

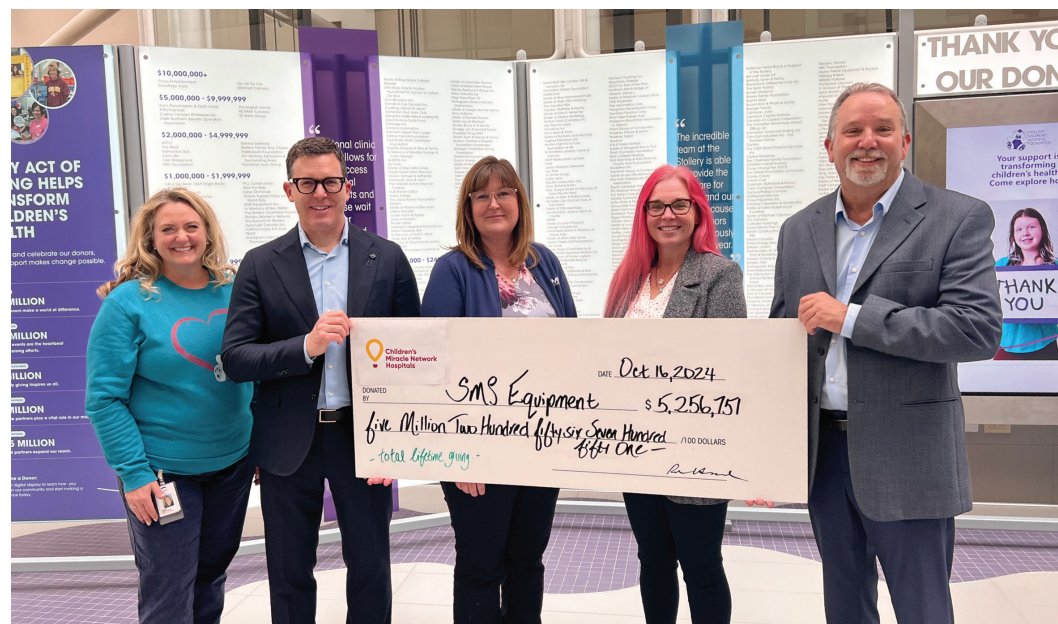
Supporting Children's Miracle Network and sick kids across Canada

Since its inception, SMS Equipment employees have been proudly donating in Alberta and British Columbia. In 2011, we expanded our support across Canada, reaching 11 different hospitals nationwide.

We are excited to announce that our 2024 Employee Giving Campaign raised an incredible \$572,263, including \$422,263 from employee donations and branch events, with the company matching up to \$150,000.

A special shout-out to our branches raising money for the Stollery Children's Hospital in Edmonton. We have reached a significant milestone as well, raising a lifetime total of \$2,377,927!

Through our partnership with the Children's Miracle Network, we've raised a lifetime total of **\$5,256,751** to help children's hospitals across the country.



Mining for Miracles

For over 35 years, Mining for Miracles has helped advance pediatric healthcare through its support of the BC Children's Hospital Foundation. SMS Equipment is proud to stand behind their latest campaign, the Precision Health Initiative (PHI), a groundbreaking effort that will help transform pediatric care for generations to come.

Wabush Skating and Swimming Sponsorship

Sport and recreation builds stronger, healthier, happier and safer communities, and is exactly why SMS Equipment is proud to sponsor the Wabush Skating and Swimming program. Every Saturday, we sponsor a family swim hour, and during skating season, we host a Sunday afternoon family skate. Plus, on the first Thursday of each month, we rent the entire bowling alley for a community bowling night. It's all about fostering a healthier, happier Wabush.

Bringing Holiday Cheer

From spreading joy at CHU de Quebec Hospital by becoming one of Santa's helpers to rallying employees for holiday giving drives, SMS Equipment embraces the spirit of giving. Our team came together to provide gifts, meals, and support to families in need, ensuring the holiday season was brighter for those facing challenges.



National Philanthropy Day – Investing in Stronger Communities

On National Philanthropy Day, SMS Equipment reaffirms its commitment to supporting food banks and emergency shelters across Canada and Alaska. With contributions totaling over \$150,000, we've helped address food insecurity and homelessness, reflecting our deep responsibility to the well-being of our communities. Through continued support and collective efforts, we're making a meaningful difference together.



Mush Cup: A Hockey Tournament with Impact

The Mush Cup isn't just a tournament—it's an economic and community powerhouse for Timmins, Ontario. Drawing players and fans from across the country, this highly anticipated event injects millions into the local economy each year. SMS Equipment is proud to support an event that unites communities through sport, camaraderie, and a shared love of hockey.

Empowering Youth Through Mentorship

For over a decade, SMS Equipment has proudly supported Big Brothers Big Sisters (BBBS) Wood Buffalo, helping empower over 1,100 youth through transformative mentorship programs. As a founding sponsor of the Annual Wine Auction, we've stood alongside BBBS from the very beginning—supporting their mission to provide local youth with guidance, connection, and brighter opportunities.

"The Wine Auction embodies our values of community support and making a difference in the lives of others. We are honored to be part of such a meaningful cause."

Dennis Chmielewski, EVP of Mining

Since 2015, SMS Equipment has contributed just over **\$500,000** to the Big Brothers Big Sisters Wine Auction. In total, the event has raised **\$1,049,592** for youth programming—helping create brighter futures for young people in our community.

The Steve Brosseau Memorial Ride

For over a decade, the Steve Brosseau Memorial Ride has honoured the legacy of SMS Equipment's Vice-President of Marketing and Sales—a tradition built on camaraderie, adventure, and giving back. While 2024 marked the final official ride, the original group will continue the tradition, keeping Steve's spirit and impact alive for years to come.



What started with just 12 riders grew into an annual event, raising an incredible **\$1 million** for the BC Children's Hospital.

Ronald McDonald House – Comfort Beyond Meals

Throughout the year, teams from SMS Equipment step into the kitchen at Ronald McDonald House Edmonton, preparing meals for families navigating medical challenges. What started with support from our Edmonton branch has quickly grown—teams from Reman, Northview, and others have also joined in.

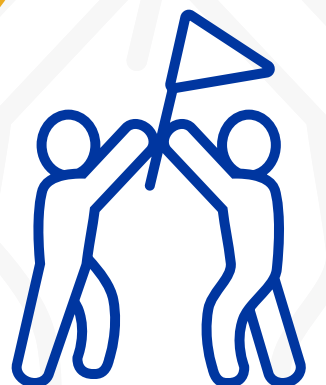
A warm meal is more than nourishment—it's a small act of kindness that brings comfort and connection when it's needed most. And as we've seen, kindness is contagious!

Lending a helping hand

From blood drives that help save lives to participating in Steps for Life, an initiative supporting families affected by workplace tragedies, SMS Equipment employees continue to step up where support is truly needed.



At SMS Equipment, giving back isn't just an initiative—it's a way of life.



Building Stronger Indigenous Partnerships

Making a commitment to meaningful engagement.

At SMS Equipment, collaboration with Indigenous communities goes beyond business—it’s about fostering long-term, reciprocal relationships. Guided by the **Truth and Reconciliation Commission’s Calls to Action**, we are committed to growth, sustainability, and inclusiveness in the communities where we live and work. Through our Indigenous Engagement Working Group, we focus on building authentic connections that create lasting impact.

Partnerships driving real change.

Our collaboration with the **Fort McMurray 468 First Nation Group of Companies (FMFN Group)** supports economic growth and community development. This partnership has helped fund critical initiatives, from community wellness programs to scholarships, increasing access to education and opportunities. Together, we continue to explore new ways to make a meaningful impact.

SMS Equipment was presented with the **Partner Buffalo Award**



2024

Our community and business partner Fort McMurray 468 First Nation awarded SMS Equipment with an award as part of their Seven Sacred Teachings Award.

The **Partner Buffalo Award** recognizes our shared success achieved through partnership. The Buffalo stands for Respect. It honors collective efforts in fostering economic growth, job creation, and community development, akin to the revered Buffalo’s role in providing for the community. The Buffalo represents abundance and prosperity. It is known for providing food, shelter, clothing and utensils for Indigenous families. Through giving life and sharing every part of its being, it demonstrates the deep respect it has for the people.

Investing in Indigenous success.

We recognize that true partnership means more than just engagement—it means action. That’s why we support impactful initiatives like the First Nations Capacity Fund, founded by Leonard Jackson of Reach Group, along with EECOL Electric and Pacific Electrical Installations (PEI). We’ve proudly supported the fund since 2023, which is designed to empower Indigenous communities and individuals by:

- Advancing training, employment, and education opportunities
- Providing financial support for career development
- Strengthening in-community economic resources

Through initiatives like these, we’re helping build pathways for long-term success.

Progress through certification.

SMS Equipment is actively participating in the **Partnership Accreditation in Indigenous Business (PAIR) program** through the Canadian Council for Indigenous Business (CCIB), demonstrating our commitment to continuous improvement. PAIR certified companies are recognized at levels according to:

- Trusted business partners
- Inclusive workplaces
- Contributors to Indigenous prosperity

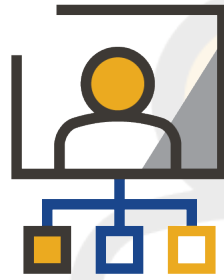
This certification, backed by independent verification and an Indigenous business jury, reinforces our role as a reliable and engaged partner.

Celebrating culture and community.

Our commitment extends beyond business. We are proud to support initiatives that celebrate Indigenous culture and create opportunities for future generations:

-  **Dene Games Sponsorship at the Arctic Winter Games**
Honoring traditional athleticism and cultural heritage
-  **\$10,000 Donation to the Gord Downie & Chanie Wenjack Fund**
Supporting education, awareness, and action in the journey toward reconciliation
-  **Sponsorship of Val-d’Or College Basketball Program**
Encouraging youth development and sport participation
-  **Support for the Secretariat of the Cree Nation Abitibi-Témiscamingue Economic Alliance**

As we continue to strengthen our partnerships, SMS Equipment remains committed to creating opportunities, fostering inclusivity, and working toward shared success with Indigenous communities.



Pillar 5: Governance

Governance at SMS Equipment goes beyond systems and compliance—it's about building trust and creating opportunities for all stakeholders. As partners in possibilities, we collaborate with industry leaders to anticipate risks, strengthen transparency, and drive sustainable growth. Through strategic planning, effective processes, and ethical leadership, we ensure accountability and continuous improvement across all aspects of our business.

Commitment to ethical leadership.

We believe **governance is about action**. From industry certifications to transparent reporting, our approach ensures that we operate with integrity, accountability, and a focus on continuous improvement.

Global certification in governance.

SMS Equipment is proud to hold the **Komatsu Mining Global Support Level 3 Certification**, demonstrating our commitment to excellence in governance, compliance, and operational integrity. This certification reflects our proactive approach to risk management and ensures we meet the highest industry standards.

Strengthening transparency through reporting.

Our governance framework is further reinforced through ongoing reporting and compliance efforts. As part of our broader commitment to ethical operations, we actively participate in:

- **Modern Day Slavery Report**
Ensuring responsible labor practices and upholding human rights.
- **Shareholder - Sumitomo Corporation Reporting**
Aligning our performance metrics with global sustainability goals.
- **PAIR (Partners in Accountability and Integrity Reporting)**
A company-wide initiative that reinforces ethical decision-making and transparency.

100% of employees sign off on our Code of Conduct, reflecting our collective commitment to ethical business practices.

Our Code of Conduct has
100%
sign off

Governance
isn't just about
policies—it's about
actions that build
a stronger, more
accountable
future.

Data security and cyber resilience.

Cybersecurity is at the core of our governance strategy. By leveraging advanced technology and collaborating across teams, we continuously strengthen our cyber resilience—protecting assets, ensuring operational integrity, and adapting to emerging threats.

Zero tolerance for bribery, fraud, and corruption.

SMS Equipment maintains a strict **Anti-Bribery, Fraud, and Corruption Policy**, ensuring that we operate with integrity in every aspect of our business. We are committed to fairness, transparency, and compliance with all legal and ethical obligations.

A workplace built on fairness and respect.

We uphold the highest standards in labor practices, ensuring compliance with all laws and actively working to prevent modern slavery, child labor, and forced labor. Our **Modern Day Slavery Report** reinforces our unwavering stance on ethical employment practices and responsible business conduct.

Accreditations, Partnership and Reference



