

Report under the

Fighting Against Forced Labour and Child Labour in Supply Chains Act

For Fiscal Year ending March 31, 2024

As of May 31, 2024

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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, 2024 (“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:

- Reviewed and updated the Supplier Code of Conduct.
- Reviewed and updated Supplier Terms and Conditions.
- Initiated stakeholder engagement with sharing of Commitment to Ethical Business Practices with key suppliers.
- Initiated the Supply Chain Mapping Process.
- Prepared Action Plan for Fiscal Year 24/25.

More details on these actions are set out in the Report.

3. STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

Structure

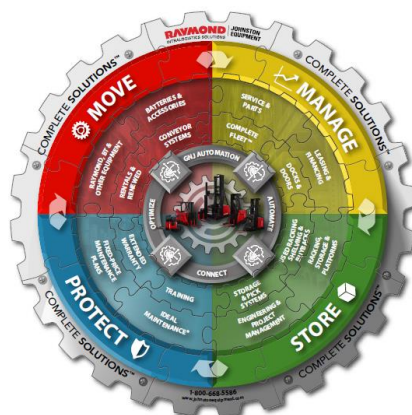
Johnston Equipment is a Canadian private entity incorporated in Ontario, with its Head Office located in Mississauga, Ontario. Konstant is a Canadian private entity incorporated in Ontario, with its Head Office located in Oakville, Ontario.

Activities

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

- 1) **Material Handling Equipment** to move product in, out and throughout the customer warehouse;
- 2) **Service** solutions and tools to better manage customer productivity;
- 3) **Racking, Storage and System Solutions** to optimize storage of customer goods; and,
- 4) **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.

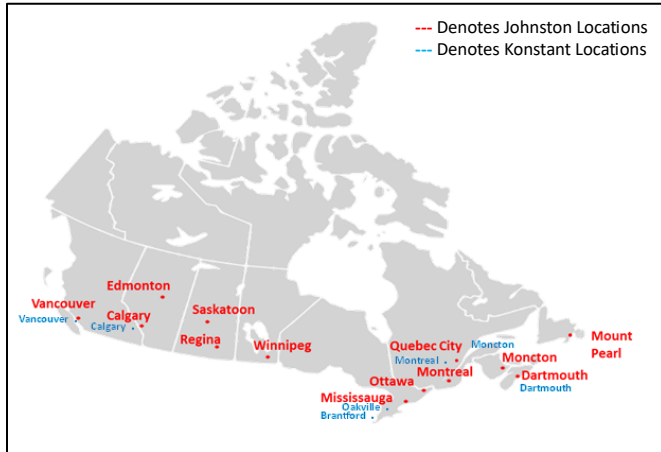


Complete Solutions™

*“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 7 locations across Canada and more than 415 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. 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:

- 1) A safe and healthy work environment,
- 2) Opportunities to learn and contribute, to the fullest extent, of their abilities; and
- 3) 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

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.¹

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

1. Supplier Engagement

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

2. Review and updated our Supplier's Standard Terms & Conditions

The Supplier Terms and Conditions mandates that the Supplier shall implement policies and procedures for ethical business conduct and sustainable procurement and conduct audits of their supply chains. Supplier is also required to thoroughly map their supply chains to identify, analyze, and prioritize significant sustainability and trade compliance (including but not limited to sanctions, anti-corruption, and forced labour) risks and to implement effective measures to manage these risks appropriately.

3. Supplier Code of Conduct

The Company updated its Supplier Code of Conduct as part of its Fiscal Year initiative. The Supplier Code of Conduct ensures that our Suppliers understand their obligation to abide by applicable employment standards, labour, non-discrimination and human rights legislation. Further, Suppliers are required to demonstrate the following, in their workplaces and in their supply chains:

- Child labour and forced labour is not used.
- Workers are provided with pay and benefits in a timely manner and with minimum wage and overtime pay requirements.
- All workers have clear and understandable employment documentation, outlining worker terms and conditions and their rights and responsibilities.
- Discrimination and harassment are prohibited.
- Employees are free to raise concerns and speak up without fear of reprisal.

¹ *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.

4. Training Provided to 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.

Moving forward, the Company intends to provide training to targeted audiences that will include forced labour and child labour.

6. MOVING FORWARD

For the forward-looking period of 2024/25, the Company has formulated an Action Plan which contains the following elements:

- **Due Diligence**

As part of our 2024-2025 Action Plan, we will engage with our stakeholders. A self-assessment questionnaire is being developed and implemented to address the risks of forced labour and child labour. Based on the response received and other factors like the nature of goods and services supplied, we will conduct periodic due diligence on existing or potential major suppliers to assess the risks of forced labour and child labour in our supply chains.

- **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.

- **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.

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. APPROVAL AND 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 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.”

Michael G. Marcotte

President & CEO, G.N. Johnston Equipment Co. Ltd
Board Member, The Econo-Rack Group (2015) Inc.

May 28th, 2024

Signature, accompanied by the statement “I have the authority to bind G.N. Johnston Equipment Co. Ltd. and The Econo-Rack Group (2015) Inc.”