

ANNUAL REPORT

Purpose

This annual report for the 2024 financial reporting year has been created by Engineered Lifting Systems and Equipment Inc. ("ELSE") for the sole purpose of meeting its obligations and reporting requirements for entities pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the "Act").

Organizational Structure, Activities, and Supply Chains

ELSE is a corporation that provides overhead material handling solutions and is located in Elmira, Ontario, Canada. ELSE manufactures crane technology products that are used in a wide range of industries. In addition to the crane systems, ELSE offers ergonomic lifting solutions and fall protection solutions to keep work environments safe.

Additionally, ELSE designs, develops, and manufactures the Destuff-it/Restuff-it, portable ergonomic conveyor systems. The Destuff-it/Restuff-it products are manufactured in Canada and the United States. The Destuff-it and Restuff-it product is a portable ergonomic conveyor system that helps workers quickly and safely load and unload containers and trailers in warehouses, distribution centers, and other fast-paced environments.

Pursuant to this, ELSE imports goods including machinery, machine equipment, construction equipment and supplies, electrical equipment and supplies, steel products, aluminum products, and apparel from suppliers located in Canada, the United States of America, Germany, and Great Britain. These suppliers source their goods from North America, South America, Asia, Europe, Africa, and Australia. ELSE primarily procures office supplies from third-party suppliers that are located in Canada.

ELSE also sells certain goods which are generally sold within Canada, to the United States of America, the United Kingdom, and Australia. This includes the Destuff-it and Restuff-it products.

Policies and Due Diligence Processes

ELSE maintains general due diligence processes that promote responsible and legal procurement practices, including with respect to quality maintenance of the products.

ELSE also maintains employee policies that prescribe duties, responsibilities, and expectations of employment. This includes workplace policies and procedures to operate in compliance with provincial employment standards, human rights, and occupational health and safety legislation.

ELSE's conditions of employment require it to only employ individuals who are legally authorized to work in Canada. ELSE requires all foreign workers to obtain a valid work permit from Citizenship and Immigration Canada prior to the commencement of their employment. Additionally, the health and safety policy manual states that ELSE's health and safety policy and programs are to be reviewed at least annually.

ELSE maintains a Whistleblower Protection Policy that requires that an employee, if through good faith actions, has become aware of actual, suspected, or intended misconduct, unlawful activity, suspicious financial management, or accountability concerns, to have a duty to report such misconduct or incidents, including those related to forced labour or child labour.

Steps Taken in the 2024 Financial Year

The above due diligence processes and policies were applicable in the 2024 financial year. ELSE did not take other steps specific to the prevention of forced or child labour but it is exploring what additional steps may be appropriate.

Forced Labour and Child Labour Risks

ELSE has started the process of identifying risks of forced labour and child labour that may exist in its supply chain. It is aware that there may be higher risks associated with certain regions, goods, and industries.¹

To improve visibility and better identify areas of risk, ELSE will be reviewing its policies, procurement processes, and will be considering modifications with respect to the prevention of forced and child labour.

Remediation Measures

ELSE has not identified any forced labour or child labour in its activities or supply chains. As such, it has not undertaken any remediation measures.

Remediation of Loss of Income

ELSE has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains.

Training Provided to Employees

In 2024, ELSE provided training to members of its procurement team on forced labour and child labour. ELSE also provides occupational health and safety training to its employees as part of its onboarding process. The frequency of the occupational health and safety training is refreshed in consultation with ELSE's joint occupational health and safety committee.

Effectiveness Assessment

ELSE does not currently have specific policies and procedures in place to assess its effectiveness in reducing and/or eliminating the risk of child labour and/or forced labour in its supply chain.

Approval and 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 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.

¹ See, for example, U.S. Department of Labor – Bureau of International Labor Affairs, “List of Goods Produced by Child Labor or Forced Labor”: <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>.

I have authority to bind Engineered Lifting Systems and Equipment Inc.