



VMAC Global Technology Inc.

Annual Report S-211 Forced Labour in Canadian Supply Chains

This report is for VMAC year ended February 28, 2025

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff.

This statement outlines the approach and initiatives by VMAC to identify and address the risks of forced labour and child labour in its business operations and supply chains during the financial year commencing March 01, 2024, and ending February 28, 2025

About VMAC

Headquartered in Nanaimo, British Columbia, VMAC is a globally recognized, multi-award-winning manufacturer of innovative mobile air compressor and multi-power systems. With nearly 40 years of industry leadership, VMAC has earned distinction as one of *Canada's Best Managed Companies*, a *Best Workplace™ in Canada*, and is proudly *Great Place to Work Certified™*.

As North America's leading air compressor manufacturer, VMAC's systems are renowned for their superior design, premium build quality, and proven reliability in the world's most demanding environments. Trusted by fleet managers and operators worldwide, VMAC systems deliver performance that exceeds expectations in extreme conditions.

VMAC's commitment to manufacturing excellence is reflected in its adherence to lean principles and its certification to ISO 9001:2015, ISO 14001:2015, and C-TPAT standards. Supported by a team of approximately 200 skilled coworkers, VMAC continues to set the benchmark for quality and dependability in mobile air power.

VMAC is committed to respecting human rights and ensuring our supply chain complies with all regulatory bodies. We are proud to have a robust supply chain partnering with local, provincial, North American, and Global suppliers. Continuous improvement is a priority for VMAC in all aspects of business including Supply Chain strategies.

Supply Chain

- VMAC manages its supply chain through various activities collaboratively with QA, Engineering and Operations through a supplier management process.
- VMAC sources components from approx. 200 suppliers, primarily from Canada, USA and 8 other countries. To reduce single source risk, we opt to diversify our supplier base which leads to strong supplier relationships while building in flexibility to changing demand or supply disruption. Sustainable practices are a top priority.



- Manufacturing including machining, fabrication, assembly, and testing are fully performed in Canada.
- Sales are executed through dealer networks across North America and Globally.

Policies and due diligence

- Corporate policies include:
 - Code of Ethics and Anti-Corruption,
 - Whistleblower,
 - Anti- Bribery & Acceptance of Gifts.
- Supply Chain policies include:
 - F044 VMAC Supplier Qualification Assessment, addresses social and governance factors including but not limited to forced labour and child labour.
 - Supplier Security risk management - Evaluation and selection of suppliers based on security risk information.
 - VMAC Supplier Code of Conduct that establishes the standards that must be met are communicated yearly

Supply Chain risks and management.

- Subcontract or outsourcing operations
 - We strive to work directly with OEMs and other partners, and we expect our suppliers and subcontractors to maintain the same or higher ethical standards throughout their supply chains.
- Regulatory risks: compliance risks arising from changing regulations.
 - VMAC keeps informed of industry and regulatory changes and its impact to business operations.
- Supply chain transparency including material origin and labour practices.
 - Periodic supplier assessment as part of supplier qualification and development program are performed.

Measures to Remediate

- No direct or indirect identification of forced or child labour is found within VMAC supply chain activities.

Training and Awareness

VMAC is committed to recognizing human rights and labour principles throughout its global supply chain. VMAC considers employees to be the most important resource and is committed to the treatment of all employees with dignity and respect. All suppliers are required to comply with local laws governing the employment relationship.



VMAC believes that all employees should have the right to voluntarily elect whether to be employed by the supplier. The use of force or involuntary labour of any kind, toleration of abusive disciplinary practices are not allowed within VMAC business operations. Suppliers must adhere to VMAC business requirements and practices.

At VMAC Global Technology Inc., the onboarding process is integral for the seamless integration of new team members into our workforce.

Policies covered during onboarding encompass a wide variety of topics including, Safety and First Aid, Intellectual Property and Confidentiality Agreements, Code of Ethics and Anti-Corruption, Whistleblower, Anti-Bribery, Diversity and Inclusion, and Reporting Suspicious Activity.

VMAC's onboarding process goes beyond mere orientation; it cultivates an alignment with the company's objectives. Through meaningful interactions with key stakeholders, including managers, new hires gain insights into our company culture, values, and vision.

Effectiveness assessment

- Supplier monitoring is an ongoing process, parts of VMAC program include:
 - Supply chain KPI's – Quality, on time delivery via Scorecard.
 - Supplier Qualification assessments
 - Supplier code of Conduct
- Regular review of supply chain partners to ensure compliance with business practices, quality standards, regulatory requirements, control management, operational excellence, sustainability, and social responsibility. Jointly, Quality and Supply Chain conduct surveillance supplier audits both remotely and onsite.

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I, in the capacity of Chief Financial Officer, attest that I have reviewed the information contained in the report on behalf of the governing body of 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 within this report.

Brent Johnston
Chief Financial Officer
May 30, 2025

A handwritten signature in black ink, appearing to read "B. Johnston", written over a horizontal line.

"I have the authority to bind VMAC Global Technology Inc"