

FINNING 2024

# JOINT MODERN SLAVERY REPORT

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## A. ABOUT THIS REPORT

This Joint Modern Slavery Report is made in accordance with Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act) for the reporting period of January 1, 2024 to December 31, 2024. Finning International Inc. (Finning International) has prepared this Report in conjunction with its wholly-owned subsidiaries OEM Remanufacturing Company Inc. (OEM) and 4Refuel Canada LP (4Refuel), as these subsidiaries are reporting entities under the Act. In Canada, Finning International operates through our Finning (Canada) division. In this Report, any reference to "Finning", "we" or "us" is a collective reference to Finning (Canada), OEM and 4Refuel, unless stated otherwise. Discussions of our supply chain in this Report are limited to our Canadian supply chain.

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## B. MESSAGE TO SHAREHOLDERS

We are a company committed to having a positive impact on each other, our customers, and the communities where we work. Delivering on this objective includes working with our suppliers so that together we are doing business in a way that supports our communities and does not harm or exploit vulnerable individuals through modern slavery.

This Report will describe Finning's approach to conducting our business in a way that seeks to minimize modern slavery risks in our supply chain and the steps we took in 2024 in support of this objective.

We recognize that modern slavery, including forced labour and child labour, is a complex issue that can exist in a variety of ways in global supply chains. We have and continue to develop processes and procedures to prevent and reduce the risk of modern slavery in our supply chain. We also recognize that companies worldwide still have substantial work ahead to effectively tackle this issue.

This Joint Modern Slavery Report was approved by the Board of Directors of each of Finning International and OEM, and by 4Refuel, by the Board of Directors of 4Refuel GP Corporation in its capacity as the general partner of 4Refuel. In accordance with the requirements of the Act, and in particular section 11 of the Act, I attest that I have reviewed the information contained in this Report for all three Finning entities that are subject to the Act. 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 our financial year ended December 31, 2024. I have the authority to bind Finning International, OEM and 4Refuel.

Kevin Parkes  
President and Chief Executive Officer  
March 21, 2025

## C. OUR STRUCTURE, ACTIVITIES AND CANADIAN SUPPLY CHAIN

Finning International is a global corporation with its head office in Surrey, British Columbia, Canada. We are the world's largest dealer of Caterpillar products and we are the authorized dealer of Caterpillar products in Western and part of Northern Canada, the United Kingdom, the Republic of Ireland, and the Southern Cone of South America (Chile, Argentina, and Bolivia). On December 31, 2024, we had approximately 15,279 employees worldwide.

Our principal business is to provide sales, rentals, parts, services, and performance solutions for Caterpillar equipment and engines and complementary equipment with all such equipment and parts generally being imported from abroad. Our product support infrastructure and service capabilities deliver solutions to help customers to lower their overall cost of ownership while maximizing productivity.

We also provide remanufacturing and component exchange services in Canada through our wholly-owned subsidiary, OEM. OEM is one of North America's most advanced heavy-equipment engine and powertrain component remanufacturing companies, serving the resource, construction, energy and transportation industries.

Our industrial refuelling service company, 4Refuel, operates across Canada and also operates, through 4Refuel US LLC, in the United States in Texas, and serves customers in construction, transportation, oil and gas, power generation and other industrial sectors. 4Refuel complements our equipment business by helping customers improve the physical availability of their equipment and the productivity of their operations.

As a Caterpillar dealer, Caterpillar is by far our largest supply partner, comprising a large majority of our annual expenditures on third parties. Caterpillar manufactures equipment, engines and parts in every region in the world to support their global customers and dealers.

Outside of Caterpillar, our main suppliers provide goods and services, such as personal protective equipment, shop consumables, transportation and logistic services, machine attachments, ancillary equipment, fuel, refuelling trucks, office supplies and equipment, facilities services, IT services and professional services.





## D. HUMAN RIGHTS AT FINNING



Finning is committed to respecting human rights throughout our operations as noted in our **Code of Conduct**. This respect for human rights is informed by the United Nations Declaration of Human Rights (UNDHR), the International Labor Organization's (ILO) 1998 Declaration on Fundamental Principles and Rights at Work, employment laws in any region where we operate, and applicable legislation protecting human rights.

Consistent with our commitment to human rights and in accordance with applicable law and practice, we support the elimination of all forms of modern slavery in the workplace including forced labour and child labour.

### RESPECT, INCLUSION AND DIVERSITY

We are committed to building safe, talented, and inclusive teams at Finning, where diverse perspectives are respected and valued. To promote an inclusive culture and protect the physical and psychological safety of our employees, we are committed to ensuring that all individuals enjoy respect and dignity in a safe environment, free from discrimination, bullying, harassment or workplace violence. We also seek to ensure everyone feels safe, valued and a sense of belonging, so that they will have courage to speak up with innovative ideas and intervene if they observe inappropriate behaviours that undermine our culture and strategy, including but not limited to any concerns regarding modern slavery, whether internal or external. We have a number of policies that support one or more of these commitments, including our:

- Code of Conduct
- Global Respect, Inclusion, and Diversity Policy
- Sustainability Policy
- Indigenous Guiding Principles in Canada
- Global Anti-Bribery and Anti-Corruption Policy
- Global Political Contributions Policy
- Corporate Disclosure Policy
- Share Trading, Hedging and Use of Material Information Policy
- Whistleblower Policy

## E. MODERN SLAVERY AND OUR SUPPLY CHAIN

### CATERPILLAR®

As a Caterpillar dealer, the majority of our operations and business is the sale and service of Caterpillar equipment and parts. We value our long-standing relationship with Caterpillar and our shared commitment to respecting human rights throughout our respective operations. We understand that Caterpillar believes the risk of modern slavery is low in its operations and those of its direct suppliers. This is due in part to the controls and standards Caterpillar has in place, which include:

- **Supplier Standards:** Caterpillar views their suppliers as an important part of their extended value chain. Caterpillar is committed to working with its suppliers to uphold Caterpillar's corporate values, Supplier Code of Conduct, Human Rights Policy and Slavery and Human Trafficking Statement.
- **Supplier Accountability:** If Caterpillar becomes aware of any actions or conditions within its supply chain that are not in compliance with Caterpillar's Supplier Code of Conduct, Caterpillar's expectation is that the supplier implement corrective measures. A supplier's continued non-compliance may lead to additional actions, up to and including termination of the business relationship.
- **Supplier Self-Assessment:** Major Caterpillar suppliers are instructed to complete a self assessment which includes questions regarding the policies and procedures such suppliers have in place to address modern slavery issues in their respective supply chains. Caterpillar uses assessment response data to address supply chain risk through a collaborative approach with responding suppliers. Caterpillar recently updated its supplier self-assessment process. Among other things, they updated the questions included in the self-assessment to align more closely with current global conditions. They also enhanced the options available to suppliers in responding to each question to foster more meaningful responses and results.
- **Caterpillar Operations:** Caterpillar has robust, documented human resources processes and standards across its enterprise to ensure that its employees around the world are compensated and managed in accordance with applicable laws. Subject to applicable local law, many of those processes and standards are set at a global or regional, rather than local, level to ensure transparency

and consistent treatment. These processes and standards are supported by internal human resources and legal teams located around the world.

- **Policies and Training:** All Caterpillar employees are required to complete Caterpillar Code of Conduct training on an annual basis. This training includes a certification by each employee that they are not aware of any activities (including human rights issues) that violate the Caterpillar Code of Conduct. Additionally, Caterpillar's Human Rights Policy and its Slavery and Human Trafficking Statement are disseminated through internal communications to Caterpillar's subsidiaries and joint ventures to ensure company wide awareness.
- **Reporting Modern Slavery Concerns:** Caterpillar encourages individuals to report situations in which they have a good-faith belief that any circumstance or action violates their supplier standards or applicable law. Caterpillar has dedicated confidential and anonymous means to encourage such reporting by any party. Caterpillar will not take any action – or tolerate any reprisal – against any person for raising an issue in good faith.

### OTHER SUPPLIERS

Finning's non-Caterpillar sourcing is from reputable, top tier organizations based primarily in Canada and the United States. As a result, we believe the risk of modern slavery in the operations of our direct suppliers to be low. In 2024, we did not identify any forced labour or child labour in our supply chain and therefore did not implement any remediation measures. We recognize that the risks of modern slavery may vary and increase through our suppliers' supply chains, depending on the industry and countries where their suppliers operate, and have engaged in a risk assessment of our non-Caterpillar suppliers, as discussed in more detail in section F of this report. We are prepared to demand corrective action from suppliers if we identify any modern slavery concerns.

### SUPPLIER CODE OF CONDUCT

All Finning (Canada) and OEM suppliers are asked to agree to our global **Supplier Code of Conduct** which requires, among other things, suppliers to conduct their operations ethically and without contravention of human rights legislation and conventions.

Notably, we expect that:

- All work performed on a supplier's behalf is undertaken voluntarily and is not forced; and
- Our suppliers, at minimum, abide by local child labour laws and align their practices with the fundamental labour standards outlined by the ILO in Convention No. 138 on Minimum Age and Convention No. 182 on the Worst Forms of Child Labour. Children must be protected from harm, have access to education, and should be free to attend school before they enter the workforce.

Additionally, our Supplier Code of Conduct requires that suppliers compensate their workers in accordance with applicable employment laws, including those pertaining to minimum wages, working conditions, overtime hours, and legally mandated benefits. In cases where no specific employment laws exist, workers should be remunerated fairly and at least at the minimum industry standard in the local area. Suppliers are expected to regularly review worker compensation to evaluate whether workers earn enough to meet their basic needs and the needs of their family to disincentivize the need for such workers to resort to child labour or forced labour to supplement family income.

If we become aware of any actions or conditions in our supply chain that do not align with our Supplier Code of Conduct, we retain the right to demand corrective actions from the supplier. Non-compliance by a supplier may result in further actions by Finning, including the termination of our business relationship. Our Supplier Code of Conduct is reviewed and updated annually, as required.

4Refuel adopted Finning's Supplier Code of Conduct in 2023 and began rolling it out to its suppliers in 2024.

## DUE DILIGENCE

Our procurement team has a due diligence process in place in respect of new suppliers. As part of this due diligence process, we require all prospective suppliers to complete a supplier registration form which includes questions about whether the prospective supplier has policies, systems, programs or other measures in place to combat modern slavery risks within their supply chain. Additionally, for certain on-site suppliers, Finning (Canada) engages a third party to complete due diligence screenings and this third-party uses enhanced measures to assess and identify possible modern slavery concerns with such potential new suppliers.





## F. OTHER ACTIONS TAKEN IN 2024

In 2024, we re-assessed our current state in respect of possible modern slavery issues within our supply chain. Through this re-assessment, we believe that the risk that we are responsible for directly causing modern slavery continues to be low. We pride ourselves in maintaining high ethical standards in our dealings with suppliers and are committed to avoiding any actions that

might encourage or indirectly support modern slavery practices, such as through exerting unconscionable commercial pressure or imposing unfavourable contractual terms and conditions. Our re-assessment of our current state also led us to take a number of actions, as set out in this section.

### MODERN SLAVERY IN SUPPLY CHAINS COUNCIL

We established a Modern Slavery in Supply Chains Council at Finning. The objectives of this Council are to:

- Assess and monitor the risks of modern slavery in Finning's supply chain;
- Develop and implement strategies to mitigate identified risks;
- Monitor compliance with applicable laws regarding modern slavery;
- Raise awareness and educate internal stakeholders about modern slavery in supply chains issues; and
- Report on progress through the preparation of an annual Modern Slavery Report.

The Modern Slavery in Supply Chains Council is a cross functional group of Finning employees that meet at least quarterly to discuss and advance its objectives.

### SUPPLIER OUTREACH

In response to the risk assessment of Finning's non-Caterpillar supplier base we completed in 2023, we continued our outreach to the suppliers we identified in industries with higher risks of modern slavery - that is, garment and glove suppliers and electronics suppliers. Continuing this supplier outreach in 2024 helped further our understanding of our supply chain in these higher risk segments while also bringing the issue of modern slavery to the forefront of these suppliers' minds, ensuring they are aware of our expectations and remain committed to strengthening their knowledge and capabilities in this area.

### UPDATED CONTRACTUAL PROVISIONS

We updated our template procurement contracts to require suppliers to confirm that they have taken, and will continue to take, commercially reasonable steps to identify, assess, and address risks of modern slavery in their respective supply chains. If at any time the supplier becomes aware of modern slavery practices in its operations or supply chain, they are required to: (a) promptly notify Finning of the issue; (b) take all reasonable actions to address or remove these practices from their business; and (c) provide updates to Finning on the situation, as may be requested by Finning.

### EDUCATION

We continued to execute on our commitment to raising awareness internally of modern slavery issues within our global supply chain. To that end, most of our Canadian procurement employees completed either an online modern slavery in supply chains course or, in the case of our 4Refuel procurement employees, a training session on this same topic, led by our legal department, which focused on providing our 4Refuel procurement professionals with practical steps they can use to help reduce the risk of modern slavery within 4Refuel's supply chain.





## G. ASSESSING EFFECTIVENESS

Given the complexity and breadth of modern slavery issues, measuring the impact of individual actions can be challenging. We are proud of our efforts to raise awareness about modern slavery in our organization and our enhanced assessment framework to better mitigate and prevent the risk of modern slavery within our operations and supply chain. In 2025, our Modern Slavery in Supply Chains Council will explore other ways we may assess the effectiveness of our actions.



## H. CONCLUSION

We are committed to the ongoing enhancement of our procurement processes and the identification and mitigation of modern slavery risks within our supply chain. We will continue monitoring modern slavery risks in our supply chain and identifying areas for improvement. To accomplish this, we will maintain active engagement with our suppliers, particularly those in higher risk industries.

Moreover, Finning will continue to raise internal awareness of modern slavery issues through ongoing education and training. We plan to refine and expand our educational initiatives as new information and training tools become available. We believe that increasing awareness and encouraging an ongoing dialogue will empower our team to better identify modern slavery risks and engage meaningfully with our suppliers on this topic.

## I. CONCORDANCE TABLE

For ease of reference, the concordance table below sets out which section(s) of this Report respond to the various requirements in the Act.

REPORT REQUIREMENTS FROM THE ACT	SECTION OF THE REPORT
The steps the entity has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.	Section E (under Supplier Code of Conduct) and Section F
The entity's structure, activities and supply chains.	Section C
Its policies and due diligence processes in relation to forced labour and child labour.	Sections D and E
The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.	Section E
Any measures taken to remediate any forced labour or child labour.	Section E (under Other Suppliers)
Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.	Section E (under Other Suppliers)
The training provided to employees on forced labour and child labour.	Section F (Under Education)
How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.	Section G