

Modern Slavery Report 2023

Coinamatic Canada, Inc.



This Modern Slavery Report (the “Report”) addresses the period from January 1, 2023 to December 31, 2023 and has been prepared in compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada) (the “Act”). This Report is made on behalf of Coinamatic Canada, Inc. (“Company”) and certain of its subsidiaries (collectively, “Coinamatic”, “we”, “us” or “our”).¹ A French version of this Report may be requested from Coinamatic.

1. Introduction

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As a leading commercial laundry equipment and services business, Coinamatic recognizes the important role that we have in ensuring that our operations and products, and the supply chains that support these, adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. This Report sets out the steps we have taken during Fiscal 2023 to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by Coinamatic or of goods imported into Canada by Coinamatic.

2. Our Business

Coinamatic is a commercial laundry equipment and services company headquartered in Canada. We provide effective and sustainable end-to-end solutions for on-premise laundry operations. Coinamatic generally purchases commercial laundry equipment from three (3) major suppliers (Whirlpool Corporation, Alliance Laundry Systems, and LG Electronics). We also purchase parts for the long-term upkeep of the aforementioned equipment. Our primary business is to supply, install and maintain this equipment as a leased service for multi-residential clients. Our secondary business is the sale and leasing of large-chassis commercial laundry equipment for the hotel, hospitality, and long-term care industries. Finally, as very small piece of Coinamatic’s business is the operation of a parking lot management business called ParkSmart Inc. Coinamatic has distribution and service operations in all provinces in Canada. Coinamatic’s supply chain includes businesses that supply goods and services to our organization, including laundry machines (large and small chassis), payment systems for operating said machines, and parts to maintain the machines.

In total, we procure goods and services from approximately four (4) major suppliers and handful of minor suppliers. The suppliers we engage include businesses that manufacture the equipment used to provide our laundry services to our customers. Specifically, our four (4) major suppliers, from whom

¹ The subsidiaries covered by this Report include Coinamatic Leasing Corporation, Coinamatic Commercial Laundry Inc., and ParkSmart, Inc.

Coinamatic procures the overwhelming majority of its good and services, are: (1) Whirlpool Corporation, (2) Alliance Laundry Systems, (3) LG Electronics, and (4) Kiosoft.

3. Our Policies

Policies

Through our organizational and governance policies we communicate our values and expectations, setting a high bar for ourselves, our suppliers, and our selling partners, and we do not tolerate any forms of forced labour or child labour. We are committed to consistently evolving and improving our approach. We do not tolerate child, forced or bonded labour in any of our operations or by suppliers working for us. We make every effort, including through carrying our due diligence and audits to monitor the performance of our suppliers, to prevent our activities having a negative impact on human rights. Our relevant policies are discussed in further detail below:

Code of Business Conduct and Ethics

We are committed to conducting our business in a lawful and ethical manner. Our Code of Business Conduct and Ethics (the “Code”) is the foundation of our company policies and sets out guiding principles on professional conduct and establishes that in performing their job duties, Coinamatic employees should always act lawfully, ethically and in the best interests of Coinamatic. Further, the Code sets out a whistleblower policy, including protections against retaliation for reporting Code or other legal violations.

Whistleblower Policy

Coinamatic has a robust complaint resolution procedure, including protections against retaliation for whistleblowing activities.

Due Diligence

We expect third parties with which we work to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. We take what we believe to be reasonable steps to appropriately evaluate our relationship with third parties and mitigate any associated risks by carrying out risk-based due diligence and checks.

We acknowledge that employees working in our facilities and our supply chain are at potential risk of forced labour or child labour. In order to mitigate this risk, we follow a due diligence approach that includes occasional site visits to all or some of our four (4) major suppliers and reviewing literature, if any, provided by third parties relating to their practices on the topics set forth in the Act.

4. Assessing Our Risk

Coinamatic engages in various activities to identify, assess, and manage supplier risk. In assessing the risk of forced and child labour in our business and supply chains, we make every effort to generally restrict our product lines to large well-established industry leaders in our space. We have also asked our four (4) primary manufacturers to supply us with their policies regarding forced and child labour in their supply chains such that we can attempt to ensure they are in-line with our internal policies and/or

standards. To identify the business activities with the greatest exposure to these risks, we informally consider the following factors:

- Offshore production
- Long, complex, or non-transparent supply chains
- Jurisdictional risks including poverty, conflict, and enforcement of international human rights standards

Our exposure to the risk of forced labour and/or child labour likely increases when we engage with third parties, particularly in categories such as offshore manufacturing.

5. Our Commitments

Steps to Prevent and Reduce Risks of Forced and Child Labour

Coinamatic takes the following steps to prevent and reduce the risks of child labour:

- Select at least one or more of our major supplier's manufacturing facilities to visit in person.
- Informally conversing with some or all of our major supply chain partners on the issue of addressing forced labour and/or child labour.

Remediation Measures

Our Code of Business Conduct and Ethics and our whistleblower policy require all employees and contract workers of Coinamatic to report actual or possible misconduct. We also undertake diligence efforts (as further described in this Report) to ensure that the risk of forced labour and child labour is mitigated in our business. In the event that we discover any forced labour or child labour in our business and supply chains, we intend to take the following measures to remediate such forced labour or child labour:

- Suspension or termination of a supplier, sub-supplier or contractor; and/or
- Any other remedial measures that may be appropriate taking into account the specific facts involved.

Training

Every year, Coinamatic personnel at all levels are encouraged to ensure that our Code of Business Conduct and Ethics is understood and properly applied to our daily activities. Every new employee of Coinamatic must review and/or receive training on our values and policies, including our Code of Business Conduct and Ethics, and is informed of how to report wrongdoing under our whistleblower policy. We strive to provide employees with ongoing and periodic training opportunities to ensure that all employees have current knowledge.

6. Our Progress and Effectiveness

As part of our governance processes, we generally monitor compliance with our policies on an ongoing basis. We also review any concerns raised through our whistleblower policy and other informal mechanisms of employee feedback. To date no significant concerns or complaints have been identified on the topics set forth in the Act.

7. Approval & Signature

This Report was approved by Coinamatic Canada Inc.'s Board of Directors on May 13, 2024, and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at www.coinamatic.com.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

By:  _____

Name: Todd Myers _____

Title: SVP, President _____

Date: May 27, 2024 _____

I have the authority to bind Coinamatic Canada Inc., Coinamatic Leasing Corporation, Coinamatic Commercial Laundry Inc., and ParkSmart, Inc.