



WE'LL MAKE SURE YOU HIT THE PAVEMENT
NO MATTER WHAT HAPPENS



Forced Labour in Canadian Supply Chains

Updated May 24, 2024

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Introduction

This report is Viking Cives Ltd. (“Viking Cives”) response to comply with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (“the Act”) for the financial year ending December 31, 2023. The reporting entities covered by this statement are Viking Cives, business number 105535017.

For the purposes of the Act, Viking Cives meets the definition of Entity under the Act as it has a place of business in Canada, does business in Canada, has assets in Canada and meets the threshold for revenue and assets. Viking Cives also meets the definition of Reporting Entity as it produces, sells, and distributes goods in Canada and sells, distributes into Canada goods produced outside of Canada.

Viking Cives is incorporated provincially and is obligated to submit a report to the Minister of Public Safety and provide a public report in response to the Supply Chains Act by May 31, 2024.

Viking Cives is committed to maintaining the highest standards of honesty and integrity in all its business operations. In accordance with Bill S-211, this report outlines the measures implemented by Viking Cives over the previous financial year to mitigate risks associated with forced and child labour in its business framework.

1. Structure, Activities and Supply Chain

Proudly employee-owned, Viking Cives has been in business since 1960 and has locations in Mount Forest, Ontario and Calgary, Alberta, Canada with 227 employees.

As a leading distributor and manufacturer, Viking Cives represents leading truck equipment manufacturers across North America and operates manufacturing and installation facilities in the United States and Canada. All products are sold through multiple locations, factory stores and limited dealerships throughout the United States and Canada.

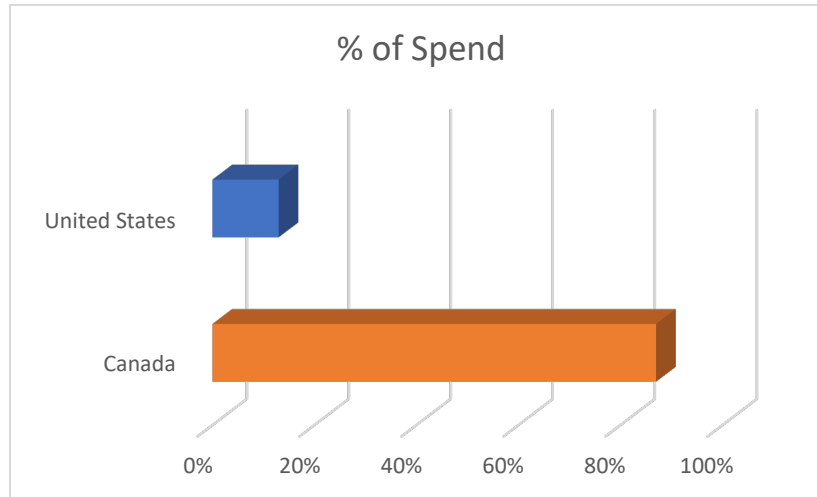
Viking Cives manufactures snowplows, truck equipment and produces combination dump bodies, conventional dump bodies, material spreaders, de-icing material application equipment and other custom municipal equipment and distributes various hydraulic systems, dump bodies, platform bodies, lift gates, sweepers, asphalt equipment and an assortment of related truck equipment.

The North American Industry Classification System (NAICS) Canada 2022 Version 1.0 was used to classify the sectors applicable to Viking Cives’ operations, supply chain and related activities.

Viking Cives operates in the following sector, sub-sector, and related industry group: (31-33) manufacturing, (336) transportation equipment manufacturing and (3361) motor vehicle body and trailer manufacturing.

Structure and Activities

Viking Cives' supply chain is comprised of approximately 378 vendors, spanning Canada and the United States to support its operations. 87% of procurement spend originates from vendors based in Canada, with the remaining 13% originates from vendors based in the United States.



Viking Cives is also a member of the below mentioned associations:

- Excellence in Manufacturing Consortium (EMC) Canada
- Canadian Federation of Independent Business (CFIB)
- First Reference
- Canadian Public Works Association (CPWA)
- Professionals Engineers Ontario
- American Public Works Association (APWA)
- Canoe Procurement Group of Canada
- Association of Ontario Road Supervisors (AORS)
- Municipal Equipment & Operations Association (Ontario) Inc (MEOA)
- Ontario Road Builders Association (ORBA)

2. Policies and Processes in Relation to Forced and Child Labour

For this past financial year, Viking Cives reviewed and examined all pertinent policies and procedures as it relates to the Act. While there were no formal policies in place for Procurement staff or employees supporting supply chain operations with express language related to forced and child labour for the reporting period, Viking Cives did maintain a Supplier Code of Conduct which has since been updated to include express language related to the use of Child Labour, Harsh and Inhuman Treatment and Compliance with applicable laws, rules and regulations. Viking Cives also underwent a review of its purchasing and approval procedures, quality manual and internal controls within its supply chain and operations to determine if any enhancements were required.



Supplier Code of Conduct

Viking Cives is committed to the highest standards of product quality and business integrity in its dealings with suppliers to ensure that working conditions in its supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally and socially responsible. This includes but is not limited to, complying with all applicable laws, rules and regulations aligned with the International Labour Organization (ILO) standards.

Viking Cives has a Supplier Code of Conduct that governs its relationship with suppliers. Suppliers are required to attest to this Code of Conduct when they are onboarded and approved. Suppliers that attest and acknowledge this Code of Conduct must also agree that the Supplier Code will apply to their subcontractors, successors, associates, parent company, owners, subsidiaries, and affiliates. Failure to comply with any of the principles and requirements within the Supplier Code of Conduct will result in appropriate sanctions, up to potential termination of the business relationship with Viking Cives.

Environment

As outlined in the Supplier Code of Conduct, suppliers, their affiliates and any associated subcontractors are expected to conduct operations in a way that limits the impact on the environment and complies with all applicable laws and regulations in the countries in which they operate.

Anti-Corruption

Suppliers are also expected to adhere to the highest standard of moral and ethical conduct, to respect local applicable laws and to not engage in any form of corrupt practices, including bribery, fraud, or extortion.

Health and Safety

Suppliers are expected to provide a safe working environment that supports accident prevention and minimizes exposure to health risks. Suppliers are also expected to comply with all applicable safety and health laws and regulations in the countries which they operate. Guidelines outlined the Code of Conduct specify that Suppliers must:

- Protect the health and safety of employees and contract labour and minimize any adverse work conditions.
- Implement safe and healthful work practices to prevent injury, illness, and property damage.
- Minimize occupational exposures to potentially hazardous materials and unsafe work conditions by maintaining appropriate safety systems and effective controls.
- Implement an emergency response program that addresses the most likely anticipated emergencies.
- Reduce the risk of fire by implementing an adequate fire prevention program. Fire prevention equipment must be in place, accessible, and properly maintained. Suppliers are responsible for conducting fire prevention and evacuation training.
- Train employees at all levels to ensure their continued commitment to their own health and safety and that of their co-workers.

Updates to the Supplier Code of Conduct in FY24

The following clauses were added to Viking Cives' Supplier Code of Conduct following the passing of the Act. This now includes language around child labour, forced or compulsory labour, harsh or inhuman treatment and adherence to a new No Child or Forced Labour policy.



Child Labour

Suppliers are expected to not employ child labour in any of their facilities, to comply with applicable local child labour laws and employ only workers who meet the applicable minimum legal age requirement applicable to their location.

Forced or Compulsory Labour

Suppliers are expected to not use forced or compulsory labour in any of their facilities. All work must be voluntary, and workers must be free to leave work with reasonable notice.

Harsh or Inhuman Treatment

Suppliers are expected to not use corporal punishment or other forms of mental or physical coercion or intimidation in any of its facilities, or the threat of any such treatment.

No Child or Forced Labour Policy

This new policy demonstrates the company's dedicated commitment to proactively address and eradicate forced labour practices. It underscores our intent to implement practical, meaningful, and culturally sensitive measures to combat such exploitation. As such, the policy firmly advocates for the implementation of suitable initiatives aimed at steadily eradicating these practices.

3. Identification of Risks

To understand where in the supply chain forced or child labour risks may exist, Viking Cives recently carried out a risk assessment process. This process was guided by insights provided by the Walk Free Global Slavery Index, the OECD Due Diligence Guidance for Responsible Business Conduct, and by the US Department of Labor's List of Goods Produced by Child Labour or Forced Labour. In conducting our supply chain forced and child labour risk analysis, Viking Cives was able to highlight potential risks of forced or child labour associated with certain goods and certain countries.

This risk assessment does not presuppose the actual use of forced or child labour within Viking Cives operations or supply chain, rather, it is aimed at recognizing potential scenarios where such risks might arise, thereby further enabling the organization to implement effective preventative measures. Viking Cives acknowledges that no industry is entirely exempt from the risks of forced and child labour and there are inherent vulnerabilities within certain sectors of its supply chain, particularly in regions where regulatory frameworks and enforcement mechanisms might not be robust.

This analysis considered specific geographic regions that, according to the Walk Free Global Slavery Index and other credible sources, present a higher risk of forced and child labour practices. The geographic risk assessment, was combined with an assessment of at-risk-goods categories, further enabling Viking Cives to apply a targeted lens to our risk assessment.

Risk Assessment Findings

Through a comprehensive analysis, Viking Cives' identified suppliers in the United States as having a heightened risk of forced or child labour. Although the United States exhibits only a medium prevalence of modern slavery according to the Walk Free Global Slavery Index, Viking Cives is committed to addressing these risks with the utmost seriousness.



In addition to geographic risk factors, data from the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor was also utilized. This step was crucial for isolating specific goods within Viking Cives' import portfolio that may be susceptible to forced or child labour issues. This insight is vital as it will guide efforts towards enhanced due diligence and targeted risk analysis for these products.

Furthermore, while the findings from the risk assessment indicate that overall exposure to forced and child labour risks within Viking Cives supply chain is low in relation to total expenditures, management understands importance of vigilance in this area. The low overall risk does not diminish the company's commitment to meticulous risk management procedures and policies.

In response to the specific risks identified, Viking Cives is currently contemplating various strategies to address suppliers who carry a higher risk profile. Viking Cives aims to further mitigate and manage the risks of forced and child labour in our supply chain, ensuring that its business practices remain ethical and responsible.

4. Remediation of Forced and Child Labour

To date, no instance of forced or child labour within its operations or supply chains was identified; consequently, no remediation measures were required for this reporting period.

Following ongoing internal assessments of existing policies, procedures, and our supply chain, if Viking Cives identifies any instance or additional risk, appropriate steps will be taken to mitigate that risk and address those impacted.

5. Remediation of Loss of Income

To date, no remediation of loss of income was required for this reporting period as no instances of child or forced labour were identified in its supply chain or operations.

Following ongoing internal assessments of existing policies, procedures, and our supply chain, if Viking Cives identifies any instance or additional risk, appropriate steps will be taken to mitigate that risk and address those impacted.

6. Employee Training

For this reporting period, Viking Cives has not delivered training specific to forced labour or child labour in supply chains. However, recognizing the critical importance of such training, Viking Cives is currently developing a training program to educate procurement staff on the definitions and indicators of forced and child labour. As part of this commitment, Viking Cives will establish key performance indicators (KPIs) for this training initiative, with one of the benchmarks being a minimum pass rate of 70% in the post-training assessment for all participants selected for the program.

By implementing this training program, Viking Cives aims to enhance the capabilities of its procurement and purchasing staff, ensuring they are not only aware of forced and child labour issues but also fully prepared to address them



effectively. This proactive approach is a part of our broader commitment to ethical business practices and corporate responsibility.

7. Assessing Effectiveness

While Viking Cives does not currently have specific policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains, management is dedicated to enhancing existing policies and processes in relation to forced and child labour in the supply chain.

Updates to Purchase Orders Forms

The following language will be added to all Purchase Order Forms going forward: “Any changes to the scope of supply you are providing to Viking-Cives Ltd., that would effect your compliance to our supplier code of conduct, must be immediately reported to bflaxman@viking-cives.ca.”

Following an internal assessment, further enhancements will be identified and implemented in the fiscal year.

Supplier Code of Conduct Compliance

Suppliers are expected to comply with all applicable laws, rules, and regulations and cooperate with any requests designed to assist Viking Cives in adhering to its own compliance and legal obligations. This is conducted by Viking Cives as required.

8. Approval and Attestation of the Report

In accordance with the requirements of the Act, and in particular Section 11, 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 due 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.

Full Name: Jeffrey Holland

Title: General Manager

Date: May 27th, 2024

Signature: 

“I have the authority to bind Viking Cives Ltd.”