



CANADA'S BEST SNOW

FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS – ANNUAL REPORT

Introduction

Sunshine Village Corporation (“Sunshine”) is committed to the ongoing international fight against forced labour and child labour, and to meeting obligations introduced under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”).

Pursuant to section 11(1) of the Act and following the filing of an annual report for Fiscal 2023, this report (the “Report”) includes information on steps Sunshine has taken to understand the potential forced labour and child labour risks related to its business and operations, and steps taken to reduce those risks, for the financial year ended June 30, 2024 (“Fiscal 2024”).

Structure, Activities, and Supply Chains

Sunshine is a corporation incorporated under the *Alberta Business Corporations Act*, with a head office located in Alberta. Sunshine operates a ski resort primarily in Banff National Park, with three mountains of terrain available to skiers and snowboarders of all ability levels. Sunshine employs approximately 120 employees on a year-round basis, and approximately 700 seasonal employees.

Sunshine’s activities include the operation of ski lifts, ticket and pass sales, equipment rental and tuning services, a ski and snowboard school, a slopeside hotel, food and beverage services, buses to and from the Towns of Banff and Canmore, and retail operations. Sunshine’s supply chain includes businesses that supply goods and services to our organization, including replacement parts and parts for carrying out routine maintenance to our equipment, infrastructure, and machinery, ski and snowboard equipment, uniforms and clothing, food and beverage supplies, cleaning and safety supplies, signage, and printed materials. By far, the most significant part of Sunshine’s supply chain is comprised of replacement parts for ski lifts and heavy machinery.

Policies and Due Diligence Processes

Sunshine’s policies and procedures apply to all persons working for or on behalf of Sunshine, including employees, directors, officers, volunteers, agents, contractors, and consultants.

Sunshine works with suppliers that reflect its core values and who provide the fundamental components of its tourism, hospitality, and recreation operations. All employees who may be involved in the procurement process with external suppliers take steps to review supplier relationships, undertaking due diligence regarding the supplier’s business, reputation, compliance with laws, health, safety, sustainability practices, and environmental standards. Employees involved in procurement may also request business references and additional, in-depth information from suppliers.

Sunshine recruits and hires employees regularly and therefore reviews its recruitment processes and partners on a continuous basis. New employees are vetted through an onboarding process, where the Human Resources team directly confirms their identities and the set-up of appropriate personal bank accounts for direct payment of the employee’s wages to them.

Sunshine expects their supply chain to comply with, and respect, all applicable laws and regulations, including the Act. Sunshine reserves the right to terminate a relationship where a supplier is found to be in breach of any applicable laws, including the Act.



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Policies and Training

Responsible Procurement Training and Additional Training

In Fiscal 2024, Sunshine implemented a training module on Forced Labour in Canadian Supply Chains. The training includes:

- An education component on forced labour and child labour,
- A summary of the Act and the reporting requirements thereunder,
- A draft Procurement Policy, which includes:
 - o Definitions of Procurement, Suppliers, Goods, and Services,
 - o Responsibilities of Procuring Employees, Human Resources, and Legal as they relate to the Policy,
 - o A sample verification checklist for suppliers, and
 - o Sample contractual undertakings for Suppliers.
- Review of drivers for sustainable corporate procurement

The training was provided to all employees who may have procurement responsibilities within the context of their role at Sunshine. All new employees who meet this definition are provided with the training, and continuous employees are required to sign an annual attestation or will be provided with refreshed training as and when required.

Employee Code of Conduct

Sunshine has adopted an Employee Business Code of Conduct, pursuant to which Sunshine's employees are encouraged to act with the highest standards of integrity and to do the right thing, as it relates to their employment and representation of the business. Sunshine endeavors to maintain high standards and treat all employees fairly and respectfully, expecting the same in return.

Whistle Blowing Policy

Sunshine encourages all employees to report evidence of activity that may constitute misconduct, including any dangers to the health and safety of individuals, or the deliberate cover-up of any fraud, criminal offense, and/or breaches of legal obligations. The Whistle Blowing Policy includes anti-retaliatory measures for employees who report truthfully and in good faith.

Additional Training

All new employees are required to attend orientation training, and are expected to read, review, and attest to the Employee Handbook, which contains workplace policies. The Employee Handbook is also available in print and electronic formats which may be accessed at any time during active employment via an employee portal.

Sunshine's retail department managers ensure their employees are trained in product knowledge for approved brands and suppliers, so the teams can speak on an informed basis to customers. Training highlights information around minimum standards for employment conditions, brand, and supplier due diligence in vetting their own supply chains, and best corporate practices.



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Risk Assessment and Management

Given most of Sunshine's suppliers are in Canada, it is believed the risk at this time is low. The areas of the supply chain that carry the greatest risk of forced labour and child labour are in a minor percentage of Sunshine's retail operations. Sunshine will continue, on a regular basis, to review its current supply chain. Sunshine will make further inquiries of any supplier who is found to represent a higher level of forced labour and child labour risk, asking whether these suppliers have appropriate policies and procedures respecting these risks, and whether the due diligence they undertake in reviewing their own supply chains is to a sufficient standard.

Remediation Measures

In Fiscal 2024, no incidents of forced labour or child labour were reported or identified in Sunshine's activities or supply chain. Remediation measures were thus not required to correct any forced labour or child labour, or to compensate for the loss of income to the most vulnerable families because of remediation measures taken.

Effectiveness Assessment

Sunshine does not currently have processes in place to assess effectiveness in preventing the use of forced labour and child labour in Sunshine's activities and supply chains. Sunshine monitors compliance with its policies and procedures on an ongoing basis. Sunshine reviews any concerns raised through the Whistle Blower Policy or through any means of Incident Reporting, as required.

Next Steps

Sunshine will continue to improve and update its policies, training, and systems used to mitigate the risks of forced labour and child labour in our business and supply chain(s) on an as needed basis. Sunshine will continue to review criteria for existing and new suppliers, including the use of verification checklists and contractual undertakings, as and when required.

Sunshine will continue to make specific mandatory training available on an ongoing basis for personnel involved in procurement. The training will be updated as required, and the Procurement Policy will be moved from the draft form to a final version for the next scheduled update of the Employee Handbook.

Attestation and Approval

This Report is made and approved pursuant to Section 11(1) and Section 11(4)(a) of the Act and constitutes Sunshine's Annual Report thereunder for the financial year ended June 30, 2024. The Board of Directors has overall responsibility for this Report.

I attest that I have reviewed the information contained in this Report for the entity listed above. Based on my knowledge, and having exercised reasonable due diligence, I attest that the information in this Report is true, accurate, and complete in all material respects for the purpose of the Act for Fiscal 2024. I make this statement in my capacity as a member of the Board of Directors of Sunshine for and on behalf of the Board of Directors.

Signed on its behalf by *Scott Burns*
Scott Burns 351 320 225 (e-231437), Director, on May 30, 2025.

I have the authority to bind Sunshine Village Corporation.