



## Report Under the Fighting Against Forced Labour and Child Labour in Supply Chains Act

Element Fleet Management Corp.

Financial year ending December 31, 2024

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### Introduction

Element Fleet Management Corp., together with its wholly owned Canadian subsidiary, Element Fleet Management Inc. (collectively "Element"), has prepared this report (the "**Report**") being submitted pursuant to Section 11 of *the Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") for the financial year ended December 31, 2024.

This Report describes the efforts being taken by Element to enhance the transparency in our supply chains by outlining the steps taken during the 2024 financial year to prevent and reduce the risk that forced labour or child labour ("**Modern Slavery**") is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada. This has been done in accordance with the mandatory reporting criteria outlined in Sections 11(1) and 11(3) of the Act.

Pursuant to the Act, Element's subsidiaries outside of Canada are not considered entities and are not in scope of this Report.

### Structure, Activities and Supply Chains

Element is a Canadian publicly traded corporation (TSX: EFN), with its head office located in Toronto, Ontario, and is the largest pure-play automotive fleet manager in the world. As a Purpose-driven company, Element provides a full range of sustainable and intelligent mobility solutions to optimize and enhance fleet performance for clients across North America, Australia, and New Zealand. Element's services address every aspect of our clients' fleet requirements, from vehicle acquisition, maintenance, route optimization, risk management, and remarketing, to advising on decarbonization efforts, integration of electric vehicles (**EVs**) and managing the complexity of gradual fleet electrification. From time to time, Element imports select vehicles and equipment from the United States, so our clients can re-allocate these leased assets to their Canadian affiliates.

In 2024, Element procured goods and services from direct suppliers including tier one vehicle manufacturers ("**OEMs**"), as well as upfitters, dealers, transporters, fuel, maintenance and repair providers, remarketing vendors, EV charging vendors, telematics providers and other vehicle component manufacturers and suppliers. All of Element's direct suppliers are based in North America.

Element also works with indirect vendors that supply operational products and services to Element, including information technology products and services, professional services, and office supplies.

### Policies and Due Diligence Processes in Relation to Modern Slavery

One of Element's core Values is to "Always be a Force for Good." As part of that core value, Element has embedded responsible business conduct into our policies and management systems. Our [Modern Slavery Statement](#) and [Human](#)



[Rights Statement](#) set out our zero tolerance policy for modern slavery, forced labour, and human trafficking. These policies are reviewed and updated on an annual basis.

We seek to ensure that our vendors and suppliers live up to our high standards for ethical conduct and share in our commitment to prevent Modern Slavery across our supply chain. Element's [Vendor Code of Conduct](#) sets out our expectation that all our suppliers implement practices that reflect respect for human rights and conform with the International Labour Organization (ILO) standards appropriate to the location and context in which their activities take place. This includes, but is not limited to, the prohibition of child labour, human trafficking, and slavery. We require that our suppliers comply with all applicable laws and regulations, including labour and employment laws.

As part of our due diligence process, we review and assess human rights impacts in our workplace and our supply chain activities. Through our recruitment process we conduct thorough employment screening, including verification of candidates' ages, identity and eligibility to work in Canada, as well as resume review and verification. Regarding our supply chain, we consider the industry sector of our top suppliers by spend, as well as the countries where they have operations and the types of goods we are purchasing. We confirm that our suppliers' businesses are established in accordance with legal standards by reviewing registration documents and financial documents. We also conduct virtual assessments of certain direct suppliers, and on-site inspections, where warranted.

### **Parts of Element's Business and Supply Chains That Carry a Risk of Modern Slavery Being Used and The Steps It Has Taken to Assess and Manage That Risk**

Element provides customized vehicle fleet financing, fleet leasing and related services to our clients. As part of these services, Element acquires vehicles and equipment from OEMs on behalf of our clients. We have identified a potential risk of Modern Slavery in the manufacturing process of those vehicles. In particular, there is a risk that Modern Slavery could be used to source certain raw materials that are included in the parts of the vehicles that Element purchases from OEMs, such as the minerals contained in vehicle batteries. We have also identified a potential risk of Modern Slavery in the supply chain for the technology products and services that Element uses in its operations.

With respect to our business, at the end of 2024, Element employed approximately 2,900 people globally, including 564 team members in Canada at the end of 2024. Most of Element's team members work in professional, office-based roles and are required to comply with applicable laws and the policies discussed above. If a team member is not directly employed by Element (e.g., contingent, temporary or fixed term contractors) they are engaged through reputable recruitment agencies.

### **Measures Taken to Remediate Any Modern Slavery**

Our assessment of our business and supply chains did not identify any instances of Modern Slavery. Accordingly, no steps were taken to remediate Modern Slavery, or the loss of income associated with remediation efforts directed at Modern Slavery.

In 2024, Element developed a comprehensive third-party risk management framework designed to identify, assess, monitor and mitigate risks that arise from relationships with suppliers, including risks related to Modern Slavery. The framework establishes due diligence requirements and a structured risk assessment when evaluating third party relationships. Element expects to implement this framework in 2025.



## The Training Provided to Employees on Modern Slavery

Element is committed to ethical conduct and has implemented comprehensive policies, training, and monitoring to ensure compliance with these standards. Our [Code of Conduct and Ethics](#) (Code of Conduct), which is approved by Element's Board, outlines Element's expectations and sets out our policies on topics including compliance with laws, conflicts of interest, confidentiality, health and safety, and the prohibition of harassment and discrimination.

The Code of Conduct encourages team members to raise concerns, without fear of retaliation, and includes a confidential reporting process through an independent, third-party managed portal and hotline. We strongly encourage team members to report or seek clarification on ethics, compliance, policies, laws, and regulations, including any concerns about misconduct within our operations or supply chain.

Our team members are required to undergo mandatory annual training and review and acknowledge compliance with our Code of Conduct and core policies every year.

In 2024 our procurement team was required to complete mandatory training on Modern Slavery. In 2025, this training is expected to be mandated for all employees.

## How The Entity Assesses Its Effectiveness in Ensuring That Modern Slavery is Not Being Used in Its Business and Supply Chains

Element recognizes that the risk of Modern Slavery in our business and supply chain may change from time to time. We are committed to monitoring these risks and implementing appropriate changes in our operations to prevent and reduce these risks and assess the effectiveness of our processes, where appropriate.

## Approval and Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities 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 above.

This report was approved by the Board of Directors of Element on May 1, 2025.

(Signed) "*Laura Dottori-Attanasio*"

Laura Dottori-Attanasio, I have the authority to bind Element Fleet Management Corp.  
President and Chief Executive Officer

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