

## MODERN SLAVERY REPORT 2023

### Earthworks Equipment Corporation

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 **Earthworks Equipment Corporation** (“**Earthworks Equipment Corporation**”, “we”, “us” or “our”).

## INTRODUCTION

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As a leading business in the agricultural & construction equipment industry, Earthworks Equipment Corporation recognizes the important role that we have in ensuring that the supply chains that support our operations and products, 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 Earthworks Equipment Corporation suppliers or of goods imported into Canada on behalf of Earthworks Equipment Corporation.

## OUR BUSINESS

Earthworks Equipment Corporation is an agricultural & construction equipment dealer headquartered in Saskatchewan, Canada. We are a corporation that distributes agricultural & construction equipment including [tractors, skid steers, excavators, mowers, utility vehicles, etc.] for example. We also supply parts, attachments, and services to support those products. We operate 1 physical locations in Canada, situated in Saskatchewan. Our customers are largely the end-users of our products, which largely include [family farms, construction businesses, mining businesses, government entities and agricultural businesses] located in Canada. We occasionally supply equipment and associated products to other distributors in Canada.

Earthworks Equipment Corporation's supply chain includes businesses that supply parts and equipment, and supply services to our organization. We receive goods from our suppliers that require further processing. The additional required processing includes equipment set up and product quality compliance checks. Most of our direct suppliers are North American-based agricultural & construction equipment manufacturers and distributors, who are based in Canada, and the United States of America. Our supply chain also includes businesses that are based in other parts of the world such as Europe and Asia.

In total, we procure goods and services from approximately 50 suppliers and contractors. Further information about our business can be found on our website.

## OUR POLICIES

### Policies

Through our ethical and sustainability policies, we communicate our values and expectations, setting a high bar for ourselves and for our suppliers, and make it clear that 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 in the operations of our suppliers, subcontractors, and other business partners. Our relevant policies are discussed in further detail below:

### Supplier Code of Conduct

Earthworks Equipment Corporation's Supplier Code of Conduct sets out the expectations we have of our suppliers, their supply chains, and those with whom we do business. We expect our suppliers to comply with all applicable legal requirements in the jurisdictions in which they operate and



consistently monitor and enforce our Supplier Code of Conduct in their own operations and supply chain.

We also expect our suppliers to share in our commitment to respect human rights, and strive to meet the highest ethical business standards and international best practices for responsible business conduct. Our Supplier Code of Conduct sets forth our commitment to preventing and eliminating forced and child labour, and our expectation that suppliers engage in due diligence to identify, address, and resolve risks and instances of forced or child labour in their own operations. We engage with suppliers that are committed to principles of diversity and inclusivity in their supply chains and ask that suppliers commit to these standards as a condition of doing business with us. We review our Supplier Code of Conduct on an annual basis to ensure that this policy is in line with current best practices.

### **Quality Manual**

We are committed to conducting our business in a lawful and ethical manner. Our Quality Manual (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, Earthworks Equipment Corporation employees should always act lawfully, ethically and in the best interests of Earthworks Equipment Corporation.

### **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. Before making any commitments towards third parties, we take steps to appropriately evaluate the relationship 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 the following steps:

- Our due diligences processes include supplier attestation, embedding responsible business conduct (EBC) into policies and management systems, supply chains and business relationships, cooperating in remediation when appropriate.

### **ASSESSING OUR RISK**

Earthworks Equipment Corporation engages in activities to identify, assess, and manage supplier risk. In assessing the risk of forced and child labour in our business and supply chains, we refer to external data sources, engage with our peers, and request supply chain mapping from prominent suppliers if deemed appropriate.

Our exposure to the risk of forced labour and/or child labour increases when we engage with third parties, particularly in categories such as transportation, construction, manufacturing, and agriculture. We recognize that our exposure of forced labour and/or child labour increases when we engage with suppliers



who source goods or raw materials from countries where forced labour exploitation is known to occur. As such, we follow a risk-based approach to our due diligence activities. Our due diligence is prioritized to the most significant adverse impacts on the basis of severity and likelihood of harm and focus our attention and resources.

### **OUR COMMITMENTS**

Earthworks Equipment Corporation is committed to ensuring that the supply chains that support our operations and products, adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. Examples of steps taken to prevent and reduce risks of forced and child labour include:

#### **Steps to Prevent and Reduce Risks of Forced and Child Labour**

- Developing an action plan for addressing forced labour and/or child labour;
- Developing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization's supply chains;
- Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains;
- Developing anti-forced labour and/or child labour standards, codes of conduct;
- Monitoring suppliers;
- Developing grievance mechanisms;
- Developing training and awareness materials on forced labour and/or child labour;

#### **Remediation Measures**

Our Supplier Code of Conduct requires our suppliers to adhere to high standards of ethical conduct. Forced and child labour is strictly prohibited. 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 take the following measures to remediate such forced labour or child labour:

- ***STEPS TO BE TAKEN TO REMEDIATE FORCED OR CHILD LABOUR:***
  - ***Suspension or termination of a supplier, sub-supplier or contractor;***
  - ***Grievance mechanisms;***
  - ***Formal apologies;***
  - ***Enhanced supervision and/or monitoring of supplier, sub-supplier and contractor.***



**Training**

Earthworks Equipment Corporation personnel at all levels are consistently reminded of the importance in understanding and practicing Earthworks Equipment Corporation policies and procedures. Annual Employee Reviews are conducted between our managers and employees, during the review our Code of Business Conduct and Ethics are revisited to ensure it is understood and properly applied to our daily activities. Every new employee of Earthworks Equipment Corporation must complete mandatory training on our values and policies, including our Code of Business Conduct and Ethics, and is informed of how to report wrongdoings. Every new and current employee of Earthworks Equipment Corporation is required to read our policies and Code of Conduct and sign in an acknowledgement form.

**OUR PROGRESS AND EFFECTIVENESS**

As part of our governance processes, we monitor compliance with our policies on an ongoing basis. We also review any concerns raised through our employee feedback, and the media and news. To date no significant concerns or complaints have been identified.

**APPROVAL AND SIGNATURE**

This Report was approved by **Earthworks Equipment Corporation** on **May 16 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 <https://earthworksequipment.ca>.

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 **entity 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.



**Brad Williams**

**President, May 30, 2024**

I have the authority to bind Earthworks Equipment Corporation