



## **Degelman Industries LP – Forced Labour and Child Labour Report**

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “**Act**”) requires certain businesses to publish an annual report setting out the steps taken in their previous financial year to prevent and reduce the risk that forced labour or child labour are used in the production or importation of goods.

Degelman Industries LP is publishing this report on behalf of itself for its financial year ended December 31, 2023 and its subsidiary Degelman Industries USA Ltd. (collectively, “**Degelman Industries**” or the “**Company**”), in response to the requirements under the Act.

### **Structure, Activities and Supply Chains**

Degelman Industries is a limited partnership formed under the laws of Saskatchewan and is an industry leader in the farming implements manufacturing space. Degelman Industries has facilities in Regina SK, Lacombe AB, and Hillsboro ND.

The majority of Degelman Industries’ sales are to customers in Canada and the United States, with a small international presence.

The Company’s supply chain is predominantly North American. For our financial year ended December 31, 2023, approximately 75% of our total purchases came from companies in Canada and 21% from the United States.

It is noted that Canada and the United States rank 16th and 38th, respectively, on the Global Slavery Index reported at [www.walkfree.org](http://www.walkfree.org).

### ***Steps Taken During Last Financial Year to Prevent and Reduce Risk that Forced Labour and Child Labour Used in Supply Chain***

#### ***Policies and Due Diligence***

##### ***Policies and Compliance***

We have not implemented any specific policies, governance, or due diligence processes in relation to the use of forced labour or child labour in our supply chains. However, as noted, most of our direct suppliers are in Canada and the United States, which are both jurisdictions with comprehensive human rights and labour laws and are considered to be at low risk for the use of forced labour and child labour. Moreover, many of our overseas suppliers are in Europe where similar modern slavery legislation – such as the French Corporate Duty of Vigilance Law 2017 and the United Kingdom’s Modern Slavery Act 2015 – have previously been implemented.

Degelman Industries maintains a confidential and anonymous reporting system that allows its employees to raise concerns free of discrimination, retaliation, or harassment. The Company encourages the reporting of any questions, complaints, or concerns.

##### ***Due Diligence - Own Operations***

Degelman Industries’ human resources team has strong processes in place for vetting new employees

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and ensuring they are legally entitled to work in Canada or the United States, as applicable. There are also robust processes in place for assessing compensation and verifying payments. All new employees are taken through a comprehensive onboarding process where they are made aware of the Company's standards and policies. The majority of the Company's employees are permanent and full-time.

### Due Diligence - Supply Chain

Degelman Industries has been operating for over 60 years and has developed long term, trusting relationships with suppliers who have strong reputations, ethics and reliable business practices. Many of Degelman Industries' top suppliers are themselves subject to reporting obligations under the Act. The Company has only sourced premium quality product requiring skilled labour from worthy suppliers. Based on the type of products that we source, the Company believes this reduces the likelihood of the existence of forced labour and child labour in our supply chain.

The Company's procurement personnel manage the due diligence and onboarding process with suppliers. Degelman Industries regularly sends members of its management to suppliers both domestically and internationally to witness their operations. During these visits, the Company has not become aware of any instances of forced labour or child labour being used by our suppliers.

### ***Risk of Forced or Child Labour***

Degelman Industries has assessed both its operations and its supply chain and, considering the close relationship we build and maintain with suppliers, and the countries of those suppliers, the Company believes that the risk of forced labour or child labour being used in our operations and our supply chain is low.

### ***Measures to Remediate Forced or Child Labour or the Loss of Income Resulting from Measures Taken to Eliminate Forced or Child Labour in the Supply Chain***

Degelman Industries would not knowingly engage with any supplier who is in violation of fundamental human rights. Degelman Industries is not currently aware of any forced labour or child labour practices occurring within its supply chain. Accordingly, the Company has not taken any measures to remediate any forced labour or child labour to date, nor has the Company taken any measures to remediate any loss of income to the most vulnerable families.

### ***Training***

Degelman Industries does not currently have a training program in place relating to forced labour and / or child labour.

### ***Effectiveness Assessment***

Degelman Industries believes that given our supply chain almost entirely consists of suppliers from North America, and that we have visited and toured many supplier locations, the risk of the Company having forced or child labour in it's supply chain is minimized. Degelman Industries recognizes that monitoring the risk of forced labour and child labour in supply chains requires a consistent commitment of time, resources, and awareness amongst all stakeholders. The Company will continue to assess the risk of

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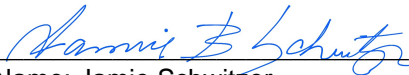
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forced labour and child labour in conjunction with its procurement personnel taking an active role in assessing new and existing suppliers.

### ***Approval and Attestation***

This report on behalf of Degelman Industries was approved by the Board of Directors of Degelman Industries GP Inc., being the governing body of Degelman Industries, on May 29, 2024, pursuant to Section **11(4)(b)(ii)]** of the Act. 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 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.

By: \_\_\_\_\_

Name: Jamie Schwitzer

Title: Chairman

*I have the authority to bind Degelman Industries LP*

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