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Title: Preventing Forced and Child Labour Statement

Date of Issue: May 3, 2024

ARTICLE 1: INTRODUCTION:

Delta Power Equipment is firmly committed to protecting individuals from the exploitations of illegal labour practices, such as child labour, forced labour, slavery, and human trafficking; such practices are not tolerated by Delta Power Equipment and are strictly prohibited in all forms.

Delta Power Equipment holds itself accountable to the highest ethical standards and complies with and exceeds all relevant and applicable local and international laws pertaining to illegal labour practices. In doing so, Delta Power Equipment never knowingly contracts with or carries on a business relationship with any organization or employer that does not adhere to the same standards or is in violation of any relevant or applicable labour laws.

- 1.1 Delta Power Equipment Ltd. ("**Delta Power**") is committed to acting ethically and with integrity in our business and our supply chains (collectively, our "**business**") and protecting the dignity and human rights of all people connected to our business. We seek to foster inclusive workplaces and sourcing products responsibly and strive to work closely with our vendors and suppliers (collectively, "**suppliers**") to ensure these objectives are implemented and maintained in their workforce and their supply chains.
- 1.2 This is Delta Power's first modern anti-forced labour statement made pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9 (the "**Supply Chains Act**"). This statement will be reviewed and, if necessary, revised annually.
- 1.3 Delta Power acknowledges that it cannot stop forced and child labour globally, but it does acknowledge that preventing forced and child labour within its supply chains is an important step in the long process of halting the practices of modern slavery worldwide.
- 1.4 This statement outlines the measures Delta Power has in place and the efforts Delta Power have implemented to assess and address risks of forced and child labour in our business.

ARTICLE 2: DELTA POWER'S STRUCTURE AND ACTIVITIES

- 2.1 Delta Power Equipment Ltd. is an Ontario corporation with a financial reporting year ending on January 31 on each year. Its business number is 888319316TZ0005. Delta Power is a seller and importer of goods in the Agriculture, Construction and Retail Trade sector. Delta Power employs 480 people in the following locations: Essex ON, Tilbury ON,

Chatham ON, Alvinston ON, Watford ON, Forest ON, Exeter ON (headquarters), Seaforth ON, Mitchell ON, St. Marys ON, Sparta ON, Waterford ON, Winchester ON, Dunvegan ON and Renfrew ON; and has business operations solely in Canada.

2.2 To learn more about Delta Power, please see <https://www.deltapower.ca/>

2.3 The activities of Delta Power involve:

We offer a full line of Case IH and New Holland equipment, as well as products from many other manufacturers primarily for the agricultural and construction industries. We focus on selling and importing parts and machinery to provide efficient solutions for our customers.

Delta Power sources parts and machinery from suppliers listed in the following countries: Canada, United States, United Kingdom, Mexico, Japan and Europe.

ARTICLE 3: OUR POLICIES

3.1 Delta Power is drafting an internal Anti-Modern Slavery Policy that will reflect our commitment implementing and maintaining processes to prevent forced and child labour from taking place in our business.

3.2 Delta Power raises awareness to its suppliers of its anti-modern slavery policies and will begin to require its suppliers to adhere to the same high standards. Delta Power is drafting a Supplier Code of Conduct that sets forth our expectations of all suppliers to us related to ethical business practices. A copy of our Supplier Code of Conduct will be found on our website at: <https://www.deltapower.ca/>

3.3 Delta Power provides its employees with an Employee Handbook, which communicates the conduct of conduct we expect from our employees.

ARTICLE 4: OUR DUE DILIGENCE PROCESSES

4.1 Delta Power annually assesses our employment practices to ensure that we at the minimum meet employment standards in the locations we employ employees. We take all reasonable steps during the hiring process to ensure we are employing appropriate and ethical workers.

4.2 Delta Power has completed a review of our key supplier corporate policies, and have found that they have current Anti-Slavery and Human Trafficking Statements that align with Delta Power Equipment's position.

The links below provide the Key Supplier Statements to Anti-Slavery in the Supply Chain.

CNH Industrial: https://www.cnh.com/-/media/CNHi/cnhicorporate/Governance/corporate_governance/slavery_and_human_trafficking_statement/docs/CNH-Anti-Slavery-2022_V7.pdf?rev=c84b0240856244b786db85edc36b07cd

BRP: <https://www.brp.com/en/our-company/ethics-compliance.html>

JCB: <https://www.jcb.com/dfsmedia/261086efe15a46f5afb95d093ef038ea/62068-source#:~:text=JCB%20has%20a%20zero%20tolerance,that%20this%20approach%20is%20effective.>

Kobelco: <https://www.kobelco.co.jp/english/sustainability/procurement.html>

Yanmar: https://www.yanmar.com/global/about/csr/procurement/supply_chain/

- 4.3 Delta Power is currently reviewing its approach to supplier due diligence and is in the process of completing a supplier risk assessment, in order to identify forced and child labour risks in our business. As we receive responses from our suppliers, we may undertake additional verifications and audits.

ARTICLE 5: ASSESSMENT OF RISK OF FORCED OR CHILD LABOUR

- 5.1 Delta Power has started the process of identifying risks, but there are still gaps in our assessments. Within Delta Power's business operations, we have assessed a low level of risk based on the following risk criteria:

- (a) **Country risk:** According to The Global Slavery Index the Delta Power Equipment, does not import from the most prevalent countries of modern slavery.
- (b) **Sector or industry risk:** Delta Power imports goods that are on the lower risk of sectors that contribute to forced or child labour, according to The Global Slavery Index.
- (c) **Business or transaction risk:** The business of agricultural or construction machinery is not identified as one of the highest contributors to slave labour, therefore we hope this limits the risk in the supply chain.
- (d) **Raw materials risk:** There could be a potential risk in this area, that should be assessed further with the suppliers we import from.

- 5.2 As noted in Section 2.1, our employees are located in the following jurisdiction: Ontario, Canada. Such jurisdiction(s) have a low risk of forced or child labour due to its employment and labour laws.

Delta Power does not employ such workers, we have less control and visibility over their working conditions and employment terms, and we continue to tailor our risk management actions to address those risks. We will begin our efforts to classify our supplier risks to identify and prevent forced and child labour.

ARTICLE 6: ACTIONS TAKEN TO COMBAT THE RISK OF FORCED OR CHILD LABOUR:

- 6.1 Delta Power is developing strategies in order to:
- (a) assess and further its understanding in the areas of potential risk for forced and child labour in our business.
 - (b) monitor such potential risk areas; and
 - (c) reduce or mitigate such risks.
- 6.2 As can be seen in ARTICLE 5 above, Delta Power anticipates that its business in the above-mentioned countries, where it imports agricultural and construction machinery is susceptible to risks of forced or child labour. To manage such risk, Delta Power will implement the following non-exhaustive list of actions:
- (a) training to all employees to raise awareness of this issue in accordance with ARTICLE 7;
 - (b) establishment of a dedicated compliance team, involves the following departments: Senior Management and Human Resources.
- 6.3 Delta Power additionally seeks to only do business with suppliers that have similar ethically business practices, including those related to human rights. Delta Power will not tolerate any form of forced or child labour within its supply chain. To manage such risk, Delta Power will implement the following non-exhaustive list of actions:
- (a) appropriate contractual obligations, including, but not limited to, compliance with Delta Power's Code of Conduct and audit provisions.

ARTICLE 7: EMPLOYEE TRAINING

- 7.1 Delta Power is developing an employee training program to make our employees aware, knowledgeable, and capable of reporting the risks of forced or child labour in our business.
- 7.2 Delta Power is developing employee onboarding materials to ready employees for the training program noted in Section 7.1.

ARTICLE 8: MEASURES TAKEN TO REMEDIATE:

- 8.1 As of the date of this statement, Delta Power has not identified any instances of forced or child labour in our business. Therefore, we have not been required to take remedial measures.

ARTICLE 9: ASSESSING EFFECTIVENESS


- 9.1 Delta Power has not taken any actions to assess the effectiveness of its actions in preventing and reducing risks of forced and child labour in our business. In the future, we will begin assessing the effectiveness of our actions by evaluating key performance indicators ("KPIs"), namely the number of staff trained, the number of suppliers and contractors screened, the number of reported breaches, and the instances of remedial actions being taken.

ARTICLE 10: APPROVAL OF THE STATEMENT

- 10.1 This statement is made in accordance with Section 11 of the Supply Chains Act and represents Delta Power statement for the financial year ending on January 31, 2024.
- 10.2 This statement was approved by the Board of Directors of Delta Power pursuant to Paragraph 11(4)(a) of the Supply Chains Act on May 28, 2024.

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.

DATED 28 May 2024



Name: **Josie Sisler, CEO**
Delta Power Equipment Ltd.

I have the authority to bind the corporation