



**Bobcat®**

**REPORT UNDER THE *FIGHTING AGAINST FORCED LABOUR  
AND CHILD LABOUR IN SUPPLY CHAINS ACT***

**FINANCIAL YEAR ENDED DECEMBER 31, 2023**

## **Introduction**

This report (the “Report”) is prepared on behalf of Doosan Bobcat North America, Inc. (“DBNA” or the “Corporation” or “we” or “our”) pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“the Act”) and covers the financial year ending December 31, 2023 (“the Reporting Period”). This Report sets out the steps we have taken to prevent and reduce the risk that forced labor or child labor is used at any step in the production of our goods and goods imported into Canada during the Reporting Period.

## **Corporate Structure and Business**

DBNA is a US corporation headquartered in West Fargo, ND, USA. DBNA is wholly owned by Doosan Bobcat, Inc. in South Korea. Doosan Bobcat, Inc. also owns entities in Europe and Asia. .

DBNA wholly owns:

- Doosan Bobcat Canada Ltd. (“DBCA”), which is located in Ontario, Canada
- Doosan Bobcat Mexico Monterrey S. de R.L. de C.V. (“DBMM”), located in Mexico

DBNA has manufacturing and assembly locations in:

- North Dakota (Gwinner, Bismarck and Wahpeton)
- Minnesota (Litchfield and Rogers)
- Wisconsin (Johnson Creek)
- North Carolina (Statesville)

DBNA manufactures and distributes:

- compact construction equipment (front-end loaders, excavators, compact tractors, etc.)
- grounds maintenance equipment (commercial mowers, aerators, UTV’s, etc.)
- industrial equipment (portable power generators, air compressors, forklifts, etc.)

Operations conducted in the above facilities vary from manufacturing and assembly of machine components and parts to final machine assembly, interior finishing, painting and quality assurance activities. We distribute our products in the USA via our dealer network and rental company contracts. We distribute our products outside of the USA via our subsidiary companies and related entities all over the world, including via DBCA. While we distribute products in Canada via DBCA, DBCA does not satisfy the Act’s criteria to constitute a reporting entity.

## **Supply Chain**

DBNA procures raw materials, components, parts and systems required to manufacture our equipment from suppliers around the world and vary from product to product. Most of these materials, components and systems are provided by suppliers with which DBNA has had long-term relationships. We value our suppliers, contractors and distributors as our business partners, and strive to build trusting relationships with them for mutual growth and maintain a reliable and sustainable supply chain.

## **Actions to Prevent and Reduce the Risk of Forced labor or Child Labor**

At DBNA, we believe corporate social responsibility is our basic duty as a member of society. A company should not be an isolated entity focusing solely on business; it must also develop close relationships and ties with the communities where it operates and business partners it works with. This provides the dual opportunity to benefit from ongoing business operations while also pursuing important social responsibilities.

DBNA is committed to embedding human rights considerations into its policies, governance framework and decision making. We see management of Environmental, Social and Governance (“ESG”) risks and opportunities critical to DBNA’s success as a business. We have established an ESG team and a Nomination Committee to review sustainability-related risks that are shaping our operating environment. We are committed to operating ethically, while reducing our impact on the environment and supporting our supply chains and communities.

### ***Tone from the Top***

During the reporting period, DBNA leadership sent a company-wide message to all employees regarding forced labor, child labor and high-risk countries to increase general awareness and encourage diligence in business relationships. These actions underline DBNA’s commitment to honest and transparent business operations and to “Do the right thing.”

### ***Codes of Conduct***

DBNA has a Code of Conduct with an Integrity Policy which applies to both employees at all levels of the organization and third parties interacting with and on behalf of the corporation. All DBNA employees, directors and officers of the corporation are required to complete annual training on the Code of Conduct.

DBNA also has a Supplier Code of Conduct. We require our suppliers to conduct themselves and their business in accordance with all pertinent laws and regulations. In 2023, we updated our Supplier Code of Conduct to further emphasize compliance with local and International Labour Organization norms. Specifically, suppliers must prohibit forced labor in all its forms and they must not employ children unless permitted by local law and the work must not be likely to harm their health, safety or education. All suppliers that enter into a Global Supplier Agreement with DBNA agree to adhere to the Supplier Code of Conduct. If any serious breach occurs, the supplier will have an opportunity to remedy the issue or the business relationship can be terminated. We place the highest importance on respecting human rights while conducting our business activities everywhere we operate. We expect the same of our business partners.

### ***Due Diligence***

DBNA completes due diligence activities on suppliers and potential suppliers. We require potential suppliers to respond to a due diligence questionnaire which covers various ESG topics. We conduct an on-site assessment prior to contracting with a supplier and complete a pre-screening against restricted party lists, sanctions and Dow Jones lists. Once we have contracted with a supplier, we continually monitor against restricted party lists and sanctions. We periodically conduct follow up on-site visits and have suppliers update their responses to our due diligence questionnaire.

In an effort to identify and prevent potential issues, DBNA added team members with regulatory knowledge into decision-making committees, meetings and projects. During the reporting period, we prepared additional questions specifically around forced labor and child labor for the due diligence questionnaire. We also updated the on-site assessment checklist with items for DBNA team members review as potential signs of forced labor and child labor issues.

### ***Supply Chain Risk of Forced Labor or Child Labor***

DBNA has taken initial steps to identify risks but there are still gaps in our assessment process. During the reporting period, we engaged with a few supply chain mapping software companies to review which, if any, could help us prevent, identify and/or reduce forced labor and child labor in our tier 2+ supply chain. We believe we have a low risk of forced labor or child labor in our supply chain. Currently, we use a risk-based approach to assess and manage our risk of forced labor and child labor. We assess a supplier's address/country, the origin of their products, the type of products they provide and screen against restricted party and sanction lists. We are continually striving to improve our processes and committed to being a good global corporate citizen.

### ***Whistleblower Policy***

DBNA takes seriously any violations of the Code of Conduct, supplementary policies, applicable laws, and other serious misconduct. DBNA's Whistleblower Policy requires employees to report any violations to the Company. DBNA has established various modes to report issues, including the ability to report anonymously to an Ethics Help Line. Employees may report violations for investigation via a whistleblower website or telephone.

### ***Remediation***

Because DBNA has not identified any forced or child labor in our activities and supply chains, and none have been reported via our whistle blower process, we have not needed to implement remediation measures. Similarly, because we have not identified any instances of forced or child labor in our activities or supply chains and none have been reported via our whistle blower process, DBNA has not needed to remediate any loss of income for vulnerable families.

### ***Training***

At DBNA, we have made it a priority to educate our Sourcing department on global forced labor and child labor regulations. During the reporting period, we provided training to our Sourcing department on determining a product's country of origin which is not based solely on a supplier's location. We emphasized the importance of screening potential suppliers prior to engagement. We also provided specific in-person training on forced labor and child labor issues to our Sourcing team. We regularly monitor and communicate regulatory updates, enforcement activities and outcomes to our leadership and Sourcing teams.

### **Assessing Effectiveness**

DBNA did not have specific mechanisms in place during the reporting period to measure the effectiveness of its compliance policies in the area of forced and child labour. However, DBNA's


Whistleblower Policy provides a mechanism through which employees can anonymously report a violation of any of the Company's policies. All reported allegations are taken seriously and investigated, and depending on the nature of the allegation could lead to a change in policy or process. DBNA also conducts periodic onsite assessments of suppliers to determine whether they are compliant with the Company's policies. While these assessments are not conducted for the specific purpose of assessing the effectiveness of our policies, the results of the assessments are carefully considered by the Company and follow-up action is taken as appropriate up to and including termination of the supplier.

**Approval and Attestation**

This Report was approved by the Company's board of directors pursuant to section 11(4)(a) 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 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.

I have the authority to bind Doosan Bobcat North America, Inc.

  
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Eric Spilde  
Vice President Finance

5/30/24  
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Date