

FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS REPORT 2023

Introduction

Bill S-211, an Act to help Fight Against Forced Labour and Child Labour in Supply Chains came into force in Canada on January 1, 2024.

Modern slavery is found throughout the World and takes many forms, exploiting the vulnerable. From Walk Free's 2023 Global Slavery Index, they reveal that at any given time in 2021, there were approximately 12 million children living in modern slavery and 28 million people in forced labour.

ONE IN FOUR people living in modern slavery are children.

Forced labour – people forced to work under the threat of punishment and/or repercussions

Child slavery – the sale and exploitation of children; child trafficking, child marriage, child labour

Organizational Structure

Equipment Ontario Incorporated is a privately-owned business, headquartered in Ontario, CANADA, with five (5) dealership locations and servicing over 16+ Ontario Counties. We strive to be the Dealer of Choice for Farm, Lawn and Garden Equipment.

Equipment Ontario supplies a diverse range of Agricultural equipment for businesses and customers. Almost all our customers are in Ontario, others across Canada, and occasionally from the USA. Our service is conducted solely in Canada and is delivered by a workforce, fully eligible to work within Canada.

Supply Chain

Equipment Ontario Incorporated imports only a couple of product lines ourselves, from manufacturers in the United States, and the occasional purchase from US, UK or German Sellers.

We are an Authorized CNH Dealership; it's our main product line and based out of the United States. CNH is the importer and has been committed to adopting generally accepted principles in each geographic area where they operate and have posted documentation of their Slavery and Human Trafficking Statements since 2016. They are committed to prevent human trafficking and

slavery in their supply chain, in compliance with the California Transparency in Supply Chains Act, the Human Trafficking Prevention Act, and the UK Modern Slavery Act 2015, among others.

Our short lines are either from Canada or the United States.

Identification of Risk

We consider exposure to the risk of Forced and Child Labour is extremely low in our Supply Chains.

Modern Slavery risks are heightened in both industries and geographies that are more labour intensive and/or under-regulated.

Our products and components are not among Canada's top five products at risk: Electronics, Garments, Gold, Textiles and Sugarcane.

Should any risk exist, it would likely be within an extended Supply Chain, several tiers removed, as we do procure parts products from areas of heightened risk.

The machinery and parts that Equipment Ontario Incorporated imports into Canada is a smaller portion of our business. These products are mostly produced by larger world-wide companies, generally headquartered in the United States. We have found that those suppliers have been complying with world slavery prevention acts for years.

Just recently we have been reviewing their websites for compliance reports and policies. In dealing with socially responsible companies, it helps us commit to the prevention of Child and Forced Labour.

Policies, Due Diligence and Communication

We had not created policies in our 2023 fiscal year (pre-dating Bill S-211).

We may have a Supplier clause that prohibits suppliers, that wish to do business with us, from engaging in Forced and Child Labour activities.

Due diligence may be conducted before contracts are signed and/or during an existing contract period, especially if there are any concerns. These policies will be developed in the upcoming year(s) as we become more informed and discover how we would best like to proceed, to become more committed to prevention of these human rights violations.

We will communicate our expectations to our Suppliers as required. We will review and update our policies as needed.

Remediation

Remediation measures were not applicable for our 2023 fiscal year. We had no programs in place to identify any forced labour or child labour in our supply chains.

As we develop our policies, remediation measures will be reviewed.

Training

No training regarding Forced Labour and Child Labour had been provided to our employees in 2023.

In this upcoming year, we had representation attend a Bill S-211 webinar and started research on these issues so we can become more knowledgeable, help develop and provide the appropriate level of training for employees dealing with supply chain matters.

Assessing Effectiveness

In 2023, we did not have policies and procedures in place to assess effectiveness in ensuring that our business supply chains are not using Child Labour and Forced Labour.

As we develop our policies and procedures in this area, we will also develop assessment processes.

Governance

The Owners of Equipment Ontario Incorporated are responsible for approving and monitoring our commitments to the principles of the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Acknowledgement

We acknowledge that these are early days of a long-term process that is just getting started for helping Fight Against Forced Labour and Child Labour in Supply Chains. Our processes will evolve as we proceed, learn and change each year. Annual Statements will show a continued commitment and will communicate our activities in support of this fight.

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 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.

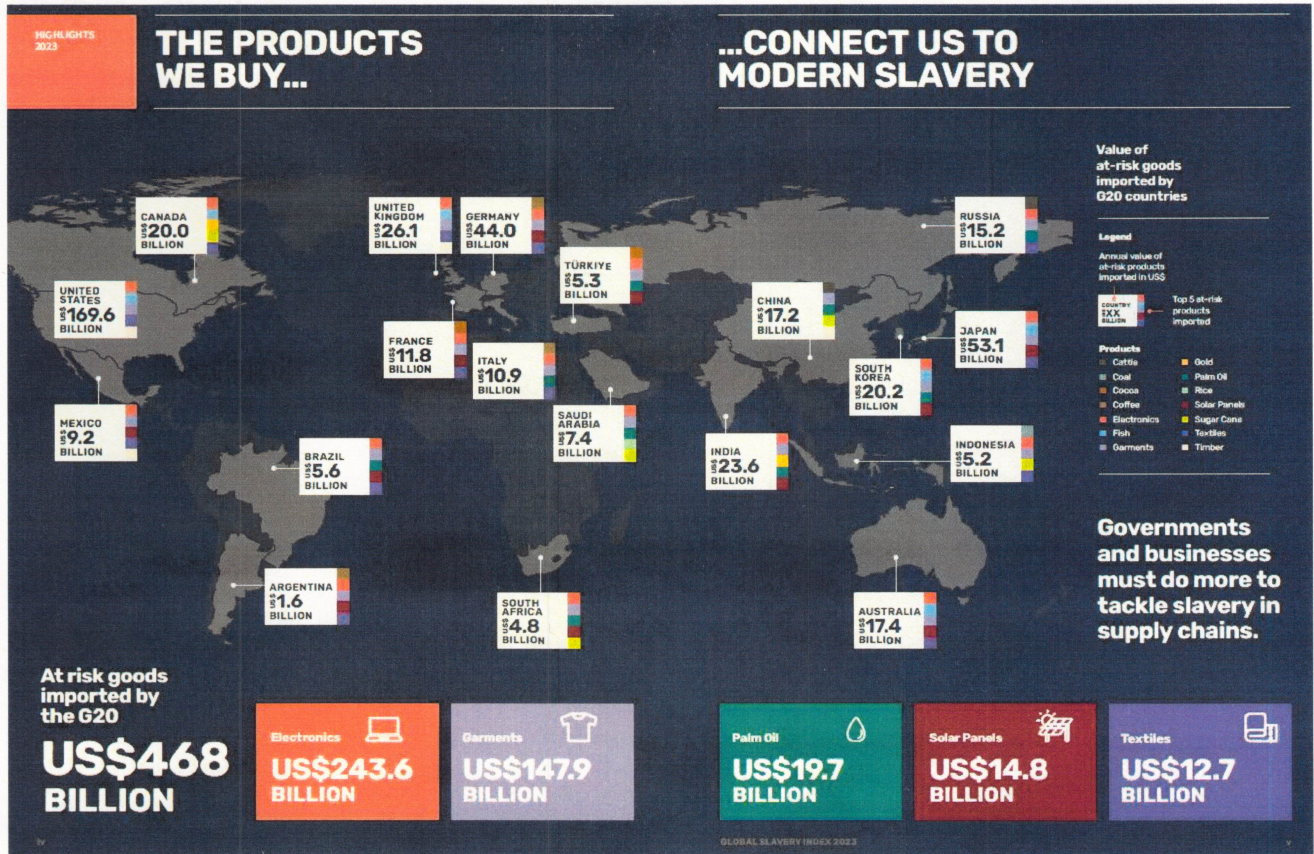
I have the authority to bind Equipment Ontario Incorporated.



Marlin Stoltz
Owner and Complex Manager
Date: 28th day of May, 2024

Some pertinent information from Walk Free's Global Slavery Index 2023, highlighting Child Labour and Forced Labour statistics world-wide as well as Canadian import specifics:





Top five products at risk of modern slavery according to US\$ value imported by G20 countries⁸

CANADA (US\$20BILLION)

| Imported product at risk of modern slavery | Source country | Import value (in thousands of US\$) |
|--|----------------|-------------------------------------|
| Electronics | China | 11,203,647 |
| | Malaysia | 76,024 |
| Garments | Argentina | 6 |
| | Bangladesh | 1,278,694 |
| | Brazil | 1,309 |
| | China | 3,068,653 |
| | India | 259,998 |
| | Malaysia | 12,618 |
| | Viet Nam | 1,053,657 |
| | Peru | 2,097,402 |
| | China | 482,486 |
| Gold | Brazil | 427,598 |
| Textiles | | |
| Sugarcane | | |

<https://www.walkfree.org/global-slavery-index/>