

Multiquip Inc.'s **Modern Slavery Act Report for 2023 Financial Year**

ABOUT THIS REPORT

Multiquip Inc., has prepared this report (the "**Report**") pursuant to the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") for the financial year that ended March 31, 2024. All references in this Report to "**Multiquip**", "**MQ**", "**we**", "**us**", or "**our**" refer to Multiquip Inc. unless otherwise indicated. This Report constitutes the first report prepared by Multiquip Inc., pursuant to the Act. This Report has not been externally assured.

This Report describes the steps taken to enhance transparency in our supply chains by outlining the steps taken during the 2023 financial year to prevent and reduce the risk that forced labour or child labour ("**Modern Slavery**") is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada. This has been done in accordance with the mandatory reporting criteria outlined in Sections 11(1) and 11(3) of the Act.

Multiquip Inc., does not report under similar legislation in any other jurisdiction.

INTRODUCTION

As a member of the ITOCHU Group, we are guided by our corporate mission, *Sampo-yoshi* (Japanese for "good for all three sides": good for the seller, good for the buyer, and good for society). In accordance with *Sampo-yoshi*, we are committed to serving all stakeholders – including respecting human rights and adhering to all laws and regulations governing human rights (including prohibitions on the use of Modern Slavery). We support international agreements on human rights, including the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at work, and the United Nations Global Compact, which ITOCHU has been a signatory to since 2009.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Company Structure

MQ is a privately held company (with business number 1145188166), headquartered in Cypress, CA. Founded in 1973, Multiquip is one of the largest, most diversified manufacturers and suppliers of world-class quality products and solutions for the construction, industrial, telecom, government, non-commercial, aerospace, municipalities/federal, entertainment, and oil and gas exploration markets. Multiquip's comprehensive product portfolio encompasses light to medium construction equipment, power generators, and lighting.

Multiquip's business lines include construction equipment, power generation, lighting, and parts.

MQ is owned by ITOCHU International Inc., and ITOCHU Corporation ("**ITOCHU**"). ITOCHU Corporation is a publicly traded company headquartered in Tokyo and Osaka, Japan. ITOCHU is listed on the Tokyo Stock Exchange (Ticker Symbol: TYO 8001) and specializes in trading of various products, including textiles, machinery, chemicals, food, IT, and realty.

MQ currently employs approximately **675** people (out of which **10** employees are located in Canada, while the rest are located in the United States).

Activities and Operations

Founded in 1973, Multiquip is one of the largest, most diversified manufacturers and suppliers of world class quality products and solutions for the construction, industrial, telecom, government, non-commercial, aerospace, municipalities/federal, entertainment, and oil and gas exploration markets. Multiquip's comprehensive product portfolio encompasses light to medium construction equipment, power generators and lighting. With distribution partners in Asia, United Kingdom, Latin America and Europe, Multiquip has worldwide reach. Multiquip distributes its various product offerings to more than 70 countries through thousands of authorized distribution partners.

Our Supply Chains

The MQ Supply Chain Department strives to partner with companies who share the ethics and values of MQ while providing the best balance of quality, cost, and customer service. The bulk of our supply chain consists of parts related to manufacturing, repairs, maintenance, refurbishing, and parts sales to our customers. MQ has recently partnered with Assent to assist us in ensuring current and future supply chain partners meet our expectations related to compliance and help identify potential risks.

POLICIES AND DUE DILIGENCE

It is our goal to provide a positive work environment and a solid economic foundation upon which all employees may build a future. This is solidified in the policies applicable to MQ including our Code of Conduct and Human Rights Policy, set out in further details below.

Code of Conduct

As a member of the ITOCHU Group, we embrace and support the ITOCHU Group's mission and goals, such as embracing a wide range of social responsibilities including legal compliance and implementing corporate ethics through our practices and policies. MQ's Code of Conduct (the "**Code**") solidifies this commitment. We expect all employees, including management, to execute business with a thorough comprehension of our Code and underlying corporate mission. Further, all employees and officers are expected to read, understand and abide by the Code, as well as MQ's other policies and applicable laws and regulations.

Our Code solidifies our commitment to respecting human rights and all laws and regulations governing human rights (including prohibitions on the use of Modern Slavery). We aim to promote full and productive employment, in accordance with the ITOCHU Group's Human Rights Policy, as described in more detail below. Where appropriate, we also ask our business partners to abide by this Policy and cooperate with us to conduct human rights due diligence. At MQ, safe and respectful workplaces are a priority. As such, we seek to maintain diverse workplaces that are discrimination and harassment-free, and provide a safe working environment that protecting the health and safety of our employees.

ITOCHU Group Human Rights Policy

The ITOCHU Group Human Rights Policy (the "**Human Rights Policy**") is applicable to MQ as it is imposed upon and adopted by ITOCHU's subsidiaries in various regions around the world,

including MQ. Under the Human Rights Policy we support international agreements on human rights, including the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact, which ITOCHU has been a signatory to since 2009. We comply with all laws and regulations of the countries in which we perform our business activities, and if there are any contradictions between internationally recognized human rights and the laws and ordinances of a country or region, we will seek to maximize respect for international human rights principles.

Due Diligence

We have recently partnered with a company called Assent to help with ensuring our partners within our supply chain can provide MQ compliance statements, policies, and any other compliance details.

Compliance Hotline

Any action that may conflict with our Code or other internal policies will promptly be reported to the Chief Compliance Officer, the Legal & Compliance Division, or other available resources through MQ's Compliance Hotline (the "**Hotline**"). The Hotline can be accessed online or by phone 24 hours a day, seven days a week.

MQ will not engage in or permit retaliation of any kind against any person who seeks legal or ethical advice, reports known or suspected misconduct in good faith or cooperates in an investigation. MQ will investigate all claims of retaliation and take appropriate corrective action.

POTENTIAL RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

MQ aims to take every precaution to research and identify issues while vetting potential vendors before introducing them into our supply chain. MQ has embedded responsible business conduct (RBC) into its policies and management systems and will be working with Assent to further our compliance efforts and continue to mitigate risks of forced child labour within our supply chain.

Potential Risks in Our Operations

MQ considers the risk of Modern Slavery occurring within our operations to be low. Not only does our workforce exist only within the United States and Canada, which has comprehensive and strict labour, employment, and human rights laws, but also as a member of the ITOCHU Group we have a number of strong policies in place regarding labour standards for our employees.

Potential Risks in Our Supply Chains

We understand that geographic considerations, the nature of some of the raw material and particular industries can carry a higher risk of Modern Slavery. There are also risks linked to certain industries even in countries considered to have lower risks of Modern Slavery. However, we have not identified all potential risks in operations for forced or child labour, but are working with a company called Assent to ensure that our operations and supply chains do not contain any forced or child labour.

Under the Human Rights Policy, if any of our business activities induce a negative impact on human rights or if involvement of such becomes clear, we strive to remedy and rectify the situation through appropriate procedures and dialogue. However, through our assessment of our operations and supply chains regarding the risk of Modern Slavery being used, we did not identify any instances of Modern Slavery. Accordingly, no steps were required to remediate Modern Slavery, or the loss of income associated with remediation efforts.

Management and Mitigation of Potential Risks

Our Code of Conduct, Compliance Hotline, and due diligence measures offer a reporting mechanism for our employees and suppliers to report ethical or legal violations, among other concerns. In accordance with our principles and policies, if a situation of non-compliance is identified, MQ will work to develop and implement a corrective plan to improve and remedy the situation. To date there have been no identified or reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

TRAINING

No training has been provided as of the date of the report.

ASSESSING EFFECTIVENESS

We intend to continue to reevaluate the need to implement measure to assess the effectiveness of the processes we have in place based on the evaluation of our risks as described in this Report.

APPROVAL & ATTESTATION

This Report was approved pursuant to Section 11(4)(a) by the Board of Directors of Multiquip Inc. 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.

DocuSigned by:
Timothy R. Ardell
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I have the authority to bind Multiquip Inc.
Tim Ardell
Chief Executive Officer
Multiquip Inc.
May 29, 2024