

# **2023 Modern Day Slavery Report**

## ***Introduction***

In accordance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act"), on behalf of Nordstrong Equipment Limited ("Nordstrong", "we", "us" or "our"), below is our 2023 Modern Day Slavery Report (the "Report"), for the January 1, 2023 to December 31, 2023 reporting period. The Report aims to identify and assess risks of forced and/or child labour ("Modern Slavery") within our operations and supply chain. It also outlines the actions taken by Nordstrong to address, reduce, and prevent Modern Slavery. Nordstrong understands that slavery, servitude, forced labour and human trafficking are issues of increasing global concern, affecting all sectors, regions, and economies.

## ***Structure and Activities***

Nordstrong is a manufacturing company incorporated under the *Canada Business Corporations Act* with a registered office in the Province of Ontario. Nordstrong operates in the provinces of Ontario and Manitoba. It is a manufacturer of bulk material handling equipment used in the agricultural, industrial, and mining sectors. Equipment includes belt conveyors, screw conveyors, bucket elevators, drag conveyors, hoists, and rail car progressioners. It also manufactures maintenance, repair, and overhaul components for the equipment sold. Nordstrong produces, sells and distributes goods and equipment within Canada and the United States of America.

## ***Steps to Prevent and Reduce Risks of Forced Labour and Child Labour***

The Organization for Economic Co-Operation and Development ("OECD") recognizes that supply chains are the area of business where responsible business conduct risks are most likely to be present and most significant. As of the time of publishing of this Report, Nordstrong has taken the following steps to assess and reduce the risk of Modern Slavery in our business and supply chains:

- Conducted a thorough mapping exercise of its operations, its activities, supply chains and made inquiries on its first tier of suppliers;
- Conducted an internal assessment of risks of Modern Slavery in the organization's activities and supply chains;
- Gathered information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily;
- Required suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains.

## ***Supply Chains; and, Forced Labour and Child Labour Risks***

Nordstrong has mapped their supply chain and conducted an internal assessment of the risks of Modern Slavery in the organization's supply chain. Nordstrong utilizes a direct (first tier) supply chain that operate in Canada, the United States of America, and New Zealand, where there is a low risk of Modern Slavery. All aforementioned countries are members of the OECD, which goals are to promote policies that improve the economic and social well-being of people around the world. This serves to limit the exposure we have to the risks of Modern Slavery in our supply chain. Notwithstanding the above, a small portion, less than five (5) per cent of our direct suppliers, import components for their goods from China, or Germany, including chain, bearings, motors, reducers, and cylinders.

Given that the vast majority of our supply chain and subcontractors operate in jurisdictions where there is low prevalence of Modern Slavery, Nordstrong has assessed the risks that our operations may contribute to

Modern Slavery to be low. We have assessed our risk to be higher where our suppliers have hired subcontracts in countries where the risks for Modern Slavery remain higher. We have assessed this to be less than five (5) per cent of our supply chain.

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

The following policies are in place to guide our actions, protect human rights and address the risks of forced and child labour.

- Respectful Workplace Policy: This policy demonstrates our commitment to complying with human rights and workplace health and safety legislation.

Nordstrong remains committed to upholding human rights and continues to evolve its policies and practices to address and prevent Modern Slavery in the supply chain. Nordstrong intends to implement the following policies within the next two reporting periods.

- Rights of Workers Policy: This policy demonstrates our commitment to prioritizing workers' rights and fostering a positive safety culture.
- Employee Code of Conduct: This policy is being implemented to ensure a professional and respectful work environment that prioritizes acting ethically and treating others with dignity. The policy endeavors to create a workplace that promotes the well-being of our workers and to prohibit the use of forced and child labour.
- Approved Supplier List Policy & Supplier Health Monitoring Policy: These two policies are being implemented to determine Nordstrong's approved suppliers which will include businesses that pass Nordstrong's Supplier Health Monitoring Policy. The Supplier Health Monitoring policy will assess, amongst other things, the compliance of suppliers with all pertinent laws, including compliance with human rights and it will ensure that suppliers adhere to fair working practices that prohibit the use of forced and child labour.

Nordstrong expects our suppliers, that operate in jurisdictions with robust labour and employment protections, to comply with the laws of applicable jurisdictions, to behave ethically and not use forced and/or child labour. Nordstrong is constantly reviewing and revising the organization's supply chain contracts. In order to ensure that our suppliers are complying with all laws, we have updated and included the following provision in our supplier Terms and Conditions:

11. COMPLIANCE WITH LAW: Seller acknowledges and agrees that it is in compliance with and shall comply with all applicable laws, regulations, rules, orders and ordinances. Seller shall maintain in effect all of the licenses, permissions, authorizations, consents, and permits that it needs to carry out its obligations under this Order. Seller further warrants that it will provide Buyer with all required or requested information and documentation related to the subject matter of this Section. “

In order to prevent forced and child labour, Nordstrong has also mapped and identified suppliers to which the *Act* does not apply. These suppliers have provided us with letters of compliance to the *Act* or have indicated their compliance with the *Act* either in their website, Code of Conduct, or other legal files. Nordstrong remains committed to continuing to identify any emerging risks and working on remediation when appropriate.

### ***Remediation Measures and Remediation of Loss of Income***

As noted above, the risk of Modern Slavery is lower in the jurisdictions where Nordstrong operates, and Nordstrong has not identified any instances of Modern Slavery in the 2023 business activities. Nordstrong also does not believe any loss of income has been experienced by vulnerable families. As such, Nordstrong

has not taken any remedial measures or any steps to remediate any loss of income. Nordstrong remains committed to comply with the letter and spirit of the *Act*, and if Nordstrong identifies a situation of non-compliance, they will take the necessary steps to develop and implement a corrective action plan that will improve and remedy the situation.

### ***Training***

Nordstrong's management and employees receive training on policies that are designed to comply with employment standards and human rights legislation. We provide training to our management with respect to employment best practices and human rights legislation in the jurisdictions where they operate.

### ***Assessing Effectiveness***

Nordstrong has implemented a number of actions aimed at ensuring that forced labour and child labour is not being used in our activities and supply chains. No actions have been taken to assess the effectiveness of those actions to date.

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

This Report was reviewed and approved pursuant to section 11(4)(b) of the Act by Paul Remillard on May 31, 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 contained in the report is true, accurate and complete in all material respects for the purposes of the *Act*, for the reporting year listed above.



Paul Remillard, President of Nordstrong Equipment Limited

*I have the authority to bind Nordstrong Equipment Limited*