



## **Modern Slavery Statement Fiscal Year 2023**

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff ("Act"). This statement outlines the approach and initiatives by Redhead Equipment (collectively, "Redhead") and to identify and address the risks of forced labour and child labour in its business operations and supply chains during the financial year commencing January 1, 2023 and ending December 31, 2023. This is the first version of this report submitted in line with the requirements of the Act with no reporting requirements on similar regulation in other jurisdictions.

This statement reinforces Redhead's effort and commitment to combat child or forced labour, human trafficking, and other forms of modern slavery. We do not tolerate slavery or human trafficking in our organization or in our manufacturers.

### **Structure, Activities and Supply Chains**

#### **Our Structure**

The business was established in 1948 as WF Fuller Machinery Limited. Gordon Redhead worked for the Fuller Brothers and when they wanted to sell the business in 1968, he purchased it. The name was changed to Redhead Equipment Ltd. Gary Redhead started working for the company in 1969 and purchased the business from his father in 1980. The structure was changed to a partnership in 2009 and remains that way today.

Redhead Equipment has 10 locations in Saskatchewan, Canada. We are a Heavy Equipment Dealer for Manufacturers including Case IH Agriculture, Case Construction, New Holland Agriculture, New Holland Construction, Volvo Construction, Mack Trucks, Tigercat Forestry and Bombardier Recreational Products. We sell equipment and sell parts and service for that equipment. Virtually all of our sales revenue is in Canada, although every year we sell a couple of pieces of equipment into the US.

In terms of the Act's threshold requirements, Redhead meets the definition of a reporting entity.

#### **Supply Chain and Activities**

Redhead's supply chain includes 3,942 vendors. 3,679 or 93.3% of them are from Canada, 256 or 6.49% are from the US and the remaining 7 or 0.18% are from outside of Canada and the US. In all cases, all vendors regardless of origin are expected to adhere to Canadian rules and regulations.

Purchases are made primarily by our Management group, from Redhead approved vendors. Adding a new vendor to our system requires a review of the vendor and it must be approved by a Corporate Manager. With our 76-year history and reputation, we are very careful with who we choose to do business with and don't want to tarnish the Redhead reputation due to a subpar vendor. We have

committed ourselves to developing long-term relationships with our manufacturers and vendors that benefit our customers, employees, Redhead Equipment and the manufacturers and vendors.

Our supply chain provides a mix of goods and parts and services related to those goods.

We have zero tolerance for child and forced labour in any of our operations or supply chains. We require manufacturers and vendors to abide by applicable employment standards, labour, non-discrimination and human rights legislation.

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

As an organization, Redhead is committed to ensuring that there is no modern slavery or human trafficking situations in our supply chains or in any part of our business.

- We work within current employment legislation and apply best practices when recruiting. This includes requiring all employees have Social Insurance Numbers and Driver's licenses, if they will operate a company vehicle. This helps ensure that all employees hired, can work in Canada and meet the working age requirements for our industry.
- In the future, we may hire summer students, that are 14 or 15 years old, but it will be in full compliance with Saskatchewan Employment Act, with both permission of their parent or guardian and with completion of the Young Workers Readiness Certificate Course. These hires would be current employee's children that are looking for summer employment.
- In addition to our hiring due diligence, we run criminal record background checks as a condition of employment.
- We comply with all applicable employment laws, including laws regarding minimum wage, minimum age of employment, working hours, overtime, health and safety and human rights, of which are outlined in our Employee Handbook.
- We are implementing an ESG email address available to employees, customers and suppliers to report any concerns on a confidential and anonymous basis with regards to Environmental, Social or Governance concerns. This email address will go to our Chief Operating Officer, Chief Financial Officer and Human Resources Manager for investigation and resolution.
- As part of standard practice, we perform reference checks on any new supplier to identify legal, ethical, and financial concerns prior to purchasing.
- The Management team monitors current suppliers for any instances (actual or alleged) of legal or ethical concerns that would prevent Redhead from adhering to this legislation.

### **Risks in Supply Chain**

Redhead considers the risk of child or forced labour in its supply chains to be extremely low. 93.3% of our vendors are Canadian, 6.49% are from the US and the remaining 0.18% are from outside Canada or the US.

We reviewed World Visions' report "Supply Chain Risk Report 2023, Canada's Growing Child & Forced Labour Problem". There are specific sections of interest, the Top 10 Risky Goods by Import Value, 2021 (CAD), the Top 10 Fastest Growing Risky Imports Over \$1 Million, 2021-2022 (CAD) and the Full List of Risky Imports and we do not import any of the items on these lists.

In addition, the inherent risk of child labour or forced labour is very low in Canada compared to other

countries.

There is a potential risk with tier two, tier three or further down the line suppliers for the manufacturers and vendors we deal with. As part of our audit, we reviewed the supply chain legislation our manufacturers are required to comply with in other jurisdictions. Our major manufacturers have been bound by existing supply chain legislation going back to 2015. Additionally, many of our manufacturers or vendors are Canadian companies and will be required to comply with Bill S-211 in Canada.

In all cases, all vendors within the supply chain are expected to abide by all pertinent legislation including but not limited to child and forced labour, human rights, and health and safety. A high majority of our suppliers are well known and established within the industry and typically have had a long tenure in dealing with our organization.

### **Force Labour and Child Labour Risk**

Redhead has initiated the process of identifying risks related to child labour and forced labour within its operations. Based on the high majority of our manufacturers or vendors being Canadian or from the US, we don't import the top items from World Visions' report, the inherent risk of child labour or forced labour being very low in Canada, our manufacturers or vendors being subject to supply chain legislation in other territories or Canada and the long reputation history we have with our manufacturers and vendors, the risk of child labour or forced labour is extremely low at Redhead.

The company believes that the risk of Modern Slavery occurring in its operations is extremely low. This assessment is based on the nature of its workforce and the comprehensive policies and procedures that govern the recruitment, working conditions, and ethical treatment of employees and strict compliance with the Saskatchewan Employment Act. Notably, Redhead's entire labour force is based in Canada, where stringent labour laws and regulations provide additional safeguards against such practices.

To date, no specific instances of forced or child labour have been identified within the company. Redhead remains committed to maintaining high ethical standards and ensuring that all employees are treated fairly and with respect. The company continues to monitor and assess potential risks regularly to uphold its commitment to ethical labour practices.

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

Redhead has initiated a comprehensive process in which to identify the risks of child labour and forced labour within its operations and supply chains. This initiative involves a thorough examination of all aspects of its business, to ensure that no exploitative practices are present. As such, Redhead has not identified any instances of forced labour or child labour within its activities or those of its supply chains to date.

As a result, the company has had no cause to begin any remediation activities related to these issues. Redhead's current operations and supply chains appear to be free of forced or child labour, indicating its existing policies and procedures are effectively preventing such practices. As an organization, Redhead remains committed to ensure its operations and supply chain remain free of such risks of child and forced labour.

Furthermore, Redhead has not identified any instances where measures taken to eliminate forced labour or child labour have resulted in a loss of income for vulnerable individuals or families. This

indicates that the company's actions in this regard have not adversely impacted the livelihoods of individuals or families dependent on its operations. Consequently, there has been no need for Redhead to undertake any income remediation measures.

As an organization Redhead, remains committed to maintaining vigilant oversight of its operations and supply chains to ensure ongoing compliance with ethical labour standards. The company continues to prioritize the well-being and fair treatment of all individuals involved within its business operations.

### **Training**

In 2023, Redhead did not provide training to its employees on forced labour or child labour. However, in subsequent reporting years, the company will explore training in the area of child and forced labour with a view to incorporate that with our existing annual training plan provided to our employees.

### **Effectiveness Assessment**

To assess the effectiveness of our approach we rely on input from all relevant internal and external stakeholders, including customers, employees, suppliers and members of our communities. We investigate and track any reports made to our ESG Hotline, our supervisors, and senior management team.

We are committed to the ongoing enhancement of our procurement processes and the identification and mitigation of modern slavery risks within our supply chain. We will continually monitor our suppliers and perform audits on our manufacturers and vendors to identify any areas of risk. We will raise internal awareness of modern slavery issues through ongoing training.

### **Approval & Attestation**

Redhead Equipment remains committed to preventing forced labour and child labour from taking place in our business and supply chains, and we will continue to review our policies, procedures, and practices periodically to determine any potential enhancements to ensure continued compliance with Bill S-211.

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 period ending December 31, 2023.



Craig Slobodian, Chief Operating Officer

Redhead Equipment

Dated, May 29, 2024

**(I have the authority to bind the Partnership)**