



**ANNUAL REPORT ON THE
FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT (CANADA)**

Introduction

This report addresses the requirement of *the Fighting Against Forced Labour And Child Labour In Supply Chains Act* (Canada) (the “**Act**”) for the period from January 1, 2023 to and including December 31, 2023 (the “**2023 Fiscal Year**”). This is a joint report filed by Wesgroup Properties Limited Partnership, a British Columbia Limited Partnership with registration number LP0282640 (“**Wesgroup LP**”) and its controlled subsidiaries Wesgroup Equipment Limited Partnership, a British Columbia Limited Partnership with registration number LP559960 (“**Wesgroup Equipment**”), Westerra Equipment Limited Partnership, a British Columbia Limited Partnership with registration number LP0561033 (“**Westerra**”), Williams Machinery Limited Partnership, a British Columbia Limited Partnership with registration number LP0447304 (“**Williams LP**”) and Williams Machinery Equipment Sales Ltd. a British Columbia corporation with registration number BC1291697 (“**Williams Sales**” and together with Wesgroup Equipment, Westerra and Williams LP, the “**Covered Entities**” and each is a “**Covered Entity**”). The Covered Entities are “covered entities” as defined in the Act and Wesgroup LP, as the controlling entity of the Covered Entities, is filing this report on a joint basis with the Covered Entities. Wesgroup LP itself is not a “covered entity” as defined in the Act, and therefore this report is restricted to the Covered Entities. Further, the Covered Entities do not produce goods in Canada, but do import goods into Canada, so this report will focus on their import activities.

Questionnaire

1. *What steps has the entity taken in the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity?*

The Covered Entities did not take active steps in the 2023 Fiscal Year to prevent and reduce the risk that forced labour or child labour is used at any step of the importation of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.

2. *Please provide additional information describing the steps taken (if applicable)*

Notwithstanding that the Covered Entities did not take active steps in the 2023 Fiscal Year to prevent and reduce the risk that forced labour or child labour is used at any step of the importation of goods in Canada or elsewhere by the Covered Entities or of goods imported into Canada by the Covered Entities, the Covered Entities are committed to advancing principles of environmental, social and governance initiatives and other aspects of responsible business conduct that are not specifically or exclusively focused on forced labour or child labour, but align with Canada’s commitment to fighting climate change. Specifically, the Covered Entities have significantly increased their offerings of electrified equipment as an alternative to traditional combustion engine equipment such as forklifts, shunt trucks, trommel screens, compact loaders, and grinders. Additionally, the Covered Entities have increased their offering of modern equipment that are more fuel efficient and produce significantly lower emissions than traditional equipment.

The Covered Entities have also partnered with a reforestation agency in British Columbia for a program that has 10 trees planted for every equipment sold by the Covered Entities, and offer a variety of

equipment that assists with the processing of organic material for reuse, recycling, or more environmentally friendly disposal.

The Covered Entities have also implemented a variety of internal policies and procedures that ensure sustainable and responsible business practices are implemented and followed every day. These include using bio-degradable products, re-using items where possible, ensuring proper recycling practices are followed, and replacing fossil-fuel powered fleet trucks with electric vehicles, each in an attempt to lower the waste produced by the Covered Entities and reduce their environmental footprint.

3. Describe the entity's structure

Each of Wesgroup LP, Wesgroup Equipment, Westerra and Williams LP is a limited partnership formed pursuant to the laws of the Province of British Columbia. The general partner of each of these entities is a British Columbia corporation whose sole business activity is to act as general partner of the relevant limited partnership.

Williams Sales is a British Columbia corporation which is wholly-owned by Wesgroup Equipment.

4. Describe the entity's activities

Wesgroup LP's core business is as a real estate developer in the Lower Mainland of British Columbia. Wesgroup LP owns and develops real estate across all asset classes, including residential, industrial, commercial and retail. Wesgroup LP employs approximately 300 people in the Lower Mainland, and contracts with an additional 800+ trade workers on site. All of Wesgroup LP's development activities are in the Lower Mainland of British Columbia. As a vertically integrated real estate developer, Wesgroup LP controls Wesgroup Contracting Ltd., its inhouse construction manager, as well as Wesgroup Utilities, which is a business division that owns and operates River District Energy, a provincially-regulated district utility that services Wesgroup LP's River District development project.

Wesgroup Equipment is the parent entity under which the Covered Entities operate, and together the Covered Entities provide a network of full-service construction equipment and material handling dealerships, operating with eight locations across British Columbia and one in Alberta. Collectively the Covered Entities sell, rent and service construction equipment, and provide materials handling services, through its brands Westerra Equipment, Williams Machinery, and Vermeer British Columbia. The Covered Entities also provide training on the safe and effective operation and handling of the equipment they sell and lease. Collectively the Covered Entities employ approximately 190 people, all in British Columbia or Alberta. Wesgroup Equipment is proud to be a Platinum Member of *Canada's Best Managed Companies*, having been selected for that award for over seven consecutive years.

5. Please provide additional information on the entity's structure, activities and supply chains.

The Covered Entities' primary supply chain involves the procurement of equipment and associated parts for retail sale and use. The Covered Entities offer a wide range of equipment for every stage of construction, forestry, agriculture, landscaping, and logistics. Specifically, the Covered Entities manage and distribute a portfolio of equipment brands, the most significant being Bobcat, DEVELON, JCB, Linde, Konecranes, Terberg and Vermeer. Each of these brands is discussed in more detail below.

Bobcat

Bobcat Company is a global equipment, innovation and worksite solutions brand which manufactures

an extensive line of worksite solutions, including loaders, excavators, tractors, utility vehicles, telehandlers, mowers, turf renovation equipment, light compaction, portable power, industrial air, forklifts, attachments, implements, parts and services. Bobcat's North American headquarters are located in West Fargo, North Dakota, USA, and is owned by Doosan Bobcat, Inc., a company within Doosan Group. The Doosan Group is a South Korean multinational conglomerate encompassing industries including power generation, construction, fuel cell manufacturing, robotics and semiconductor testing. The Doosan Group is a member of the UN Global Compact areas of human rights, labour, the environment and anti-corruption, and has implemented a comprehensive human rights management system which prohibits discrimination, forced labour or child labour, and protects safety and human rights of employees and customers. Doosan Group has also established and follows its Guidelines for Sustainable Supply Chains (Supplier Code of Conduct) to ensure that its supply chain builds a safe working environment, guarantees respect and dignity for workers, and operates an environmentally friendly and ethical business.¹ Its Supplier Code of Conduct adheres to the principles of the Convention concerning Minimum Age for Admission to Employment adopted by the International Labor Organization, requires suppliers to adhere to laws relating to working hours, wages and benefits, non-discrimination, and that all work must be voluntary. Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted.

DEVELON

DEVELON construction equipment, formerly Doosan construction equipment, markets and supports the DEVELON brand of heavy construction equipment products that includes crawler excavators, wheel excavators, mini excavators, wheel loaders, articulated dump trucks, material handlers, log loaders and attachments. DEVELON has more than 180 equipment dealer locations in North America. DEVELON North America is headquartered in Suwanee, Georgia, USA, operates a customization plant in Savannah, Georgia, USA and maintains parts availability through its regional parts distribution centers, one in Atlanta and a second in the Pacific Northwest. As such, DEVELON's North American manufacturing is subject to the United States Fair Labor Standards Act as well as the Georgia Department of Labor's Child Labor laws and regulations. DEVELON is part of the HD Hyundai group of companies, and as such is subject to HD Hyundai's Charter of Ethics, which includes provisions respecting and observing the basic principles of protection and respect of human rights implemented by relevant labor laws in each county, United Nations Universal Human Rights Declaration and its substantive guidelines, and the Fundamental Rights and Principles of the International Labor Organization Declarations.² HD Hyundai's Charter of Ethics specifically prohibits them from employing any form of child labor and forced labor based on their support for United Nations Universal Human Rights Declaration, and requires them to perform due diligence with respect to evaluate potential impacts on human rights.

JCB

JCB (J.C. Bamford Excavators Limited) is a British multinational manufacturer of equipment for construction, agriculture, waste handling, and demolition. It was founded in 1945 and is based in Rocester, Staffordshire, England, and manufactures a variety of mechanical diggers and excavators.

¹ <https://www.doosan.com/en/csr/supply-chain>

² https://ethics.hd.com/HtmlE/EthicsCode/sub02_03.html#e01-08

JCB's North American headquarters are located in Savannah, Georgia, USA and is the location from where the Covered Entities' imported products are imported. JCB has established a Supplier Code of Conduct which includes specific requirements which are directly relevant to ensuring Modern Slavery is not taking place within their suppliers' business, and incorporates JCB's Human Rights Policy.³ Further, JCB's standard Terms and Conditions of Purchase include dedicated Human Rights, Modern Slavery & Labour Law compliance clauses, which contractually oblige their suppliers to ensure Modern Slavery is not occurring in their business. JCB conducts new supplier audits, requires suppliers to complete a Corporate Social Responsibility questionnaire, and is incorporating third party assessments of their suppliers' environmental, social and governance policies.

Linde

Linde Material Handling develops high-performance material flow solutions and is one of the world's largest manufacturers of forklift trucks and warehouse equipment. It has a global workforce of over 13,000 employees in over 100 countries. Linde's primary offerings are electric and diesel forklift trucks, warehouse equipment, fleet management software, automation solutions and driver assistance systems. Linde is part of the KION Group AG, one of the world's leading intralogistics groups, and which is listed on the German Stock Exchange. As a member of the KION Group, Linde is required to abide by KION Group's Code of Compliance, which includes an express provision that no member of the KION Group will tolerate "child labour, any harmful employment of young people, or any forced labour."⁴ To enforce its Code of Conduct, KION Group provides comprehensive compliance risk analysis, training, a whistleblower system, investigation and reporting.⁵

Konecranes

Konecranes is a global leader in material handling solutions, serving a broad range of customers across multiple industries. Konecranes is a Finnish public limited liability company that employs approximately 16,600 people in over 50 countries, and has its Canadian headquarters in Burlington, Ontario. Konecranes has established a Code of Conduct that all employees are required to adhere to, provides annual training in matters covered by its Code of Conduct, and manages a global Compliance and Ethics program.⁶ Konecranes Code of Conduct recognizes the basic principles of human rights and imposes zero tolerance of the use of forced or child labor in any form. In addition, Konecranes has adopted a Human Rights Policy and a Fair Labor Frame. Konecranes has included these requirements in their Supplier Code of Conduct and Distributor Code of Conduct, and has established a Human Rights Due Diligence Process which, among other activities, analyzes the human rights risks of Konecranes' supply chain. Additionally, human rights are embedded in Konecranes' new managers' training and in 2023 the topic was highlighted in the company's annual Code of Conduct training. Konecranes operates an anonymous whistleblowing channel, conducts internal and external compliance and ethics risk surveys, supplier audits, and since 2021 has engaged a third party to conduct social responsibility assessments at their manufacturing or service operation sites, located in typical high-risk countries, such as Mexico and the Philippines. Fair labor topics have been added to the standard agenda of local companies' Board meetings.

³ <https://www.jcb.com/dfsmedia/261086efe15a46f5afb95d093ef038ea/62068-source>

⁴ KION Group AG Code of Compliance <https://www.kiongroup.com/compliance>

⁵ <https://www.kiongroup.com/compliance/>

⁶ https://investors.konecranes.com/sites/konecranes/files/Annual_report_2023/sustainability_report_2023.pdf

Terberg

Terberg Special Vehicles is a division of the Royal Terberg Group B.V., which is a privately owned specialised vehicle manufacturer based in IJsselstein, Utrecht, Netherlands building special trucks and fitting specialist equipment to other manufacturer's trucks, cars and vans, and employs approximately 3,000 people worldwide. Terberg Special Vehicles equipment includes shunt trucks, yard tractors, distribution tractors, roll on/ roll off tractors and terminal tractors designed for moving trailers in distribution yards, ports, terminals, rail and road transportation, and warehouses. As part of the Royal Terberg Group, Terberg Special Vehicles are subject to the compliance and standards policies implemented therein, which includes adherence to applicable laws and regulations relating to the prevention of forced labour or child labour, as well as providing appropriate training for managers in the areas of employment rights, employee relations, equality and modern slavery.⁷

Vermeer

Vermeer Corporation is a family-owned, private company headquartered in Pella, Iowa, USA with manufacturing facilities in South Carolina, Florida and South Dakota in the United States, as well as the Netherlands and Tianjin, China. Vermeer manufactures a variety of industrial and agricultural equipment, and has approximately 4,000 employees globally. Vermeer's published supply chain management statement includes that they adhere to internationally recognized child labor and human trafficking laws, and Vermeer's standard terms and conditions require their suppliers, vendors and business partners to comply with state, federal and international laws.

6. *Does the entity currently have policies and due diligence processes in place related to forced labour and/or child labour?*

The Covered Entities did not have policies or due diligence processes in place during the 2023 Fiscal Year specifically in relation to forced labour and child labour. However, the Covered Entities are subject to and required to abide by Wesgroup LP's policies and procedures relating to maintaining a respectful workplace, anti-bullying and harassment, avoiding conflicts of interest, anti-discrimination, respecting employee privacy rights and anti-fraud, bribery and corruption policies. The Covered Entities are subject to the laws and regulations applicable in British Columbia, including the British Columbia *Employment Standards Act* and the British Columbia *Human Rights Code*.

7. *Has the entity identified parts of its activities and supply chains that carry a risk of forced labour or child labour being used?*

Yes, we have started the process of identifying risks, but there are still gaps in our assessments.

7.1 *If yes, has the entity identified forced labour or child labour risks related to any of the following aspects of its activities and supply chains? Select all that apply.*

- **The sector or industry it operates in**
- **The types of products it sources**
- **Tier one (direct) suppliers**

8. *Has the entity identified forced labour or child labour risks in its activities and supply chains related to*

⁷ <https://www.royalterberggroup.com/en/news/news-template-page/127558>

any of the following sectors and industries? Select all that apply.

- **Manufacturing**

9. *Please provide additional information on the parts of the entity's activities and supply chains that carry a risk of forced labour or child labour being used, as well as the steps that the entity has taken to assess and manage that risk (if applicable)*

The Covered Entities are in the business of selling and leasing heavy equipment used in a variety of construction, agricultural and other industries. This equipment is manufactured outside of Canada, so the Covered Entities do not control the location of manufacture, the conditions of manufacture, or the policies implemented in the manufacture of the products it sells and leases. The Covered Entities mitigate this risk by dealing with suppliers that either (a) manufacture the goods imported by the Covered Entities in locations that are considered to be low-risk for forced labour or child labour, for example, the United States; and/or (b) are large, global manufacturers that have publicized, robust policies and procedures in place prohibiting the use of forced labour or child labour in their manufacturing process and supply chain.

10. *Has the entity taken any measures to remediate any forced labour or child labour in its activities and supply chains?*

- **Not applicable, no forced labour or child labour was identified in our activities and supply chains**

11. *Please provide additional information on any measures the entity has taken to remediate any forced labour or child labour.*

- **Not applicable, no forced labour or child labour was identified in our activities and supply chains**

12. *Has the entity taken any measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains?*

- **Not applicable, no forced labour or child labour was identified in our activities and supply chains**

13. *Please provide additional information on any measures the entity has taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains (if applicable)*

- **Not applicable, no forced labour or child labour was identified in our activities and supply chains**

14. *Does the entity currently provide training to employees on forced labour and/or child labour?*

- **No**

15. *Please provide additional information on the training the entity provides to employees on forced labour and child labour (if applicable).*

- **Not applicable**

16. Does the entity currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains?

- **No**

17. Please provide additional information on how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains (if applicable).

- **Not applicable**

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.



Peeter Wesik

Director

Date: May 27, 2024

I have the authority to bind the Covered Entities