

2025 Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

This joint report has been prepared in accordance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the **Act**) for the financial year ending December 31, 2024, by Headwater Equity Partners and related entities (collectively, **Headwater**).

Organizational structure, activities, and supply chain

Headwater is a Canadian middle market private equity firm based in Vancouver, British Columbia. Headwater invests in a wide range of companies across a variety of industries, with a focus on Western Canadian manufacturing, distribution, and service businesses. Headwater is not directly engaged in the sale, production, distribution, or importation of goods, but holds a controlling interest in companies that meet the requirements for reporting under the Act (referred to herein as the **Portfolio Companies**).

Headwater's activities involve raising capital, performing due diligence, completing investment transactions, and working with the Portfolio Companies by exercising governance and risk management oversight. These activities include consideration of the social impact and human rights risks of our Portfolio Companies. Headwater has adopted a sustainable investment strategy informed by the UN Principles of Responsible Investment, which takes into consideration ethical sourcing and the human rights of workers.

Our Portfolio Companies operate in Canada and are based in British Columbia. Their activities include manufacturing, distributing, and selling concrete products for the construction industry, custom service truck bodies and hydraulic excavator attachments. The Portfolio Companies procure components, parts, and materials to produce and sell goods from reputable suppliers located in Canada and import from the United States, Europe, South Korea and China.

Steps to prevent and reduce the risks of forced labour and child labour

Headwater's approach to prevent and reduce the risks of forced labour and child labour involves conducting due diligence and engaging with our Portfolio Companies at a governance level on sustainability and human rights risks. Headwater does not manage the day-to-day operations of our Portfolio Companies. Each company has independent management teams who are responsible for managing risks associated with their operations and supply chains.

During the reporting year, our Portfolio Companies' approach to preventing and reducing the risks of forced labour or child labour focused on ensuring safe workplace practices in their operations and conducting risk-based due diligence on their direct suppliers.

Policies and due diligence processes

Headwater evaluates potential investments for ESG risks and opportunities as part of a Sustainable Investment Strategy. This investment due diligence process considers factors such as employee health and safety, product safety, positive labour relations, and ethical supply chain sourcing.

Supply chain due diligence and other operational matters are the principal responsibility of the Portfolio Companies' management teams. Headwater's involvement is limited to Board governance and oversight of the Portfolio Companies, including risk management, strategy and operational decision making.

Through our governance, operational and risk oversight, Headwater is aware that our Portfolio Companies:

- manage operational risk by establishing health and safety policies and programs in their operations and distribution facilities to ensure compliance with applicable safety, human rights, and employment standards laws in Canada, and
- manage supply chain risk by establishing long-term relationships with key direct suppliers and procuring goods from well-established Canadian and international companies.

Forced labour and child labour risks

Headwater did not identify risks of forced labour or child labour in the activities and supply chains of the Portfolio Companies in the reporting year. Our Portfolio Companies operate in Canada and procure most of their goods from Canadian suppliers, and are subject to Canadian employment, human rights, and safety laws. We are committed to engaging with our Portfolio Companies to improve visibility and, moving forward, will review relevant public disclosure to assess any labour-related risks in our extended supply chains.

Remediation measures and remediation of loss of income

Headwater has not become aware of any incidents or received any complaints relating to forced labour or child labour in the operations or supply chain of our Portfolio Companies. Consequently, we have not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

Employee training

We have not yet developed any training related specifically to forced labour and child labour in our activities and supply chains.

Assessing effectiveness

We have not yet developed formal measures to specifically assess the effectiveness of our approach to preventing and mitigating the risks of forced labour and child labour in our supply chains.

Approval and attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in the report for Headwater Equity. Based on our knowledge, and having exercised reasonable diligence, we 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.

Dated in the City of Vancouver, British Columbia, this 29th day of May, 2025.



Name: Daniel Jacques

I have the authority to bind Headwater Equity