



Vermeer Canada Inc.

Report: Forced Labour in Supply Chains

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Introduction

This report is Vermeer Canada Inc. (“Vermeer”) response to the Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act), sections 11(1) and 11(3).

Vermeer satisfies the definition of an Entity within the Act by having a place of business in Canada, doing business in Canada, having assets in Canada and meeting both the revenue and asset thresholds.

The financial reporting year of Vermeer covered by this report is fiscal year end October 31, 2025.

This year’s report follows a similar structure to last year’s report. It includes updated information where updates are available. Over the past year, we have continued to advance training for key employees on forced and child labour risks and have reviewed insights gathered through our supplier questionnaire.

Overview, Structure, Operations & Supply Chain

Overview

Incorporated in 2000, Vermeer is a full-service industrial equipment dealer specializing in equipment sales, parts, service and support. Coverage is offered through 16 full-service branches across Canada, with a corporate office located in Stoney Creek, Ontario.

At all our branches, we provide new and previously owned Vermeer equipment sales support, expertly trained in-shop and mobile service technicians and high-quality, stocked parts.

Structure

Vermeer Canada Inc. is a Canadian privately owned company. The ownership structure facilitates effective corporate strategy and governance, supporting Vermeer’s operational goals.

Operations

Vermeer operates as a distributor and service provider for construction, environmental, and agricultural equipment across Canada. The company’s primary activities involve the sale and service of specialized machinery, including trenchers, directional drills, and environmental processing equipment. Its operational infrastructure is supported by a network of service centers and dealerships throughout the country, which facilitate both sales and after-sales services. Vermeer has around 155 employees as of the year end 2025.

Supply Chain – Origin of Procured Goods

The table below shows the distribution of Vermeer’s spending across different countries. The majority of the expenditures are concentrated in the United States, followed by Canada. This breakdown highlights the geographic distribution of the procurement costs of goods in the fiscal year 2025.

Country	Percentage of Total Spend
Canada	20%
USA	80%

Policies & Due Diligence Processes

Vermeer has the following policies and due diligence procedures in place to identify and mitigate the risk of child labour and forced labour within our internal activities and supply chain. There have been no significant changes to our organizational policies related to the Act between the previous reporting period and the current one.

Internal Policies

Health and Safety Programs

Within this program, explicit requirements of management and supervisors state that all workers must be of legal age to work and that managers and supervisors are responsible for worker safety and accountable for employee's wellbeing under their supervision. Under this program, a Workplace Violence & Harassment Policy also states zero tolerance of harassment and threats in the workplace, identifying steps and procedures in reporting and investigating incidents. Vermeer also has a Refusal to Work clause in this program, allowing employees to refuse work, should they believe their own, or a co-worker's safety is in danger.

Employee Handbook

The Handbook states that acts of abuse and/or harassment are unacceptable at Vermeer and are subject to disciplinary action. If any harassment incident arises, employees are encouraged to speak directly to senior management. There is also a whistleblowing mechanism in place, to identify and alert the management of Vermeer who would tend to the resolution efforts. Timekeeping and working conditions are specified within the Handbook, identifying paydays. The Handbook identifies and defines inappropriate and unacceptable conduct and behaviour. The Handbook explicitly states that inappropriate or unacceptable conduct could result in disciplinary action including termination of employment. The handbook also has a section related to child and forced labour, highlighting Vermeer's zero tolerance appetite for forced and child labour and commitment to mitigating such risks in our supply chain. To reflect acknowledgement and agreement, employees are required to sign off on the Employee Handbook at the point of onboarding.

Due Diligence Processes

Training and Awareness

All Vermeer employees undergo mandatory training designed to recognize and respond to instances of violence and harassment. This training is critical in preventing incidents and ensuring that employees know how to act in potential situations, thereby enhancing overall employee well-being.

Regular Policy Reviews and Updates

Vermeer's policies are reviewed annually, with input from the Joint Health and Safety Committee. This ensures that all policies remain relevant and effective, adapting to new challenges or legislative changes. Regular updates keep the workforce informed and engaged with the latest standards and

practices, especially with child and forced labour rules.

Supplier Questionnaire

As part of its due diligence processes, Vermeer uses a supplier questionnaire to assess potential risks of forced labour and child labour within its supply chain, with a particular focus on larger or higher-impact vendors. The questionnaire is designed to gather information on suppliers’ operations, geographic footprint, sourcing practices, workforce composition, policies, and existing controls related to forced labour and child labour, as well as their awareness of and compliance with applicable legislation.

Through this process, Vermeer seeks to better understand supplier risk exposure, identify potential gaps in policies or practices, and inform follow-up actions where additional clarification or mitigation may be required. The use of the supplier questionnaire supports Vermeer’s efforts to take reasonable precautions, strengthen supply chain transparency, and address identified risks through engagement and ongoing oversight.

Supply Chain Risk Assessment

A risk assessment of Vermeer industry of operation, goods procured, and countries goods are procured from has been performed over material direct suppliers. This risk assessment used two separate indices to conclude on inherent risk of child and/or forced labour related to goods and countries - *Walk Free’s Global Slavery Index and the US Department of Labor’s List of Goods Produced by Child Labour or Forced Labour*.

Country of Operation

We conducted a risk assessment on our country of operation. We found that there were low inherent risks of forced labour or child labour in Canada. Vermeer has all its 155 employees located in Canada.

Country of Vendors

We conducted a risk assessment on the locations where our suppliers are located. The table below provides a breakdown of the number of vendors supplying parts and equipment, categorized by country, in the fiscal year 2025. We found that the countries identified have low inherent risks of forced labour or child labour in their populations.

Country	Parts Suppliers (#)	Equipment Suppliers (#)	Total Suppliers in 2025 (#)	Inherent Risk per Country
Canada	245	50	295	Low
USA	63	20	83	Low

Goods Procured

We conducted a risk assessment on the types of goods procured from our suppliers, informed by the external risk indices noted above. Vermeer procures a wide range of goods primarily supporting the

construction, landscaping, mining, and agricultural industries, with most purchases consisting of machine parts and complete equipment.

Based on the U.S. indices referenced above, the principal raw materials commonly associated with the parts and equipment Vermeer procures that are subject to identified inherent risks include:

1. Copper – associated with an inherent risk of child labour
2. Rubber – associated with an inherent risk of child labour
3. Iron – associated with an inherent risk of forced labour
4. Lithium – associated with an inherent risk of child labour

The identification of these materials reflects inherent, sector-level risk indicators and does not indicate that instances of forced labour or child labour were identified within Vermeer’s supply chain. Rather, this assessment is intended to support a risk-based approach by highlighting areas where enhanced attention and supplier engagement may be warranted.

Vermeer will continue to monitor the types of goods procured and refine its understanding of forced labour and child labour risks associated with these materials, including through ongoing supplier engagement and broader due diligence activities.

Remediation of Forced & Child Labour & Vulnerable Family Income Loss

To date, Vermeer has not identified instances of the use of child labour or forced labour within our operations or those of our suppliers. Vermeer is continuing to review its procurement practices to enhance the rigor of its due diligence processes, including raising awareness with its suppliers. At Vermeer, we commit to remediate human rights incidents and violations that occur within our operations and supply chain. During 2025, we received zero (0) complaints about Human Rights contraventions internally and externally. We will continue to monitor processes to ensure we do not conduct business with entities that violate human rights or labour rights, and we will immediately cease partnership with a business if evidence of forced labour or child labour is found.

Awareness Training

Vermeer continues to deliver targeted awareness training on Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act to strengthen internal understanding of modern slavery risks and related compliance obligations. The training is completed annually by managers across the organization and is also mandatory for all newly appointed managers as part of their onboarding process.

In 2025, 27 managers completed the mandatory training specifically designed to address Canada’s

Fighting Against Forced Labour and Child Labour in Supply Chains Act. Participants represented multiple departments and were required to complete the full e-learning module.

Vermeer recognizes the importance of ongoing education in addressing modern slavery risks and will continue to review and enhance training practices over time to ensure they remain relevant and aligned with evolving regulatory and supply chain expectations.

Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

Vermeer has taken steps to evaluate supply chain risks and prevent and reduce the risk of child labour and forced labour in alignment with the Act. These actions include:

- Vermeer has mapped its supply chain to support the completion of a risk assessment aligned with the Act.
- Vermeer conducted an internal assessment to identify goods within its supply chain that may present inherent risks of child labour and/or forced labour.
- Vermeer continues to uphold employee-specific policies and reporting mechanisms that enable employees to raise concerns related to workplace violence, harassment, bullying, and other unethical or unlawful conduct.

In addition, Vermeer has progressed the following initiatives to strengthen its approach to forced labour and child labour risk management:

- Vermeer implemented mandatory training related to child labour and forced labour for all managers, and embedded the training into the onboarding process for employees at the manager level.
- Vermeer deployed a supplier questionnaire to its largest supplier to obtain information related to forced labour and child labour risks within the supplier's operations and supply chain. The questionnaire responses have been collected and reviewed to support Vermeer's understanding of supplier risk exposure, existing controls, and potential gaps.
- Insights from the supplier questionnaire are being used to inform Vermeer's ongoing evaluation of supply chain risks and to guide future due diligence efforts, including determining whether and how supplier questionnaires may be expanded to additional suppliers.
- Vermeer is continuing to assess opportunities to strengthen contractual and policy-based controls, including the potential integration of anti-forced labour and anti-child labour provisions into supplier agreements, internal policies, training materials, and supplier due diligence processes.

Attestation

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 Vermeer Canada Inc. 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.

Full Name: PETER TROMBETTA

Date: 22-APR-26

Title: VP FINANCE : ADMIN

Signature: 

I have the authority to bind "Vermeer Canada Inc" and this report covers fiscal year November 1, 2024 to October 31, 2025 and applies to "Vermeer Canada Inc."