

MODERN SLAVERY REPORT 2024

South Country Equipment



Relevant Company Information:

- Organization Fiscal Year: November 1 to October 31
- Does your organization already prepare a modern slavery report to comply with the legislation of other jurisdiction (for example, the Modern Slavery Act 2015 (United Kingdom), the Modern Slavery Act 2018 (Australia), or the Transparency in Supply Chains Act (California)? No
- Is your organization either a parent company to another “SCE,” or a subsidiary company to another “SCE”? No
- Will you be preparing a Report in both English and French? No

This Modern Slavery Report (the “Report”) addresses the period from November 1, 2023, to October 31, 2024, and has been prepared in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “Act”).

This Report is made on behalf of **South Country Equipment (“SCE”)** A French version of this Report may be requested from SCE by emailing Holmeskevin@southcountryequipment.ca

I. INTRODUCTION

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As a leading business in the agricultural equipment industry, SCE recognizes the key role that we have in ensuring that the supply chains that support our operations and products, adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. This Report sets out the steps we have taken during Fiscal 2024 to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by SCE or of goods imported into Canada by SCE.

II. OUR BUSINESS

SCE is an agricultural equipment dealer headquartered in Saskatchewan Canada, through eight physical locations all located within the province. We are a corporate entity that distributes agricultural equipment including tractors, sprayers, seeding, and harvesting equipment, as an example. We also supply parts, attachments, and services to support those products. Our customers are the end-users of our products, which mainly includes family farms and agricultural businesses located in Canada.

SCE's supply chain includes businesses that supply agricultural parts and equipment, and supply services to our organization. Most of the goods we receive from our suppliers are in their final form, the balance being the parts to service the equipment that we sell. As a John Deere farm equipment retailer, most of our direct suppliers are Canadian/American-based agricultural equipment manufacturers and distributors (namely John Deere, Brandt, MacDon, Degelman, Schulte, Seed Master), who are based in Canada and the United States. Our supply chain also includes businesses that are based in other parts of the world such as the UK (for JCB) or Mexico/France/Spain (through John Deere owned and operated factories there).

In total, we procure goods and services from approximately ten suppliers. Further information about our business can be found on our website at www.southcountry.ca

III. OUR POLICIES

Policies

Through our Code of Conduct policies, we communicate our values and expectations, setting a high bar for ourselves and for our suppliers, and make it clear that we do not tolerate any forms of abuse. We are committed to consistently evolving and improving our approach. We do not tolerate child, forced or bonded labour in any of our operations, or in the operations of our suppliers, subcontractors, and other business partners. Our relevant policies are discussed in further detail below:

Supplier Code of Conduct

SCE's "Business Code of Conduct" sets out the expectations we have for ourselves, our staff, our suppliers, their supply chains, and those with whom we do business. Any supplier we do business with must comply with all applicable legal requirements in the jurisdictions in which they operate, and consistently monitor and enforce ethics that align with our "Business Code of Conduct" within their own operations and supply chain.

We also expect our suppliers to share in our commitment to respect human rights and strive to meet the highest ethical business standards and international best practices for responsible business conduct. Our Business Code of Conduct sets forth our commitment to preventing and eliminating forced and child labour, and our expectation that suppliers engage in due diligence to identify, address, and resolve risks and instances of forced or child labour in their own operations. We engage with suppliers that are committed to principles of diversity and inclusivity in their supply chains and ask that suppliers commit to these standards as a condition of doing business with us. We review our Business Code of Conduct periodically to ensure that this policy is in line with current best practices.

Code of Business Conduct and Ethics

We are committed to conducting our business in a lawful and ethical manner. Our "Business Code: Personal Conduct" is the foundation of our company policies and sets out guiding principles on professional conduct and establishes that in performing their job duties, SCE employees should always act lawfully, ethically, with respect for human rights, and in the best interests of SCE and the communities that we live in, and those that support us.

Human Rights Policy

As per the SCE Harassment Prevention Policy, every employee is entitled to employment free of harassment, as we are committed to a harassment-free workplace where everyone is treated with dignity and respect. This includes but is not limited to, sexual, physical, mental, race, creed, religion, color, sexual orientation, marital status, family status, disability, physical size or weight, age, nationality, ancestry, or place of origin; and expect our suppliers to value the same standard.

Due Diligence

We expect third parties with which we work to adhere to business principles and values like our own and to comply with all applicable laws and regulations. Before making any commitments towards third parties, we take steps to appropriately evaluate the relationship and mitigate any associated risks by conducting risk-based due diligence and checks.

We acknowledge that employees working in our supply chain are at potential risk of forced labour or child labour. To mitigate this risk, we follow a due diligence approach that includes the following steps:

- Engaging in initial conversations to ensure our Canadian suppliers have adhered to this new Canadian Reporting Initiative.
- Designing ways to seek out confirmation of proper practices from any offshore supplier NOT part of the Deere distribution network (i.e.: JCB)
- providing for or cooperating in remediation when appropriate.

IV. ASSESSING OUR RISK

Perhaps naive on our part, but due to the fact all our products are either manufactured by major US or Canadian companies, and any importing of items offshore is done through those same companies (importing products manufactured by facilities they directly own), to date SCE has engaged in very few actions to identify, assess, and manage supplier risk in this regard. To reduce the risk of forced and child labour in our business and supply chains, we will confirm those same suppliers have complied with this reporting requirement, as they all will fall under defining parameters requiring them to report. For further clarity, we do not directly import any items from any offshore suppliers considered to be considerable risk areas, or high-risk products (clothing, electronic components, etc.)

- Reliance on low skilled workforce
- Dangerous or undesirable work
- Presence of migrant workers
- Presence of labour intermediaries
- Offshore production
- Long, complex, or non-transparent supply chains
- Presence of child labour
- Jurisdictional risks including poverty, conflict, and enforcement of international human rights standards.

Our exposure to the risk of forced labour and/or child labour increases whenever we engage with third parties, for any products we may someday source from other than our regular Original Equipment Manufacturers (OEM's) mentioned above (we do no transportation, warehousing, construction, packaging, or raw material sourcing outside of Canada). However limited in actual dollar value of commercial activity we do with those parties; we recognize that our exposure of forced labour and/or child labour increases when we engage with suppliers who source goods from countries where forced labour exploitation is known to occur. As such, we will follow a risk-based approach to our due diligence activities. Our due diligence will be prioritized to the most significant adverse impacts based on severity and likelihood of harm, scaling the focus our attention and resources.

V. OUR COMMITMENTS

Steps to Prevent and Reduce Risks of Forced and Child Labour

- Developing and implementing training and awareness materials on forced labour and/or child labour for all staff sourcing the products we sell.
- Developing and implementing due diligence policies and processes for identifying, addressing, and prohibiting the conduct of business with any organization found to engage in forced labour and/or child labour in their business or supply chain.
- Conducting an internal assessment of risks of forced labour and/or child labour in our organization's current supply chains and prioritizing to focus due diligence efforts on the most severe risks of forced and child labour.
- Engaging with supply chain partners on the issue of addressing forced labour and/or child labour.

Remediation Measures

Our Supplier Code of Conduct requires our suppliers to adhere to high standards of ethical conduct. Forced and child labour is prohibited. We will also undertake diligence efforts (as further described in this Report) to ensure that the risk of forced labour and child labour is mitigated in our business.

If we were to discover any forced labour or child labour in our business and supply chains, we would take the following measures to remediate such forced labour or child labour:

- **REMEDATION MEASURES MAY INCLUDE:**
 - *Suspension or termination of a supplier.*
 - *Actions to prevent forced labour or child labour and associated harms from reoccurring.*
 - *Capacity-building measures, enhanced supervision and/or monitoring of supplier.*

Training

Every year, SCE personnel at all levels are required to re-acknowledge that our "Code of Business Conduct and Ethics" is understood and properly applied to our daily activities. Every new employee of SCE must complete and sign off on mandatory training/review of our values and policies, including our "Code of Business Conduct and Ethics," and is informed of how to report wrongdoing to management. We provide employees with ongoing and periodic training opportunities to ensure that all employees have current knowledge.

VI. OUR PROGRESS AND EFFECTIVENESS

As part of our governance processes, we monitor compliance with our policies re: human rights on an ongoing basis. We also review any concerns raised through our Whistleblower Policy and other informal mechanisms of employee feedback. To date no significant concerns or complaints have been identified.

We will continue to monitor and enforce all worker safety and human rights governing factors with respect to human rights, including forced labour and child labour on an on-going basis. Any non-conformance situations identified are dealt with by the appropriate teams. Support is provided to suppliers where necessary, with any unsatisfactory resolution leading to termination of our business interaction.

We also assess the effectiveness of our policies by:

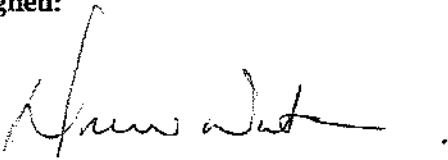
- Setting up a regular review or audit of the organization's policies and procedures related to suppliers re: forced labour and child labour.
- Tracking relevant performance indicators, such as levels of awareness by our procurement staff, numbers of cases reported and solved through grievance mechanisms, and numbers of suppliers with anti-forced labour and child labour clauses.

VII. APPROVAL AND SIGNATURE

This Report was approved by SCE'S Board of Directors on May 21, 2024, and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at www.southcountry.ca.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for SCE. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Signed:



Drew Watson

President, May 20, 2024

I have the authority to bind SCE.