



# Vermeer Canada Inc.

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Report: Forced Labour in Supply Chains

## 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, 2024.

This year's report follows a similar structure to last year's report. It includes updated information where updates are available. We are proud to report that we have made progress in training Vermeer employees on modern slavery, and we have distributed our first 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 153 employees as of the year end 2024.

### 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, with a smaller portion is attributed to some European countries. This breakdown highlights the geographic distribution of the procurement costs of goods in the fiscal year 2024.

Country	Percentage of Total Spent
United States	95,6 %

#### 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.

## 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 153 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 2024. 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 2024 (#)	Inherent Risk per Country
Canada	240	30	270	Low
USA	53	16	69	Low
Germany	1	0	1	Low
Netherlands	1	0	1	Low
Italy	1	0	1	Low

#### Goods Procured

We conducted a risk assessment on the types of goods procured from our suppliers. Vermeer procures a wide range of goods focused on the needs of the construction, landscaping, mining, and agricultural industries. Most goods procured by Vermeer include machine parts and full equipment parts. The following are the main raw materials used in the parts/equipment purchased as per the US Indices mentioned above:

1. Copper – this has inherent risk of child labour.

#### *Labour & Child Labour in Supply Chains*

- Identify goods and countries at risk of forced or child labour in their supply chains
- Recognize ways to identify risks of forced or child labour
- Implement mechanisms, such as due diligence strategies, to combat forced and child labour
- Recognize the warning signs of child or forced labour

Training was offered to employees at the manager level or above since they are the people who are responsible for overseeing employees. The training is made mandatory for those selected to complete it.

The course is delivered online in an interactive format where participants validate their learning by answers questions and reviewing case studies. It takes approximately 60 minutes to complete.

Vermeer acknowledges the importance of improving employee training relating to modern slavery. As part of the company's commitment to ethical practices, Vermeer will assess any additional, relevant training programs for our staff in the foreseeable future.

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

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For the second year, Vermeer has retaken some steps to evaluate its supply chain risks and prevent and reduce the risk of child labour or forced labour:

1. Vermeer has mapped their supply chain to complete a risk assessment to align with the Act.
2. Conducted an internal assessment of risks of forced labour and/or child labour by identifying the good(s) within our supply chain that have inherent risks of child labour and/or forced labour.
3. Upheld employee-specific policies to create a channel where employees feel safe to report instances of workplace violence, harassment, and bullying.

Going forward the following remediation measures against forced/child labour are under consideration:

4. Opportunities to integrate contractual clauses within supplier agreements related to anti-forced labour and/or child labour.
5. Opportunities to integrate anti-forced labour and/or child labour standards/conduct into internal policies (employee handbook and training) as well as supplier due diligence procedures (supplier agreements and questionnaires).

Vermeer has taken steps to progress certain initiatives relating to the fight against forced labour and child labour in Canadian supply chains:

6. Vermeer has implemented training relevant to child labour and/or forced labour. Selected members have completed or are in the process of completing this training.
7. Vermeer has sent out a questionnaire to its largest supplier to obtain information related to forced labour and child labour. Vermeer is continuing to evaluate the deployment of a supplier questionnaire to additional suppliers by consulting stakeholders on the best approach to

## 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:** 30 - APR - 2025

**Title:** EXECUTIVE VP FINANCE & ADMIN

**Signature:** 

I have the authority to bind "Vermeer Canada Inc" and this report covers fiscal year November 1, 2023 to October 31, 2024 and applies to "Vermeer Canada Inc."