

Modern Slavery Report

1 Introduction

At Procrane Inc., also known as Sterling Crane (“**Sterling**”), we are committed to preventing and reducing the risk of forced labour and child labour in our business and supply chains. We strive to work ever more closely with our suppliers to ensure their workforce and the workforce of their supply chains are treated with respect and dignity.

This report is made pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) for the financial year commencing on January 1, 2023 and ending on December 31, 2023 (the “**Reporting Period**”).

2 Structure, Operations, and Supply Chains

Sterling is an indirect subsidiary of Marmon Holdings Inc. (“**Marmon**”), a Berkshire Hathaway company comprised of 11 groups and more than 100 autonomous businesses, which together generate a total of US\$10 billion in revenue and employ over 20,000+ team members worldwide.

Sterling purchases and imports equipment and sells crane services to Canadian businesses.

Sterling’s supply chain extends across 3 continents. Equipment and parts are sourced from manufacturers and distributors based in North America, Europe, and Asia (primarily the United States, Germany and Japan).

3 Risk Profile

We believe that the risks of forced labour or child labour occurring within our own business operations are low. All of our workforce is based in Canada, where we have implemented fair and responsible employment practices that protect our employees’ rights.

We recognise that risks of modern slavery may be present in our supply chain. However, as our business consists of buying new and used assets with parts sourced from several manufacturers and countries, it is not always possible to determine the origin of our products beyond our Tier 1 suppliers. As such, the risk assessments we can perform are limited in scope.

4 Policies and Due Diligence Processes

Policy 1

Sterling adheres to Marmon’s *Prohibited Business Practices Policy and Code of Business Conduct and Ethics* (“**Policy 1**”). Policy 1 states Marmon’s commitment to safeguarding against any form of modern slavery taking place within its businesses or supply chain, including slavery, servitude, human trafficking, and forced or compulsory labour.

Supplier Code of Conduct

Sterling requires its suppliers to comply with Marmon’s *Supplier Code of Conduct* (the “**Supplier Code**”). The Supplier Code sets out Marmon and its subsidiaries’ zero-tolerance approach to modern slavery in all forms and their commitment to conducting business in a manner that respects and protects fundamental human rights. It prohibits suppliers from using forced labour or child labour and expects suppliers to, namely:

- Be able to certify that materials in their products have not been manufactured with, or obtained from companies that use, forced or child labour;
- Conduct their operations in ways that promote a humane and productive work environment
- Compensate employees fairly and follow all applicable local wage, leave and hour labour laws and regulations;
- Share Marmon's commitment to prioritizing compliance with health, safety and environmental laws and standards; and
- Communicate and enforce the principles of the Supplier Code with their own suppliers.

A breach of the Supplier Code may lead to suspension of orders and refusal of goods from the breaching supplier until appropriate corrective action is taken.

Speak Up Policy

Sterling's Supplier Code of Conduct Acknowledgement contains a provision encouraging workers to report violations of the Supplier Code:

5. SPEAKING UP & REPORTING CONCERNS

No matter your location or role, when you are working for or on behalf of Marmon you are expected to conduct yourself according to this Supplier Code and to speak up if you see something that goes against the requirements set out within. We encourage you to raise any concerns via the Marmon stakeholder reporting channels. We have a zero-tolerance approach to retaliation against anyone for reporting a concern in good faith.

Reports of non-compliance or any related concerns should be made to your Marmon business representative. All such reports will be treated confidentially and communicated on a need-to-know basis only.

We thank you for your cooperation and commitment to knowing and following this Supplier Code at all times.

Due Diligence Questionnaire

As part of Sterling's initiative to identify modern slavery and mitigate associated risks in our supply chain, we require our suppliers to complete a due diligence questionnaire on the subject of modern slavery risks. The questionnaire communicates Sterling's policy to ensure that no product purchased is produced, in whole or in part, with convict, forced, child or indentured labour and requires suppliers to specify, namely, whether they have due diligence programs or policies in place regarding forced labour.

During the Reporting Period, the results of the questionnaires were reviewed, and no items of concern were noted.

For suppliers active in certain industries or countries with higher levels of perceived human rights abuses, this subject will be reviewed at least annually to verify their questionnaire results have not changed and that additional risk is not present. If we do identify concerns through this process, we work with the supplier to assess impact and determine appropriate next steps. Depending on the facts specific to the supplier's conduct, we may stop orders as we investigate and may ultimately terminate the relationship as appropriate.

Supplier Screening

Sterling actively engages with potential new suppliers to ensure they are aligned with our principles. As part of our process to validate compliance, we screen all new suppliers with internal resources, as well as through independent auditing organizations such as Amber Road/E2Open.

Helpline

Sterling's parent company, Berkshire Hathaway, provides a 24/7 confidential helpline (www.brk-hotline.com) staffed and managed by an independent third party, NAVEX Global. This reporting tool allows our employees and the workers of our suppliers to raise any concern, including forced labour, child labour or any behaviour that does not align with our values or that may be against the law or Policy 1. Employees are encouraged to raise any concerns, without fear of retaliation or retribution.

5 Training

Policy 1 is included in all employee manuals available upon onboarding. Review and explanation of Policy 1 is also made a part of the training for each manager at Sterling.

We recognize that proper training of our employees is necessary to ensure effective implementation of our policies. Although Sterling does not presently offer formal training programs or materials specifically targeted at the prevention of modern slavery in our supply chain, we are actively considering the development of appropriate training resources.

6 Remediation Measures

We diligently monitor our supply chain partners for alignment with our values and compliance with our policies. During the Reporting Period, we have not identified any instances of forced labour or child labour in our business or supply chains. As such, no remediation measures were taken.

7 Remediation Measures Related to Loss of Income

During the Reporting Period, we have not identified any 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. As such, no measures to remediate loss of income were taken.


8 Assessing Effectiveness

Sterling does not currently assess the effectiveness of our actions in preventing and reducing risks of modern slavery in our operations and supply chain. As we continue our efforts to prevent and mitigate modern slavery risks in our operations and supply chains, we will review and refine our processes as needed so as to appropriately assess the effectiveness of our actions.

9 Approval

This statement was approved on the date written below by the Board of Directors of Procrane Inc., also known as Sterling Crane, pursuant to paragraph 11(4)(a) of the Act.

PROCRAANE INC., also known as Sterling Crane

Signed by:

By: _____
Tom MacLeod
President
October 30, 2024

I have the authority to bind Procrane Inc., also known as Sterling Crane