



SUPPLIER CODE OF CONDUCT (“SUPPLIER CODE”)

I. PURPOSE AND SCOPE

At **Green Diamond Equipment Limited (Green Diamond, our, us, we)**, we conduct our business in compliance with applicable law, and in an ethically, socially and environmentally responsible manner that recognizes our role in creating a more sustainable future. Operating under these core business principles (the **Business Principles**) builds trust, inspires confidence, leads to strong and lasting business relationships, and improves our bottom line.

In addition to the Business Principles, Green Diamond is required to meet legal obligations under various laws and regulation. This Supplier Code sets out the measures that any vendor, supplier or service provider (a **Supplier or you, your**) doing business with Green Diamond must take to ensure we can continue to meet its legal obligations, including under the following legislation:

- i) the *Fighting Against Forced and Child Labour in Supply Chains Act* (the **Supply Chains Act**),
- ii) the *Corruption of Foreign Public Officials Act* (the **CFPOA**); and
- iii) sections 119 to 125 of the *Canadian Criminal Code* (with respect to domestic corruption) (collectively, **Applicable Laws**, which includes regulations and published guidance made pursuant to such laws).

This Supplier Code also outlines the expectations Green Diamond has with respect to adherence by a Supplier to our general Business Principles.

Green Diamond requires the Supplier to comply with both the language and spirit of the Supplier Code, recognizing that Suppliers may implement these requirements in a manner that is appropriate and proportional to the nature and scale of activities, the materials and/or goods that they supply, and the services that they perform.

Beyond legal requirements, Green Diamond prioritizes business relationships with suppliers that share our commitment to the highest standard of business conduct. Specifically, Green Diamond prides itself on working with suppliers who place safety as top priority, promote and uphold the highest standards of ethics and integrity, and are economically, environmentally, and socially responsible in their business practices.

II. TO WHOM THIS CODE APPLIES

This Supplier Code sets out the standards of business behaviour expected of Supplier. The requirements outlined in this Supplier Code apply to a Supplier, as well as its contractors, subcontractors, representatives, vendors, and consultants. Supplier is expected to take commercially reasonable measures, including carrying out appropriate risk management and due diligence, to ensure the respect of this Supplier Code across their entire business and within their own supply chains. **Supplier is responsible for ensuring that its suppliers, vendors and service providers meet the requirements hereunder. Failure to do so will be considered non-compliance of this Supplier Code by the Supplier.**

The Supplier Code is not to be read in lieu of, but in addition to Supplier's obligations as set out in any agreements between Green Diamond and a Supplier. In the event of a conflict between the Supplier Code and an applicable agreement, the agreement will govern.

III. OBLIGATIONS OF SUPPLIERS

1. Complying with laws and applicable standards

While Green Diamond Equipment recognizes that its suppliers may operate in different locations, and in different legal and cultural environments, this Supplier Code and the standards set forth herein, are meant to operate as a benchmark for acceptable conduct to ensure we can continue to meet its legal obligations under Applicable Laws.

This Supplier Code is based primarily on the requirements imposed on Green Diamond under Applicable Laws, and further draws upon international standards and best practices applicable to our business operations.

Supplier is encouraged to go beyond legal compliance, to aspire to conduct its business in accordance with international standards and best practices in respect of social and environmental matters.

Requirements:

- 1.1 In all its activities, Supplier shall operate in a manner that complies with the laws, rules, and regulations in the jurisdictions in which they operate and applicable to Supplier.
- 1.2 Where the laws of the jurisdictions in which Supplier operates impose less restrictive obligations on Supplier or its operations, Supplier must adhere to the standards of this Supplier Code. Where laws of the jurisdictions in which Supplier operates impose greater obligations on Supplier, the Supplier must comply with such laws and regulations.

2. General Application of Human Rights & Employment Standards

Green Diamond is committed to respecting human rights in the workplace, and we expect Supplier to share in this commitment and to respect internationally recognized human rights, in line with the principles and guidance contained in the [UN Guiding Principles on Business and Human Rights](#) and the [fundamental conventions of the International Labour Organization](#).

Requirements:

- 2.1 Supplier must maintain a workplace characterized by professionalism, and respect for the dignity of every individual whom they employ, including respect for differences between individuals.
- 2.2 Supplier shall promote and provide inclusive, respectful, healthy and safe workplaces that are free from harassment, discrimination, workplace violence, retaliation and other disrespectful and inappropriate behaviour.
- 2.3 In particular, Supplier shall take commercially reasonable measures to ensure it:
 - provides a workplace in which all workers are treated with respect and dignity;

- provides workers with clear and understandable employment documentation in a language understood by the worker;
- complies with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits;
- where no wage law exists, workers are paid at least the minimum local industry standard;
- manages operations in a manner so that overtime does not exceed levels that create inhumane working conditions;
- allows its workers the right to leave work and freely terminate their employment within legal notice period requirements;
- has in place a policy of zero tolerance for discrimination, harassment and workplace violence;
- complies with all applicable regulations to prevent illegal, clandestine and undeclared employment;
- recognizes and respects the rights of employees to freely associate, organize and bargain collectively, in accordance with local laws and the fundamental conventions of the International Labor Organization; and
- respects any applicable collective bargaining agreements regarding work hours, overtime, rest period requirements, and paid vacation.

Where laws do not prohibit discrimination, or where they allow for differential treatment, we expect Supplier to be committed to non-discrimination principles and not to operate in a way that does not unfairly differentiate between individuals.

3. Prevent and Eliminate Forced and Child Labour

Green Diamond recognizes that forced and child labour is a global phenomenon that affects every region, country, economic sector, and workers in both formal and informal employment relationships. Certain sectors such as manufacturing, are considered high risk with respect to forced and child labour are frequently reported.

Green Diamond Equipment is subject to the Supply Chains Act and is committed to the elimination of forced and child labour, including the worst forms of child labour.

- Forced labour (**Forced Labour**) means labour or service provided or offered to be provided by a person under circumstances that:
 - could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide the labour or service; or
 - constitute forced labour or compulsory labour as defined in article 2 of the Forced Labour Convention, 1930, adopted in Geneva on June 28, 1930.

Forced Labour includes work or services not voluntarily performed that is exacted or coerced from a person under threat, force, or penalty, or threatened abuse of law or legal process.

- Child labour (**Child Labour**) means labour or services provided or offered to be provided by persons under the age of 18 years and that:

- Are provided or offered to be provided in Canada under circumstances that are contrary to the laws applicable in Canada;
 - Are provided or offered to be provided under circumstances that are mentally, physically, socially or morally dangerous to them;
 - Interfere with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work; or
 - Constitute the worst forms of child labour as defined in article 3 of the Worst Forms of Child Labour Convention, 1999, adopted at Geneva on June 17, 1999 (*travail des enfants*).
- The worst forms of child labour include:
 - Any work that exposes children to sexual abuse (physically or psychologically).
 - Any work that is done underground, under water, at dangerous heights or in confined spaces.
 - Any work that is done with dangerous machinery, equipment and tools.
 - Any work that involves the manual handling or transport of heavy loads.
 - Any work that is done in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health.
 - Any work that is done under particularly difficult conditions such as work for long hours or during the night or work where the child is unreasonably confined to the premises of the employer.

Supplier is encouraged to take commercially reasonable steps, including risk management and due diligence, to ensure that they are not directly, or indirectly, causing or contributing to Forced Labour or Child Labour in any aspects of their own operations, and that their own suppliers and subcontractors are doing the same. In particular, Supplier is encouraged to identify and focus on vulnerable workers and at-risk regions, where there is heightened risk for Forced Labour or Child Labour.

Requirements:

- 3.1 Supplier is strictly prohibited from engaging in, contributing to, or benefiting from the use of Forced Labour in any aspect of its business operations. All work performed for or on behalf of Supplier shall be voluntary, and workers shall be free to leave work or terminate their employment with reasonable notice.
- 3.2 Supplier is strictly prohibited from:
- using any form of slave, forced bonded, indentured, or prison labour;
 - threatening workers with or subjecting them to harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion, verbal abuse, or unreasonable restrictions on entering or exiting company-provided facilities;
 - engaging in or benefitting from any form of human trafficking;

- requiring, as a condition of employment, a worker to deposit or surrender an original of any government-issued identification, passport, work permit, or any other documents necessary for free movement and termination of employment;
 - requiring workers to pay employers' or their agents' recruitment fees or other similar fees to obtain their employment.
- 3.3 Supplier is strictly prohibited from engaging in, contributing to, or benefiting from the use of Child Labour in any aspect of its business operations. Supplier must exercise particular care in employing persons under the age of 18 to ensure that such employment does not constitute Child Labour as defined above. However, the use of legitimate workplace apprenticeship programs for educational benefit, which comply with all laws and regulations applicable to Supplier, is encouraged.
- 3.4 Supplier shall ensure that third-party agencies providing workers are compliant with the provisions of this Supplier Code and the laws of the sending and receiving countries, whichever is more stringent in its protection of workers.
- 3.5 Supplier shall assess the parts of its business and supply chains that carry a risk of Forced Labour or Child Labour being used and document the steps it has taken to assess and manage that risk.
- 3.6 Supplier shall use commercially reasonable efforts to train its employees on matters related to Forced Labour and Child Labour.
- 3.7 Supplier shall, upon reasonable request by Green Diamond be prepared to provide us with a description of how Supplier assesses its effectiveness in ensuring that Forced Labour or Child Labour are not being used in its business and supply chains.
- 3.8 Supplier shall take measures to address and resolve a suspected case of Forced Labour or Child Labour immediately upon becoming aware of the transgression and ensure that any corrective action provides for the full protection of the worker or the child, in line with principles articulated in the International Labour Organization's *Combating Forced Labour: A Handbook for Employers & Business*.

4. Operational-Level Grievance Mechanism

Suppliers are encouraged to develop and maintain an operational-level grievance mechanism to effectively identify, address, remedy and prevent any Forced Labour or Child Labour, or other adverse human rights impacts, that may occur in connection with our business relationship.

Requirements:

- 4.1 Supplier shall ensure that any grievance mechanism that is implemented is accessible, predictable, equitable, and transparent, and based on engagement with affected stakeholders.

- 4.2 Supplier shall maintain open channels of communication with those individuals or groups of stakeholders that are likely to be adversely impacted by potential or actual human rights violations so that the occurrence or likelihood of adverse impacts may be reported without fear of retaliation.
- 4.3 Supplier shall ensure that workers have an effective mechanism to report grievances and that facilitates open communication between management and workers.
- 4.4 Green Diamond does not tolerate retaliation or reprisal, including threats for good faith reporting or participation in a complaint process. Supplier shall not retaliate or commit any act of reprisal against any person for good faith reporting of breaches of the Supplier Code.

5. Anti-Bribery and Anti-Corruption

Corruption poses legal, commercial, and reputational risk to Green Diamond Equipment. Green Diamond Equipment conducts business honestly and ethically and expects all those working with Green Diamond Equipment to commit to the same standard of conduct and act in compliance with anti-corruption and anti-bribery laws. As part of Green Diamond Equipment's commitment to its Business Principles and compliance with Applicable Laws, all forms of corruption and bribery are prohibited.

Payments to public officials (federal, provincial, municipal or indigenous, domestic or foreign) are of particular concern. The Criminal Code defines "officials" as persons including those who are appointed or elected to discharge a public duty, or persons who hold a position under government or a public department. The term 'official' is to be interpreted broadly. In Canada and abroad, consideration must also be given as to whether individuals that are part of Indigenous governments qualify as public officials. The Canadian government has enacted legislation that formally recognizes more than 21 Indigenous-led governments.

The Criminal Code further prohibits agents from receiving or demanding a secret commission with respect to the affairs of their principals.

Anti-bribery and corruption laws generally prohibit giving, or offering to give, a reward, advantage or benefit to an agent or public official as consideration for such agent or official to do, omit to do, or to influence acts or decisions of the principal or public authority which such agent or official represents.

Requirements:

- 5.1 Supplier shall comply with all applicable national and international laws with respect to anti-bribery and anti-corruption and must not engage directly or indirectly in any activities that would put Green Diamond at risk of violating anti-bribery and anti-corruption laws.
- 5.2 Supplier must never offer, ask for, give or receive any form of bribe, kickback, any other type of improper payment, or attempt to gain influence or competitive advantage through improper means.
- 5.3 No payments, gifts or other benefits may be given, directly or indirectly, to public officials, political parties or political candidates for the purpose of influencing government decisions in Green Diamond's or Supplier's favour or securing any other improper advantage.

- 5.4 Supplier must never offer to give facilitation payments, i.e., payments to public officials to expedite or secure the performance of any act of a routine nature that is part of that official's duties or functions.

6. Due Diligence and Risk Management

In line with the [UN Guiding Principles on Business and Human Rights](#), we expect Supplier to maintain appropriate risk management and/or due diligence processes to identify, prevent, address, mitigate, and account for the Forced Labour, Child Labour, human rights, and ethical risks associated with their business practices.

Supplier should develop and track performance objectives, targets, and implementation plans, adopt self-evaluation mechanisms, and drive continuous improvement. Suppliers should self-evaluate and make improvements to meet or exceed our expectations and those of our customers as reflected in our Standards. We encourage Suppliers to continuously assess their risks specific to women and vulnerable groups, including children, indigenous peoples, and temporary or migrant workers.

Requirements:

- 6.1 Supplier must establish a due diligence process to manage the risks of a violation of the standards set out in this Supplier Code in their supply chains.
- 6.2 Management must develop appropriate processes to identify, monitor, and understand applicable laws and regulations to control identified risks and maintain compliance.
- 6.3 Suppliers must continuously monitor and enforce the standards set out in this Supplier Code in their own operations and supply chain, including with subcontractors.

IV. COMPLIANCE

Reporting

Suppliers are required to take reasonable steps to ensure that this Supplier Code is made available to Supplier Representatives and throughout Supplier's supply chains.

Anyone with reason to believe that Supplier or a Supplier Representative is not in compliance with this Supplier Code, or that Supplier or one or more Supplier Representatives have engaged in illegal, unethical, or otherwise improper conduct, is encouraged to report such conduct to Green Diamond Equipment by using the following avenue: CFO@green-diamond.ca

Investigations, Audits

Green Diamond Equipment may reasonably request information from Supplier regarding its compliance with this Supplier Code upon our request. Furthermore, if a violation of the Supplier Code is reported to us, or we have reasonable cause to suspect a violation of the Supplier Code by Supplier, Green Diamond Equipment reserves the right to monitor the Supplier, carry out an audit, evaluation, or investigation at its cost. This may include risk assessments, requests for information and documents as evidence of policies and practices, and supplier audits.

Requirements:

- 1.1 Supplier shall cooperate with any audits or investigations and shall maintain documentation to demonstrate compliance with the Supplier Code in accordance with applicable law and the terms of any agreement(s) between Green Diamond Equipment and the Supplier.

Violation or Non-Compliance

- 1.2 Supplier shall notify Equipment within 30 calendar days of noncompliance by Supplier or Supplier Representatives of the Supplier Code
- 1.3 If Green Diamond's investigation determines that Supplier is not in compliance with the Supplier Code, Green Diamond may employ commercially reasonable efforts to provide assistance, which may include Supplier training, upgrading facilities, and strengthening management systems. Green Diamond's assistance shall not be deemed a waiver by us of any of its rights, claims or defenses under any agreement between a Supplier and Green Diamond or under applicable law.

Remedies of Green Diamond Equipment

Failure to comply or remedy non-compliance with the Supplier Code may result in one or more actions being taken by Green Diamond, including:

- Green Diamond providing Supplier with a reasonable opportunity to correct the violation;
- enhanced monitoring;
- suspension or termination, in whole or in part, of Supplier's agreement(s) with Green Diamond; and/or
- removal of Supplier from the Green Diamond's approved vendor list on a permanent or temporary basis.

Nothing in this Supplier Code shall waive, modify, impair, abridge, or diminish any of Green Diamond's rights or remedies under any agreement between Supplier and Green Diamond Equipment, or at law, or in equity.