

Akhurst Holdings Ltd. Report Prepared Pursuant to

Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act

1. Introduction and Identity

This Report is produced by **Akhurst Machinery Ltd.** (“we”, “us” and “our”) for the financial reporting year ended December 31, 2023 (the “**Reporting Period**”) and sets out the steps taken by us to prevent and reduce the risk that forced labour and child labour was used at any step in the production of goods in Canada or elsewhere or of goods imported into Canada during the Reporting Period.

This Report has been prepared and filed pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”).

2. Steps Taken During the Reporting Period to Prevent and Reduce Risks of Forced Labour and Child Labour

As an initial measure, we and our operating subsidiaries have discussed with our suppliers that we will not accept the use of child or forced labour within their operations and we expect them to have a similar policy with respect to their broader supply chains.

3. Structure, Activities and Supply Chains

Structure:

Akhurst Machinery Ltd. has two American operating subsidiaries: Akhurst Machinery Inc, and Cantek America Inc.

Founded in 1938, our head office is in Delta, British Columbia. We have Canadian locations in Edmonton, Alberta, Moncton, New Brunswick, Mississauga, Ontario and Longueuil, Quebec. We also have two locations in the United States – one in Anaheim, California and one in Blaine, Washington.

Activities:

We and our operating subsidiaries import, sell, service and distribute industrial woodworking and metalworking equipment in North America.

Supply Chains:

We and our operating subsidiaries source and import machinery in final assembled and saleable condition from several global markets including Europe, the United States and Canada.

4. Policies and Due Diligence Processes

In the Reporting Period, we had no formal written policies, procedures or due diligence processes in relation to forced labour and child labour in place. We did reinforce with our suppliers that we will not work with any supplier that accepts the use of forced labour or child labour as part of its supply chain or that engages directly in forced or child labour. We are currently considering additional appropriate steps to take on a going-forward basis.

5. Parts of Business and Supply Chains with Forced Labour and Child Labour Risks and Steps Taken to Assess and Manage These Risks

At present we have no written policies in place to specifically rank risk areas based on location; however, we expect that geographies outside of North America are likely at higher risk.

Going forward we will include in our employee code of conduct (and as part of our new employee onboarding process) that employees should report immediately to management any instances or concerns they have regarding the use of forced or child labour.

6. Remediation Measures

In the Reporting Period, we did not identify any forced labour or child labour in our activities and supply chains. Accordingly, no remediation measures were taken.

7. Remediation of Loss of Income to the Most Vulnerable Families

In the Reporting Period, we did not identify any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains. Accordingly, no remediation measures were taken to address this issue.

8. Employee Training

Going forward, we will include, in our onboarding process, training for employees that they should immediately report to management any instances or concerns they have regarding the use of forced or child labour.

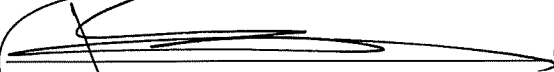
9. Assessing Effectiveness in Ensuring that Forced Labour and Child Labour are not Being Used in Entity's Business and Supply Chain

We have ongoing discussions with employees and suppliers to ensure there is no evidence of forced or child labour throughout our supply chain.

10. Approval and 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 this Report for the entity listed above. 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 Period listed above.

Date: October 17, 2024

 (signature line)

Name: John Sotham

Title: Director and CEO

I have authority to bind the corporation.

The Report was approved pursuant to Section 11(4)(a) of the Act by the Board of Directors of Akhurst Machinery Ltd. on October 17, 2024.