

## FORCED LABOUR AND CHILD LABOUR IN CANADIAN SUPPLY CHAINS - STATEMENT FOR FISCAL 2023

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms such as slavery, servitude, forced and compulsory labour, child labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

**Cleveland Range Ltd** (herein referred to as "**Cleveland**") is committed to acting ethically and with integrity in all our business relationships and takes a zero tolerance approach to forced labour and child labour. This Statement has been prepared in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the "**Act**") with respect to the period beginning September 1, 2022 and ending August 31, 2023 ("**Fiscal 2023**"). This Statement sets out the steps Cleveland has taken during Fiscal 2023 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 Cleveland or of goods imported into Canada by Cleveland.

We expect our suppliers, and their supply chains, to take all reasonable and practical steps to comply with the Act. We also expect our suppliers, and their supply chains, to engage in good employment practices and to comply with all relevant legislation and regulations in the countries in which they operate. This statement covers provision of goods and services provided from our offices in Canada.

### Our Philosophy

In today's modern world of increasing global migration, all regions (whether industrialised, developing or in transition), are at risk of being affected by modern slavery and there is no industry or sector that can be considered immune. Cleveland has a zero-tolerance policy towards modern slavery whether internally within our business, or externally within the global footprint of our supply chains.

### Our Structure, Activities and Supply Chains

Cleveland Range Ltd is a subsidiary of Welbilt Inc., a Delaware Corporation. Cleveland is incorporated under the Business Corporation Act of Ontario and is headquartered in Concord, Ontario. Cleveland offers best-in-class, energy efficient convection steamers, tilting skillets and jacketed kettles.

With a global reach of operations and a global span of supply chains, we source our raw materials and semi-finished goods by careful selection and spot audits of our supply partners. Our supply chain includes businesses that supply goods and services to our organization, including Manufactured parts including electrons wiring harnesses, valves etc. In total, we procure goods and services from approximately 196 suppliers and contractors worldwide, with the majority of our suppliers being located in Canada and USA.

### Our Policies and Procedures

Through our organizational and governance policies we communicate our values and expectations, setting a high bar for ourselves, our suppliers, and our selling partners, and make it clear that we do not tolerate any forms of forced labour or child labour. We are committed to consistently evolving and improving our approach. We make every effort, including through carrying out due diligence to

monitor the performance of our suppliers, to prevent our activities having a negative impact on human rights.

Adoption of an ethical trading and modern slavery statement as part of our supply chain agreements is a prerequisite to doing business with any new supplier.

### **Measures that we have taken to identify and mitigate risks.**

We expect third parties with which we work to adhere to business principles and values similar to 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 carrying out risk-based due diligence and checks.

We acknowledge that employees working for certain suppliers may be at potential risk of forced labour or child labour. To mitigate this risk, we follow a due diligence approach that includes the following step:

- Our supply agreements include provisions that require our suppliers to comply with the laws of the jurisdictions in which they operate, as well as provisions that preclude the use of child labour and/or forced labour in the manufacture and production of any of the goods we purchase from our suppliers.

Cleveland also engages in various activities to identify, assess and manage supplier risk. In assessing the risk of forced and child labour in our business and supply chains, the risks assessments is conducted. To identify the business activities with the greatest exposure to these risks, we consider the following factors:

- 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 when we engage with third parties, particularly in categories such as transportation, protective equipment and clothing, warehousing, construction, manufacturing, packaging.

### **Further steps to prevent Forced Labour in our business.**

Senior management is responsible for ensuring compliance with our policies and procedures that relate to forced labour and child labour within their respective business unit or area, including as regards to the activities of our suppliers and key strategic partners.

Recognising the hugely complex nature of modern supply chains and our ever-shifting business journey of continuous improvement, we continue to review all policies and ensure that we take a proactive approach to policy change and development. After these reviews, changes and modifications are communicated to all parties seeking their support and buy in.

As part of the measurement of the effectiveness of the forced labour policy, we will continually review the following performance measures:

- Actions and changes to our supplier audit process
- Identification of suppliers and regions where there may be potential risk
- Investigations and actions whereby risk and deviation from our policy exists
- Staff training levels

### **Remediation Measures**

As we did not identify any incident of child labour or forced labour in our activities or supply chains in Fiscal 2023, we did not need to take any measures to remediate an incident of modern slavery nor did we need to remediate the loss of income to the most vulnerable families that resulted from any measures taken to eliminate the use of forced labour or child labour in our activities or supply chains.

### **Internal training**

As part of our ongoing training and development plan, we ensure that our employees are made aware of our policies and informed on any changes that may affect them as they occur.

### **Our progress and effectiveness**

As part of our governance processes, we monitor compliance with our policies on an ongoing basis. We also review any concerns raised. To date no significant concerns or complaints have been identified.

### **Statement**

This Statement sets out the steps we have taken and are continuing to take to ensure that forced labour and child labour is not taking place in any part of our Canadian business or supply chains.

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 Statement for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Statement is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I make the above statement in my capacity as a director of the board of directors of Cleveland for and on behalf of the board of Cleveland.



Full name: Stan Ioffe

Title: President

Date

I have the authority to bind **Cleveland Range Ltd.**

