



## GEA Canada

### Fighting Against Forced and Child Labour Report

*To meet the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada) (the “Act”)*

Published: May 31, 2024

#### INTRODUCTION

We are pleased to provide this report outlining the on-going actions of GEA Canada Inc. and its subsidiaries (“**GEA**” or the “**Company**”) in our financial reporting year 2023 to support the requirements of the Act. In line with the requirements of the Act, this report describes the activities of GEA and its subsidiaries that are reporting entities under the Act, to limit the risk of the use of forced and child labour in our supply chains. This report covered activities from January 1, 2023 to December 31, 2023 (the “**Reporting Period**”).

GEA is one of the world’s largest systems suppliers for the food, beverage and pharmaceutical sectors. Our portfolio includes machinery and plants as well as advanced process technology, components and comprehensive services. Used across diverse industries, they enhance the sustainability and efficiency of production processes globally.

GEA Group is listed in the German DAX 50 ESG, received once again the annual “Supplier Engagement Leader” award from the Carbon Disclosure Project, was included in the Dow Jones Sustainability Indices (DJSI World) in December 2023 and received further strong rating scores e.g. with EcoVadis, MSCI, FTSE4Good Index Series, ISS ESG or Sustainalytics. GEA is fully committed that its business practices, human resources procedures and the selection of its staff and those with whom it does business are aligned with good faith efforts to ensure that exploitative practices are addressed and eradicated from our supply chain. With our suppliers, we foster environmental excellence and highest social standards throughout our entire supply chain.

Our commitment to respecting human rights is based on following international human rights standards:

- International Bill of Human Rights, comprising the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights
- International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- ILO Fundamental Conventions
  - Freedom of Association and Protection of the Right to Organise Convention, 1948 (No.87)
  - Right to Organise and Collective Bargaining Convention, 1949 (No.98)
  - Forced Labour Convention, 1930 (No.29)
  - Abolition of Forced Labour Convention, 1957 (No.105)
  - Minimum Age Convention, 1973 (No.138)
  - Worst Forms of Child Labour Convention, 1999 (No.182)
  - Equal Remuneration Convention, 1999 (No.100)
  - Discrimination (Employment and Occupation) Convention, 1958 (No.111)



- Occupational Safety and Health Convention, 1981 (No.155), and the Promotional Framework, 2006 (No.187)
- Principles of the United Nations (UN) Global Compact and its 17 Sustainable Development Goals (SDGs)
- United Nations Guiding Principles on Business and Human Rights
- Guidelines for Multinational Enterprises of the Organization for Economic Co-operation and Development (OECD)
- United Nations Woman Empowerment Principles and United Nations Convention on the Elimination of All Forms of Discrimination Against Women
- United Nations Convention on the Rights of the Child
- United Nations Global Compact

The list of Human Rights presented is not exhaustive. Where GEA faces conflicts between the internationally recognized human rights and national laws, GEA will seek to act in accordance with the higher standard while ensuring legal compliance in our countries of operation.

GEA is committed to respect all the human rights of workers. This applies to direct and indirect suppliers, as well as all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.

The information provided in this report generally applies to all Reporting Entities (as defined below), unless otherwise indicated, and to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.

### ***Reporting Entities***

This is a joint report under the Act for the following reporting entities (the “Reporting Entities”):

- GEA Canada Inc.
- GEA Farm Technologies Canada Inc.
- GEA Refrigeration Canda Inc.

### **OUR STRUCTURE**

The operations of GEA are conducted principally through its Canadian subsidiaries, with principal offices located at 4591 Saint-Joseph Boulevard, Drummondville (Quebec) J2A 0C6 Canada. GEA Farm Technologies Canada Inc.'s Drummondville plant is the center of competence for agricultural effluent management. GEA Farm Technologies Canada Inc. develops and manufactures equipment for cattle and hog farming and is the largest manufacturer in this field in North America. GEA Refrigeration Canada Inc. is located at 2551, Viking Way, Richmond (British Columbia) V6V 1N4 and is the center of competence for the design, manufacturing and installation of industrial freezers. GEA Canada Inc. is located at 4145 North Service, 2<sup>nd</sup> Floor, Burlington (Ontario) L7L 6A3 and is the center of expertise for sales & services of Separation and Flow Technologies equipment and applications in Canada.

### **OUR SUPPLY CHAIN**

As a technology group with a high level of materials expertise, we are aware of our responsibility and source raw materials, commodities and services worldwide exclusively from verifiably



qualified suppliers. We are convinced that responsible procurement enhances the company's reputation, its attractiveness as an employer and ultimately its own profitability.

For our manufacturing operations, we purchase raw materials, semi-finished and intermediate products as well as, most notably, components that are not based on our own core technologies. We also buy in plant components for the construction and delivery of process solutions for various applications and outsource work such as construction site and installation services to subcontractors. In the case of steel construction projects, the steel itself is often included in the subcontracting scope.

At GEA, sustainability in procurement and the supply chain is supported by a group-wide team. This team specifies the requirements and targets of the Mission 26 group strategy in respect of sustainability for Procurement and manages the individual initiatives to attain these. The team's tasks include training the 750 employees in the global Procurement organization to efficiently implement and coordinate the measures. The team members also serve as experts to answer questions. Their tasks include:

- Managing the sustainability program for suppliers, in particular introducing and monitoring compliance to sustainability criteria for suppliers
- Coordinating the reduction of greenhouse gas emissions in the upstream supply chain
- Taking responsibility for implementing regulatory requirements in the supply chain (e.g., the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*)
- Developing and implementing concepts for continuous risk identification and prevention in the supply chain
- Developing and implementing internal and external training courses to increase expertise within our own organization and at suppliers.

GEA recognized that the size and complexity of our supply chain comes with responsibility. Locally and internationally, GEA is always looking for reliable and high-quality suppliers with a competitive edge. We seek to work with companies who contribute to sustainable development: ethically, socially, environmentally and economically. GEA Supply Chain controls the purchasing of project, equipment and product related materials. Our need is organized by categories and we have a specific need within Steel material, Welding, Machining, Painting and Production equipment & Consumables, Filtration & Mixing, Heating & Cooling, Pumps, Valves, Electrical Drives and Controls & Electric.

GEA sources most of the goods and services required for operations from large corporations operating in Canada and United States of America. Local operations may engage services like maintenance and cleaning from smaller locally based suppliers in close geographic proximity to our manufacturing plants.

Our largest purchase is primary raw materials made up of steel. Secondary materials consist of paint, adhesives, packaging materials and other consumables.

### **ADDRESSING FORCED AND CHILD LABOUR IN OUR SUPPLY CHAINS**

To ensure the respect of human rights within GEA's own operations as well as its supply chain, GEA set up a comprehensive human rights due diligence framework incl. forced and child labor containing the following six key elements: governance, risk assessment, measures, monitoring,



grievance mechanism and documentation & reporting. Those six due diligence elements are interconnected and designed to work in an iterative process, constantly developing to reflect changing circumstances and eliminate potential blind spots. The entire framework, especially in terms of implemented preventive as well as remedial measures, is based on GEA's individual human rights risk profile identified through the regular human rights risk assessment to specifically target the most salient risks.

## Governance

Overall responsibility for the design, steering and implementation of the framework lies with the appointed Human Rights Officer (GEA's Chief Sustainability Officer) and is anchored in GEA's Sustainability Department. The Human Rights Officer is mandated to coordinate, implement, communicate, and document appropriate measures throughout the entire GEA Group, and is responsible to keep track of upcoming human rights related issues, regulatory changes and potentially necessary modifications/ improvements to the overall framework.

The Human Rights Policy, the [Code of Conduct](#), the [Code of Conduct for Suppliers and Subcontractors](#) and the Human Rights Investigation Policy provide the basis for implementing measures in GEA's own operations and the supply chain.

### **Code of Conduct**

The code of conduct comprehensively describes the values, principles, policies and guidelines that guide the corporate conduct of GEA. It offers a binding reference framework and applies to the Board, to management and to each individual employee. The code of conduct and the related internal regulations and policies reflect GEA's goal, of ensuring compliance with all applicable legal provisions throughout the company and thereby protecting the interests of GEA and its employees. They also serve to create a working environment that is characterized by integrity, respect, and fair and responsible conduct.

### **GEA Code of Conduct for Suppliers and Subcontractors**

The Supplier Code of Conduct defines the principles and requirements of GEA Group for all its suppliers of goods and services, all of its subcontractors as well as suppliers' and subcontractors' group companies (hereinafter jointly defined as "**supplier**" or "**suppliers**") regarding their responsibility towards society, the environment and the people taking part in the manufacture of goods and/or the performance of services. The Supplier Code of Conduct also takes into account, in particular, the requirements of the *UK Modern Slavery Act 2015* and the *German Act on Corporate Due Diligence Obligations in Supply Chains* (Lieferkettensorgfaltspflichtengesetz - LkSG), which include requirements that are similar or overlapping with the Act, with the aim of preventing or minimizing the risks of the violation of human rights or environmental obligations in supply chains or to end the violation of human rights or environmental obligations.

As a condition of doing business with GEA, we expect suppliers to comply with these requirements and moreover comply with national and international environmental standards and regulations. It is GEA's intention to maintain the Supplier Code of Conduct in a spirit of constructive dialogue and partnership with suppliers. If GEA finds or suspects incidents of non-compliance with the Supplier Code of Conduct and GEA informs the supplier hereof, GEA expects the supplier to investigate and correct issues of non-compliance as soon as possible and within an agreed timeframe. If the supplier does not show willingness to correct these issues, GEA reserves the



right to take appropriate legal action, including measures to terminate the business relationship entirely or to promote, trace and enforce corrective actions.

### ***Human Rights Policy***

GEA respects the rights of children to development and education, and condemns all forms of child labor, both in its own operations and in the supply chain. We do not tolerate forced labor, slavery or human trafficking in any form. GEA condemns all forms of violence, including gender-based violence.

To ensure the respect of human rights within GEA's own operations as well as its supply chain, GEA set up a comprehensive human rights due diligence framework containing the following six key elements: governance, risk assessment, measures, monitoring, grievance mechanism and documentation & reporting. Those six due diligence elements are interconnected and designed to work in an iterative process, constantly developing to reflect changing circumstances and eliminate potential blind spots. The entire framework, especially in terms of implemented preventive as well as remedial measures, is based on GEA's individual human rights risk profile identified through the regular human rights risk assessment to specifically target the most salient risks.

GEA's organizational setup has been crafted to design, steer, implement, and monitor a proper human rights due diligence framework. Overall responsibility for the design, steering and implementation of the framework lies with the appointed Human Rights Officer (GEA's Chief Sustainability Officer) and is anchored in GEA's Sustainability Department. The Human Rights Officer is mandated to coordinate, implement, communicate, and document appropriate measures throughout the entire GEA Group, and is responsible to keep track of upcoming human rights related issues, regulatory changes and potentially necessary modifications/ improvements to the overall framework.

### ***Human Rights Investigation Policy***

In addition to the Human Rights Policy, GEA adopted a Human Rights Investigation Policy.

Such policy sets minimum standards for investigations of potential human rights violations within GEA, its supply chain, local communities or other stakeholders. It shall apply directly to potential material violations of laws, regulations, GEA internal rules, and potential risks to risk holders, within the scope of the GEA Policies, in particular the Human Rights Policy and the Code of Conduct.

As a general rule, human rights investigations are conducted by GEA Sustainability. In individual cases and after alignment with the Human Rights Officer, the Senior Vice President Corporate Legal or the Vice President Compliance and Principal Legal Matters and/or the Senior Vice President Corporate Internal Audit and/or the Head of any other corporate function that shall be involved in the human rights investigation may decide that GEA Compliance and/or GEA Internal Audit, and/or members of other relevant corporate functions, shall be involved in human rights investigations.



If local laws or rules require higher standards, those higher standards must be followed. The Executive Board of GEA can also decide to adopt higher standards for specific cases or permanently. The protection of whistleblowers is addressed in the GEA Whistleblower Protection Policy, the provisions of which must be observed during the entire investigation procedure and, in case of doubt, shall take precedence over the investigation rules.

All complaints and allegations of potential human rights violations are assessed for their substance and potential consequences for GEA.

A human rights investigation is considered when there are specific and sufficient indications of a human rights violation within GEA. Human rights violations include complaints, allegations or confirmed violations of internationally enshrined human rights or international environmental obligations or impacts or risks for risk holders. The human rights incidents to be handled in accordance with this policy include incidents at own sites and in the direct impact area of sites (e.g., impacts on local communities), at the direct supplier and indirect supplier (where applicable).

If the Investigation Report establishes one or more human rights violations and/or contains proposed human rights measures, GEA's Human Rights Officer will as soon as possible call a meeting of the Human Rights Committee, comprised of GEA's Human Rights Officer, the Division Head of Sustainability, the Legal Representative, the Human Rights Investigator, the Head of Sustainable Procurement and a member of GEA's management. The Human Rights Committee shall unanimously decide on the proposed human rights measures. If a unanimous decision cannot be reached, the Human Rights Officer shall report the human rights case to GEA's Executive Board, summarizing the different perceptions of the members of the Human Rights Committee and asking the Executive Board for final decision. The Senior Vice President Corporate Internal Audit as member of the Human Rights Committee will not give a vote on any disciplinary measure that might result from the Committee's assessment in line with the professional regulations applicable to auditors.

Approved human rights measures are communicated to responsible employees / managers with a timeline for implementation. Delays or issues in implementation are reported promptly.

### ***Complaints Mechanism***

GEA has a complaints mechanism in place that offers employees and third parties a safe and anonymous way to report human rights and environment-related risks or violations. The complaints mechanism comprises several channels through which complaints can be submitted to GEA.

As of 2014, GEA offers its employees, workers in the supply chain and third parties a secure platform for reporting human rights violations: the independent, certified Integrity System BKMS that can be accessed via the [GEA webpage](#). The confidential Integrity System is available online around the clock and across the globe.

With 55 national telephone numbers and a voice control function, the whistleblower system makes it also possible to report potential human rights violations anonymously in 19 languages via a telephone hotline.

All human rights and environmental related reports are directly forwarded to GEA's Human Rights Officer and a designated human rights investigator. Reports are treated confidentially in order to protect both complainants and accused parties. Reports can be submitted anonymously



if allowed in the country in question.

All reports follow the standards as laid out in GEA's Whistleblower Protection Policy as well as GEA's Human Rights Investigation Policy.

## **RISK ASSESSMENT AND IDENTIFICATION**

The risk assessment serves as the basis for an appropriate set-up and implementation of the Human Rights Due Diligence Framework. A yearly analysis of the potential impacts resulting from GEA's business activities is to be conducted to identify risks and potential violations of human rights within GEA's own operations and across the supply chain.

### ***Methodology***

In order to cover the entirety of GEA's global activities including its supply chain, an abstract risk analysis is to be performed in a first step, assessing human rights related country- and industry-specific risks for predefined clusters (for GEA's own operations as well as the supply chain) based on activity types or goods and services sourced respectively. Based on the abstract risk analysis, prioritized risk clusters are to be analyzed more detailed and on a more granular level (i.e., on site or supplier level). Following aspects, among others, shall be considered in the second step of the risk analysis: (1) the specific nature and scope of the business activities, (2) GEA's ability to influence the respective entity directly responsible for a risk or potential violation, (3) the expected severity and likelihood of a potential violation of this nature, and (4) the nature of the GEA's contribution to the risk or the potential violation. Additionally, information based on past reports or incidents is to be considered to avoid potential blind spots resulting from insufficiencies in utilized external data. All information used is based on the governance indicators of the World Bank.

In addition to the regular human rights risk analysis, an ad-hoc analysis is being triggered for all M&A activities and in case GEA gains substantiated knowledge of human rights issues currently not being covered by the regular risk analysis or due to a significant change in the business model and activities, resulting in a changed risk exposure.

### ***Results***

GEA conducted an initial human rights risk analysis in 2023, covering the abstract analysis described above as well as considering certain aspects and risk factors of the concrete analysis. As a result of the initial assessment, specific activity- and purchasing clusters have been identified as priority areas based on the respective risk exposure.

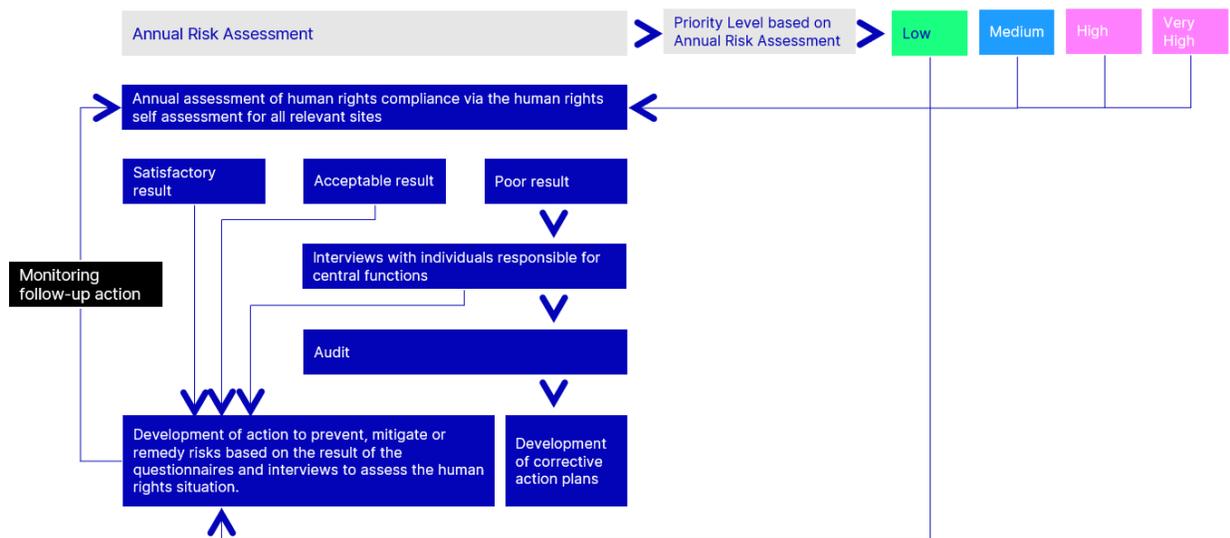
GEA conducted a full-scope human rights risk analysis following the methodology described in this report in 2023 and updated the "Results" section of this policy accordingly.

## **RISK MITIGATION AND REMEDIATION**

GEA takes appropriate action on its human rights- and environment-related risks by implementing preventive, mitigating and remedial measures. The overarching purpose of all measures is to prevent or minimize adverse effects on individuals and groups of people, and to provide remedy for individuals or groups already affected. The design and timeline of measures closely corresponds to the identified risks, ensuring appropriate yet timely action.



## Own Operations



Preventive measures include an annual assessment of GEA's sites through a human rights self-assessment questionnaire, followed up by corrective actions where applicable. 83 GEA Group sites and 221 suppliers were requested to provide a self-assessment in 2023. Remaining medium risks or higher are mitigated through interviews and/or audits as shown in the graphic.

A mandatory human rights training was delivered for all active employees, including part-time employees, among the staff of approximately 18,000. Employees of the procurement organization also receive training on the contents of the Code of Conduct for Suppliers and Subcontractors. In addition, the GEA keeps its employees informed on human rights issues on both an ongoing and incident-related basis.

GEA has an internal process in place for handling incidents that amount to human rights violations or the imminent risk thereof. The process shall ensure that appropriate mitigating and remedial measures are taken. GEA will ensure engagement of potentially affected individuals or groups in the development and implementation of such measures.

Human rights controls have been added into GEA's Internal Control System (ICS) and as the third line of defense, the internal audit is checking on human rights as part of their regular audits.

## Supply chain

GEA is working with third party solutions to expand its supply chain transparency and continuously engages with its tier 1-suppliers to monitor their sustainability performance. GEA seeks to support



its suppliers in complying with GEA's human rights requirements as laid out in this policy as well as the Code of Conduct for Supplier and Subcontractors. Suppliers are to be regularly assessed and audited if deemed necessary. Furthermore, GEA ensures that corresponding Corrective Actions Plans are implemented within the agreed timeline. Additional prevention measures include supplier trainings. Mitigating and remedial action will be taken on a case-by-case basis.

GEA seeks to engage in dialogue and partnership with its suppliers to support their efforts in preventing and ending any practices that violate human rights. However, if a supplier refuses to act on identified human rights risks or violations, GEA reserves the right to take appropriate legal action, including measures to terminate the business relationship entirely. Terminating a business relationship will be resorted to only if other measures have no prospect of success.

### **Remediation**

We did not identify any instances of forced labour or child labour in our supply chains during the Reporting Period and, therefore, it was not considered necessary to take any remedial steps to address forced labour and child labour, or the loss of income to the most vulnerable families.

### **MONITORING EFFECTIVENESS**

We remain committed to further developing and continuously refining our policies, procedures, and programs as we learn more about the risks in our supply chain and ways to mitigate them. Governance based on transparency and integrity provides a framework that guides our business practices. We actively manage environmental, social and economic performance through our solid governance structure, principles and management systems. GEA's Human Rights Officer is responsible for monitoring and reviewing the effectiveness of GEA's human rights due diligence.

To assess the effectiveness of actions related to ensuring that forced labour and child labour are not being used in our business and supply chains, we commit to:

- Monitor and annually review compliance with the Act and report the results internally to the GEA leadership team.
- Regularly review the content of the Code of Conduct for employees, the Human Rights Policy, the Human Rights Investigation Policy and the Code of Conduct of Suppliers and Subcontractors to ensure they are current and fit for purpose.
- Perform an annual risk assessment on human rights
- Continue to train all new and existing employees on human rights

As part of our governance process, our supply chain's effectiveness review is conducted annually, with a focus on the following core elements of GEA's human rights duties: preventive measures, remedial measures, and the complaints mechanism. Under this process, management reports to the Board and its committees on the adequacy of our risk controls, and their alignment with current industry standards and trends, along with employee compliance with policies and procedures related to supplier risk management (which includes risks of human rights, forced labor and child labor).

### **FUTURE ACTIONS**

Our focus for the coming year includes the update of the human rights impact assessment based on the following indices:



- Children's Rights in the Workplace Index (UNICEF: United Nations International Children's Emergency Fund)
- Childhood Index (Save the Children)
- Global Slavery Index (Walk Free Foundation)
- Global Rights Index (IGB: Internationaler Gewerkschaftsbund)
- Global Gender Gap Report (WEF: World Economic Forum)
- Kaitz-Index (OECD: Organisation for Economic Co-Operation and Development)
- Living Wage & Living Income Dataset (GLWC: Global Living Wage Coalition LICoP: Living Income Community of Practice)
- Environmental Performance Index (Yale University)
- Water Risk Filter (WWF: World Wide Fund For Nature)
- Proportion of total adult population with secure tenure rights to land (FAO: Food and Agriculture Organization of the United Nations)
- Worldwide Governance Indicator - Government Effectiveness (World Bank)
- Fragile States Index (FFP: Fund for Peace)
- Reperforming the impact risk assessment based on the updated indice risks.
- Create an "Human Rights Update Training" for all trained employees.

As a part of GEA's mission 2026, we continue to engagement with a-supplier (> 80% of GEA's procurement volume) to have of all a-suppliers fulfilling GEA's sustainability criteria (including forced labour and child labour) by 2026 latest.

We welcome feedback and engagement with all of our stakeholders as we continue our pursuit of excellence and continuous improvement across our organization.

### **STATEMENT APPROVAL**

The Report was approved pursuant to subparagraph 11(4)(a) of the Act by the **Board of Directors** of GEA Canada Inc., on behalf of its subsidiaries subject to the Act as set out in Section 1.1 (Reporting Entities).

In my capacity as a Director of GEA Canada Inc. and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

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 the entity or entities listed above. 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.



DocuSigned by:

*Nathalie Courchesne*

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I have the authority to bind GEA Canada Inc.

**Nathalie Courchesne**

**Director**

GEA Canada Inc.

Date: 31 mai 2024 | 12:54 PDT