

2023 REPORT UNDER THE FIGHTING
AGAINST FORCED LABOUR AND CHILD
LABOUR IN SUPPLY CHAINS ACT

May 27, 2024

About this Report

This report has been prepared pursuant to the Canadian *Fighting against Forced Labour and Child Labour in the Supply Chains Act* (“the Act”) and describes the actions taken by Laurentide Controls Ltd. (“Laurentide”) during fiscal year 2023 to prevent and reduce the risk of forced labour or child labour in its operations and supply chain. When used in this report, the terms “forced labour” and “child labour” have the meanings ascribed to them by the Act.

This report covers the structure, operations and supply chain of Laurentide’s activities for the fiscal year that ended on September 30, 2023.

Steps to Prevent and Reduce Risks of Forced Labour and Child Labour

Over the course of 2023, Laurentide has taken the following steps to prevent and reduce the risk of forced labour and child labour occurring in its activities and supply chains:

- Developed a draft version of our Human Rights Standard which includes a section on forced labour and child labour
- Updated our supplier qualification process to include questions used to screen selected suppliers for ESG issues including forced labour and child labour

Structure, Activities and Supply Chains

Structure

Laurentide is an employee-owned¹, private corporation operating in the business of industrial automation and control for over 50 years. We are the largest supplier of automation, and reliability solutions to industries across Eastern Canada. We have over 350 employees² at five locations across Eastern Canada. Laurentide is a corporation governed by the *Canada Business Corporations Act* and our headquarters is in Montréal, Québec.

Activities

Laurentide is a member of the Emerson Impact Partner Network and is the exclusive sales and service channel for Emerson Electric Co. (“Emerson”) technologies in Eastern Canada. Our core activities include the sale of products, software and applied engineering services related to process control, reliability, safety, optimization and automation within our

¹ Via employee ownership of Laurentide’s parent corporation, 3224635 Canada Inc.

² All of which are Canadian citizens or residents of Canada and are therefore directly subject to Canadian laws.

defined territory of Eastern Canada. Our services are delivered by a skilled workforce of mechanics, technicians and engineers local to Eastern Canada.

Governance

Laurentide is committed to corporate social responsibility and believes in acting ethically throughout our business. Laurentide's Board of Directors is responsible for overseeing and monitoring Laurentide's approach to ESG matters. Our annual [ESG report](#) outlines our approach to fully incorporating ESG considerations into our decision-making process, creating a positive long-term impact.

Supply Chains

Laurentide's direct suppliers of goods and services are primarily located in Canada and the United States. Emerson and its affiliates are Laurentide's primary supplier of goods that Laurentide either resells in Eastern Canada or incorporates into its Solutions. As members of the United Nations Global Compact, Emerson respects and promotes human rights in all their business operations worldwide.

Policies and Due Diligence Processes

Laurentide is committed to respecting and promoting the highest standards of ethics and integrity in all its dealings with employees, contractors, customers, suppliers and the communities in which we operate in.

Laurentide's approach to Human Rights addresses the risk of modern slavery and is supported by our Code of Business Ethics and Conduct and our Human Rights Standard (the "Standard") which is publicly available on Laurentide's corporate website. As an Emerson Impact Partner, Laurentide is required to use their best efforts to extend the principles outlined in Emerson's [Global Human Rights Policy](#) and Emerson's [Supplier Code of Conduct](#).

Code of Business Ethics and Conduct

Laurentide has always taken pride in its reputation for integrity, honesty and the ethical conduct of its employees in all business dealings. Our Code of Business Ethics and Conduct is intended to help protect that reputation by communicating our company's expectations for the ethical and lawful conduct of all employees. Our continued commitment to ethical

conduct as an institution and as employees is fundamental to the ongoing success of Laurentide while aligning with our corporate value of Trust and Reliability.

Human Rights Standard

In 2023, Laurentide created and approved the Human Rights Standard which will be available through Laurentide's website at: www.laurentide.com, a copy of which is included in Appendix A hereof). The Human Rights Standard specifically identifies our expectation that our suppliers and business partners will adhere to the highest ethical standard related to forced labour and child labour, including, e.g.:

3. Forced Labour and Human Trafficking

Laurentide will not tolerate, and we forbid employees, contractors and Business Partners from using any form of forced, bonded or indentured labor, debt or involuntary servitude, any other form of modern slavery, or involuntary prison work in their operations or within their supply chain. Further, compensation practices should comply with applicable wage laws, including those relating to minimum wages, overtime compensation and legally mandated benefits.

Our employees, contractors and Business Partners must have the right to freely terminate employment in accordance with applicable laws and regulations without fear of physical, psychological, sexual or verbal abuse.

Recruitment fees may not be charged to workers or potential workers.

4. Child Labour

Laurentide will not tolerate the use of child labour and we forbid our Business Partners to use child labour in our operations or within our supply chain. We require that all Laurentide employees, contractors and workers of our Business Partners be of the appropriate age as defined by applicable local and national laws.

The Human Rights Standard provides a mechanism by which anyone can report actual or suspected violations to Laurentide through an ethics reporting email address.

Supplier Qualification Process

Our Supplier Qualification Process includes a questionnaire which dedicates a section to forced and child labour concerns. We recognize that our current process for identifying forced and child labour risks is an ongoing process subject to continuous improvement.

Forced Labour and Child Labour Risks

Laurentide considers the risk of forced labour and child labour to be low within our activities and operations in Eastern Canada. Our Talent & Culture department oversees the application of our human resources policies. Laurentide's recruiting processes ensure compliance with Canadian employment laws and regulations.

A review of Laurentide's suppliers has identified that goods manufactured abroad are the portion of Laurentide's business that may carry a risk of forced labour and/or child labour. The majority of goods, which are then predominantly distributed in Eastern Canada, are supplied by or through Emerson.

Emerson is a large multi-national with a proven history of placing ESG at the forefront of its business and taking industry-leading steps to ensure compliance with all laws and the highest ethical standard.

Copies of Emerson's 2022 ESG Report³ and 2023 ESG Response Letter⁴ are attached as Appendix B. Information related to forced and child labour is covered on pages 86 and 139 of the 2022 ESG Report and at page 6 of the ESG Response Letter.

Remediation Measures

We have not identified any incident of forced labour or child labour in our activities or supply chain. We therefore did not need to take any measures to remediate an incident of forced labour or child labour.

Remediation of Loss of Income

As Laurentide has not yet identified any instances of forced labour or child labour in its activities and supply chains, no measures were taken to remediate the loss of income to the most vulnerable families that results from measures taken to eliminate the use of forced labour and child labour.

Training

In 2024, Laurentide intends to provide training to targeted audiences that will cover the topics of child and forced labour.

³ Emerson's ESG report for the previous year is released in June, and therefore, Emerson's 2023 ESG report would not be timely released for submission of this Report.

⁴ Which is provided to customers to provide summary information on Emerson's ESG initiatives.

Assessing Effectiveness

Laurentide is currently working on introducing certain measures aimed at reducing the risk that forced labour or child labour will be used in our supply chain.

Approval and Attestation

Approval

This Statement was approved by the Board of Directors of Laurentide on May 27, 2024.

Attestation pursuant to section 11 of the Canadian 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 this report. 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 year listed above.



Stephen Dustin, Eng.
President & CEO
Laurentide Controls Ltd.
May 27, 2024

APPENDIX A: Laurentide Human Rights Standard

Human Rights Standard (EN)

For all employees, contractors and Laurentide Controls' suppliers and other business partners.

PURPOSE

At Laurentide Controls ("Laurentide"), this Human Rights Standard (the "Standard") is designed to establish standards related to human rights and labour for all Laurentide employees and contractors and each of Laurentide's suppliers and other business partners (the "Business Partners"). This Standard is informed by, among other things, the International Bill of Human Rights, the Canadian Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains.

Laurentide requires our Business Partners to use best efforts to extend the principles embodied in this Standard to their suppliers and agents that are engaged in the production, supply and support of products or services for Laurentide. Operating our worldwide business in accordance with these standards is imperative to ensuring that Laurentide represents the highest ideals of ethics and integrity.

Oversight, Implementation and Stakeholder Feedback

Laurentide's Board of Directors maintains general oversight for the matters contemplated by this Standard. To ensure that we are listening to, learning from and taking into account all the various stakeholder views as we operate our business and administer this Standard, we are committed to continued engagement with all of our stakeholders.

Training

When applicable, Laurentide employees will receive training on requirements and principles within this Standard as part of their training on Laurentide's Code of Ethics & Conduct. Additionally, our Business Partners are expected to provide training, aligned with the requirements and principles of this Standard, to their employees as appropriate.

Human Rights Principles

As part of our commitment to human rights, we expect our employees, contractors and Business Partners to adhere to these principles:

1. Dignity and Respect

At Laurentide, there is no place for any form of discrimination, harassment and/or violence. Such behaviour is contrary to the values and ideals of our shared community, subverts the organization's purpose and core values and diminishes the dignity and integrity of all parties.

2. Health and Safety

The health and safety of each of our employees, our customers and all persons performing work at the direction of, or on behalf of Laurentide Controls (i.e. employees, contractors and Business Partners) is of primary importance.

In living our value of Health, Safety and the Environment, Laurentide Controls will provide and maintain a work environment that is physically and psychologically safe on all worksites in accordance with industry standards and in compliance with all applicable legislation. Helping Industry Thrive in Eastern Canada is our purpose and ensuring our people's health and safety while doing so is our primary responsibility. Our philosophy is that our ability to achieve our purpose is dependent on the health and safety of workforce.

3. Forced Labour and Human Trafficking

Laurentide will not tolerate, and we forbid employees, contractors and Business Partners from using any form of forced, bonded or indentured labor, debt or involuntary servitude, any other form of modern slavery, or involuntary prison work in their operations or within their supply chain. Further, compensation practices should comply with applicable wage laws, including those relating to minimum wages, overtime compensation and legally mandated benefits.

Our employees, contractors and Business Partners must have the right to freely terminate employment in accordance with applicable laws and regulations without fear of physical, psychological, sexual or verbal abuse.

Recruitment fees may not be charged to workers or potential workers.

4. Child Labour

Laurentide will not tolerate the use of child labour and we forbid our Business Partners to use child labour in our operations or within our supply chain. We require that all Laurentide employees, contractors and workers of our Business Partners be of the appropriate age as defined by applicable local and national laws.

Reporting Concerns or Raising Questions

Laurentide employees, contractors and our Business Partners may report any violations of this Standard or other concerns by:

- Contacting a local supervisor/manager or Human Resources representative; or
- Using Laurentide's Ethics Reporting email address, please click [here](#)

We encourage employees of Business Partners to work through their own company to resolve internal ethics issues. However, Business Partners should promptly report violations of the principles within this Standard by using Laurentide's Ethics Reporting email as referenced above. Laurentide will not tolerate any form of reprisal against individuals who report concerns.

Appendix B: Emerson 2022 ESG Report and 2023 ESG Response Letter

See: <https://www.emerson.com/en-us/esg>

ESG PERFORMANCE AND PROGRESS



For decades, we have helped our customers advance their sustainability initiatives as we drive our own internal progress. To make this vision a reality, in 2020 we articulated a new global Purpose: We drive innovation that makes the world healthier, safer, smarter, and more sustainable.

This document summarizes some of our key initiatives and efforts to enhance our approach to achieving our ESG goals. For more detail, please refer to our 2022 ESG report published in June 2023.



[Full ESG Report](#)

[ESG Executive Summary](#)

Environment

Net Zero Value Chain
emissions by 2045 from a 2021 baseline

Net Zero Operations
by 2030 baseline

Near-term and net zero targets have been **approved** by the **Science Based Targets initiative (SBTi)***



Won ENERGY STAR® Partner of the Year Award for distinguished corporate energy management

Achieved our goal of decreasing emissions intensity 20% from 2018, **6 years ahead of schedule**

Reduced Scope 1 and 2 emissions intensity by **42%** since 2018

30% renewable electricity sourced at Emerson locations

Announced new waste target **Zero Waste to Landfill** by 2032 from a 2022 baseline



Rated 'A-' by CDP on climate change leadership

Social

40% of global leadership targeted to be women and **30%** of U.S leadership targeted to be minorities by 2034

Employee Resource Groups have **over 13,000 members**

Initiated a company-wide **continuous listening** strategy with 85% of employee participation and an employee engagement score of 78%*

Pledged **\$200M** over 10 years, focusing on education equity in the communities where we operate

Launched Emerson's Employee Value Proposition: **Let's Go**

Through our global learning center, we offer **more than 10,000** e-learning courses that target skill development



Named a 2022 'Best Employer for Diversity' by *Forbes* Magazine



Among America's Most Innovative Companies in *FORTUNE* Magazine

Governance

ESG targets integrated into compensations programs for leaderships

46% of Directors are women or persons of color*

Introduced a new **Technology and Environmental Sustainability** Board committee*

40% decrease in total recordable rate of injuries since 2018



Achieved CDP Supplier Engagement leader status

Key elements of our primary data centers, cloud environments and enterprise IT organization are **certified under ISO 27001**



Peter Zornio
Appointed Chief Technology Officer, November 2022



Vidya Ramnath
Appointed Chief Marketing Officer, April 2023



Mike Baughman
Appointed Chief Financial Officer, May 2023

* Depicts data/information as of June 2023

This Executive Summary is not comprehensive and should be read with our ESG Report in its entirety, including, without limitation, the "About This Report" section.