



SAF Holland Canada Limited
595 Athlone Avenue
P.O. Box 1639
Woodstock, Ontario
N4S 0A8

Legislation: *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

Reporting Year: 1

Period: January 1, 2024 – December 31, 2024

Accountable Signing Authority: John Cocchiola – President SAF Holland Canada

Date of Submission: May 31, 2024

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Company Overview

In accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the “Canadian Act”), this statement outlines the measures implemented by SAF Holland Canada to address the risks of modern slavery, including but not limited to forced and child labour¹ within our operations and supply chain.

This submission is solely for SAF Holland Canada that represents one legal entity that includes three (3) facilities in Canada. The facilities are as follows:

- 1 – Woodstock Ontario Facility – Manufacturing and Warehousing
- 2 – Cambridge Ontario Facility – Warehousing
- 3 – Surrey British Columbia Facility - Warehousing

At SAF Holland Canada Limited, we actively uphold human rights and work to prevent any violation of others’ human rights through the policies and procedures we have established. The combined Canadian, North American and Group Policies, Agreements and Programs are as follows:

- SAF Holland, Inc - Supplier Terms and Conditions
- SAF Holland Group - Code of Conduct for Suppliers
- SAF Holland Group - Culture Code
- SAF Holland Group - Code of Conduct
- SAF Holland Group - Human Rights Policy Statement
- SAF Holland Group - Environment, Social and Governance Corporate Program
- SAF Holland Group - Procedural standards for the whistleblower system
- SAF Holland Canada - Plant Value Code
- SAF Holland Canada - Standards of Behavior
- SAF Holland Canada - Salary Hours of Work and Overtime Policy
- SAF Holland Canada - Collective Agreement with Unifor Local 636
- SAF Holland Canada - Policy Against Forced Labour, Child Labour, Human Trafficking and Modern Slavery

We are committed to establishing safe, inclusive, and respectful work environments wherever we conduct business. We value the fundamental rights of our employees and all who work within our supply chain, which encompass freedom from slavery and child labour, equal opportunities for all, a safe and healthy workplace, and freedom from discrimination and harassment.

SAF Holland Canada Limited continues to develop and expand our understanding of the risks associated with the complex issue of modern slavery and to identify areas within our operations and broader supply chain that may be impacted by such challenges. We collaborate across our

¹ As these terms are defined pursuant to section 2 of the Canadian Act.

business and supply chain to implement appropriate practices that mitigate and address potential risks.

Modern slavery is completely unacceptable within our organization and supply chains. SAF Holland Canada Limited acknowledges our responsibility to uphold the rights of individuals working for our organization, as well as those associated with suppliers and business partners who prioritize human rights for their own employees. Recognizing that human rights issues require multifaceted approaches, we consider it crucial to engage with all stakeholders to promote awareness and foster understanding.

Part I – Structure, Operations and Supply Chains

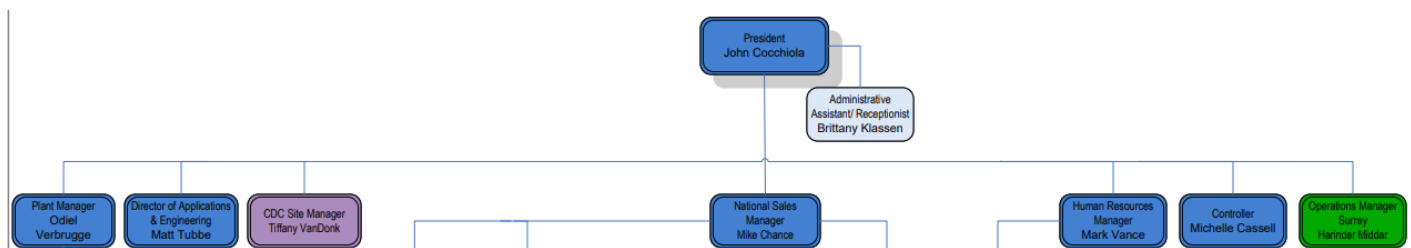
Our Structure

SAF Holland Canada Limited is part of SAF Holland Group;



The SAF-HOLLAND Group is one of the leading international manufacturers of chassis-related assemblies and components for trailers, trucks, and buses. The product range includes axle and suspension systems, fifth wheels, coupling systems, kingpins, and landing legs. These products are known worldwide under the brands SAF, HOLLAND, HALDEX, KLL, NEWAY, TRAILERMASTER, V. ORLANDI, and YORK.

The SAF Holland Canada’s senior team is as follows:



The Canadian Subsidiary consists of three (3) Facilities:

1 – Woodstock Ontario Facility – Manufacturing and Warehousing

Employees: 245

2 – Cambridge Ontario Facility – Warehousing

Employees: 15

3 – Surrey British Columbia Facility - Warehousing

Employees: 9

SAF Holland Canada has a unionized workplace. It is subject to a collective agreement with Unifor and its Local 636, which is in effect from December 16, 2023, to December 15, 2026. The bargaining unit consists of employees working at the Woodstock, Ontario facility, save and except foremen, persons above the rank of foremen, and office and sales staff. SAF Holland Canada prides itself on having a good relationship with the local union and its members.

SAF Holland Canada Limited is an entity in accordance with the Canadian Act it has:

- Assets that exceed \$20 million CAN\$, as of December 31, 2023.
- Sales revenue that exceeded \$40 Million in CAN\$ in 2023.
- Canadian employees that exceed 250, as of December 31, 2023.

Our Canadian Operations

SAF Holland Canada Limited is a manufacturer and distributor of components that are sold to the Truck and Trailer Industry in Canada, North America and Globally. The Canadian Business Number for SAF Holland Canada is 102381548, and it is registered under the Ontario Business Registry.

Manufacturing:

The Woodstock facility manufactures Landing Gear, Fifth Wheels, and Trailer Axles. The supplied components are incorporated into the assemblies to produce finished product that is ready for sale other manufactures, distributors, and fleets. The Woodstock facility produces on average 80,000 sets of Landing Gear for the trailer market, and 30,000 Fifth Wheel Plates for the Truck and Trailer markets. Additionally, Woodstock Facility assembly axles for the North American Trailer market with approximately 10,000 axles per year on average.

Distribution:

All three Canadian facilities purchase and sell products in the Truck and Trailer Industry. The distribution activity is primarily for the Canadian market that includes manufactures, distributors, and fleets. The components for distribution are manufactured in Canada and / are purchased globally for the Canadian Market. The sourcing of the components is from multiple countries all around the globe.

Our Supply Chains

Importation of Goods:

All three Canadian facilities purchase components and finished goods from multiple countries around the globe. By product line, some of the goods imported include:

- Fifth Wheel Products – Raw castings and Forgings from Canada, United States, France, Mexico, and China.
- Landing Gear – Raw castings and forgings from Canada, United States, India, and South Korea. Light assembled components from China.
- Axle and Suspension – Welded components from Canada, Germany, China, Italy, and United States. Assemblies such as brake chambers, valves, air bags and other components from Mexico, Germany, and United States.

Other finished goods are purchased for re-sale from many of the same organizations and countries.

Part II – Policies and Due Diligence Processes

SAF Holland Canada and SAF Holland Group have in place a robust set of policies, codes, and procedures addressing its obligations to treat our team members, clients, and suppliers with the highest possible level of dignity and respect, as well as our expectations that our contractors, vendors, and suppliers do the same. SAF Holland Canada adopts and incorporates SAF Holland Group's policies and procedures in its own operations.

Collectively, these policies ensure that SAF Holland Canada upholds employment standards, workplace health and safety, and human rights in its own workplace.

In addition, SAF Holland Canada has put in place a new policy, specifically to address the complex problems of forced labour, child labour, human trafficking, and modern slavery. The document is as follows:

- Policy against Forced Labour, Child Labour, Human Trafficking and Modern Slavery

This policy will be read alongside SAF Holland Canada's other codes and policies dealing with ethical standards and human rights. It specifically adopts the obligations in the Canadian Act and gives SAF Holland Canada the right, in its sole discretion, to conduct investigations and audits of its business partners. Any violation of the policy will be grounds for disciplinary action, up to and including termination of employment or contract, or criminal prosecution, if applicable.

Our policies and practices are guided by international and industry-leading standards, such as:

- UN Global Compact
- International Bill of Human Rights
- ILO Declaration on Fundamental Principles and Rights to Work

- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights

For all Suppliers that we contract with, SAF Holland Canada Limited requires these companies to comply with SAF Holland, Inc – Supplier Terms and Conditions, and Code of Conduct for Suppliers, ensuring fair and ethical workplace standards across our supply chain, and including clauses prohibiting the use of forced labour, and requiring compliance with forced labour and modern slavery laws. SAF Holland Canada Limited supports the goals of the Canadian Act and takes seriously our responsibility to act with due diligence to avoid infringing on the human rights of others and address any impact on human rights if they occur.

SAF Holland Group’s Code of Conduct

SAF Holland Canada Limited Group’s Code of Conduct and its Culture Code sets out our values and responsibilities on respectful, safe, and healthy workplaces, a culture of inclusion and diversity, customers, safety, and the environment.

Our Company Code of Conduct defines important principles and guidelines that are directly based on our Company Values.

- We are Safety Focused.
- We are Respectful.
- We are Reliable.
- We are Innovative.
- We are Accountable.

The general principles as written in our Company Code of Conduct are as follows:

- a. We are committed to respecting and protecting each other’s personal dignity, rights, and privacy.
- b. We respect internationally recognized human rights, including the International Bill of Human Rights and the principles on worker’s rights set out in the Declaration on Fundamental Principles and Rights to Work from the International Labour Organization (ILO). We support their observance.
- c. We veto any form of forced and child labour, as well as all forms of modern slavery and trafficking of human beings. No person will be employed or forced to work against their will. We are committed to the ten principles of the United Nations Global Compact.
- d. We grant and protect the freedom of association, assembly and employee’s freedom of expression and their right to freedom of speech.
- e. We protect the personal data of our employees, customers, and suppliers.
- f. We are responsible for protecting natural resources and contributing to the protection of the environment and climate through individual behavior.

Any violations of either code will result in an internal investigation. The Code of Conduct is managed by SAF Holland Group and can be found on the company website...see [SAF-HOLLAND | \(safholland.com\)](http://safholland.com)

Supplier Code of Conduct and Contractual Obligations

SAF Holland Canada's supplier relationships are guided by the SAF Holland Group's Code of Conduct for Suppliers and the company's individual supplier contracts.

We have implemented best practices by including clauses in such contracts that both prohibit the use of forced or child labour and impose penalties for the same. These are contained in our standard terms and conditions that references the SAF Holland Group Code of Conduct for Suppliers and the Human Right's Policy Statement. The Code of Conduct for Suppliers sets minimum expectations and guidelines for suppliers, consultants and contractors and obligates them to comply with applicable laws, including those related to forced and child labour and human trafficking. Further, these contracts grant the company the right to audit and inspect its suppliers' sites with SAF Holland Canada's customers present, if required.

SAF Holland Canada keeps records of all contractual counterparts, and our supplier contracts contain risk mitigation and enforcement provisions, including audit rights and termination rights based on material breach of contract.

All suppliers, consultants, and contractors accept the terms of SAF Holland Group's Code of Conduct for Suppliers and affirm compliance with its requirements.

SAF Holland Group's Code of Conduct for Suppliers is managed by the Management Board of SAF- Holland SE and is reviewed annually and updated as necessary.

Human Rights and Human Trafficking Policies

SAF Holland Canada adheres to the SAF Holland Group's Human Rights Policy and Policy Against Human Trafficking and Modern Slavery, which guide our relationships with employees, contractors, vendors, suppliers, and others through whom we conduct business. These policies set out our prohibition on human trafficking and modern slavery and sets out enforcement mechanisms. SAF Holland Canada will take to enforce this prohibition, including investigations and audits.

Additionally, SAF Holland Canada has developed a policy against forced labour, Child Labour, Human Trafficking and Modern Slavery.

Reporting Process (Whistleblower or Complaints Process)

SAF Holland Group has an EQS Integrity line as part of the SAF Holland Group Code of Conduct Policy and an associated email address (compliance@safholland.de), which is part of its whistleblower program. Allegations of any breaches of our policies or any non-compliant and unethical matters are taken seriously. The EQS Integrity line is also made available to suppliers, contractors, and consultants. The Integrity Helpline can be used confidentially online in multiple languages to submit a report in multiple languages. Retaliation against anyone, including employees, suppliers, etc. for speaking up in good faith is strictly prohibited as specified in our policies and Code of Conduct.

Should we determine a supplier is not compliant with the Canadian Act, or uses, directly or indirectly, forced labour or child labour, we will notify the supplier of the breach and cease the working relationship until corrective action is put into place.

By putting in place these formal policies, codes of conduct for colleagues and suppliers, and comprehensive compliance and monitoring standards, SAF Holland Canada is committed to healthy, safe, and respectful working conditions throughout SAF Holland Canada supply chain. Forced labour and child labour are anathema to SAF Holland Canada core values, which is why we also have strong due diligence practices in place.

Our Due Diligence Processes

SAF Holland Canada and SAF Holland Group have implemented several due diligence measures, to ensure layers of review. As described in our policies, our standard terms of engagement/contracts with suppliers include clauses that require the suppliers to abide by our Code of Conduct, conduct due diligence relevant to forced labour and child labour, and specify that breaches of the same will be grounds to terminate the contract, with damages to us.

In addition, we have implemented the new practice of distributing an annual questionnaire to all of our suppliers, to ascertain their risks and due diligence practices regarding forced labour and child labour. In this questionnaire, we pose 41 questions regarding each supplier's structure, their supply chain, their employees, policies and procedures, history, and general awareness regarding forced labour and child labour in their organization or supply chain.

By the reporting date of May 31, 2024, all our suppliers for production material will have received our questionnaire for Bill S-211. 90% have provided responses and we have no concerns.

Part III – Risks of Forced Labour and Child Labour in Operations and Supply Chains

Our potential exposures to indirect association of modern slavery practices come through our supply chain, as we rely on extensive use of contracting and subcontracting services.

We expect all suppliers, regardless of the cultural, social, and economic context, to meet expectations of fundamental rights for all people. This means treating their employees with fairness, respect and dignity, and following practices that protect health and safety for the people working for them.

SAF Holland Canada assesses low to minimal risk of forced labour or child labour in our supply chain. SAF Holland Canada is not aware of any forced labour or child labour in our supply chain. Both statements are subject to the limitations of SAF Holland Canada risk identification activities as described in more detail above and below.

All risks of this nature will be identified through the SAF Holland Group Risk Assessment Program that is reviewed at all entity levels quarterly and reported to SAF Holland Group Risk Manager for global consolidation. As risks are identified, so will the level of the risk through an assessment process and mitigation activity will be identified and followed up.

Part IV – Measures to Remedy Forced Labour and Child Labour

SAF Holland Canada is not aware of any incidents of forced labour or child labour in our activities or supply chain in our past financial year, subject to the limitations of our risk identification activities as described in more detail above and below. Accordingly, SAF Holland Canada Limited has not had to take any remedial measures in response to incidents of forced labour or child labour.

However, should any incidents arise, SAF Holland Canada is committed to taking the necessary measures to address and mitigate the same using the avenues described above.

Part V – Measures to Remediate the Loss of Income to those Impacted by the Elimination of Forced Labour and Child Labour

SAF Holland Canada has not as of the date of this report become aware of any loss of income to vulnerable families resulting from our measures to eliminate the use of forced labour and child labour in our activities and supply chains.

Nevertheless, if SAF Holland Canada does become aware of any loss related to forced labour and/or child labour, it will take steps to address it and find an appropriate remedy.

Part VI – Training Provided to Employees

SAF Holland Canada develops annual training plans and has included the following in the annual plan.

There is mandatory training for all Managers (Senior and Operations Team), Purchasing Department Staff, and PIC which includes an annual review of the following policies and procedures.

- SAF Holland Group - Code of Conduct for Suppliers
- SAF Holland Group - Culture Code
- SAF Holland Group - Code of Conduct
- SAF Holland Group - Human Rights Policy Statement
- SAF Holland Canada - Policy against Forced Labour, Child Labour, Human Trafficking and Modern Slavery

All trainees who undergo orientation on these topics must sign off on their attendance and understanding.

Optional internal or external training will be made available for awareness of international child labour, forced labour, human trafficking, and modern slavery. The training may include identification, risk assessment and mitigation.

Part VII – Assessing Effectiveness of Actions against Forced Labour and Child Labour

SAF Holland Canada has yet to assess our effectiveness in preventing and reducing risks of forced and child labour in our activities and supply chains in the previous financial year. We are currently examining how best to conduct these assessments.

We recognize the need to implement effective measures to identify and mitigate the risk of forced and child labour within our operations and supply chains. We are currently examining how best to conduct these assessments.

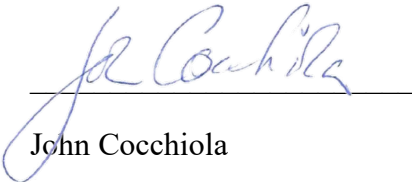
We will review annually our reporting document and update as necessary to ensure that it reflects the emerging consensus on best practices to address these complex issues. We also will annually review our questionnaire to our suppliers, and our processes to ensure continued compliance and implement any improvements required to ensure we are accurately obtaining and retaining information from our external and indirect suppliers.

* * *

Attestation

In accordance with the requirements of the Canadian 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.

By signing the below, I hereby confirm I have the authority to bind SAF Holland Canada Limited.



John Cocchiola

President – SAF Holland Canada Limited

May 27, 2024

Date