

TK Elevator Canada Ltd.

2023-2024 Fighting Against Forced Labour and Child Labour in Supply Chain Act Report

PURPOSE

This annual report for the 2023-2024 financial reporting year has been created by TK Elevator (Canada) Limited (“TK Elevator Canada”) for the sole purpose of meeting its obligations and reporting requirements for entities pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the “Act”).

OUR COMMITMENT

TK Elevator Canada is committed to preventing and reducing the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere, including goods that TK Elevator Canada imports into Canada.

CATEGORIZATION, SECTOR, AND INDUSTRY

TK Elevator Canada is an entity under the Act

In terms of the Act’s threshold requirements, TK Elevator Canada has at least \$20 million in assets for at least one of its two most recent financial years, it has generated at least \$40 million in revenue for at least one of its two most recent financial years, and it employs an average of at least 250 employees for at least one of its two most recent financial years.

Our Operations

TK Elevator Canada operates in the construction sector and elevator industry. The company installs, modernizes, services and repairs elevators. TK Elevator Canada is headquartered in Scarborough, Ontario. It also has regional offices located across Ontario (Hamilton, Kingston, and Toronto), British Columbia (Burnaby, Victoria, and Kelowna), Alberta (Calgary and Edmonton), Saskatchewan (Saskatoon and Regina), Manitoba (Winnipeg), Nova Scotia (Dartmouth), Newfoundland (St. John's), New Brunswick (Dieppe), and Quebec (Anjou, Dorval, Sainte-Foy).

TK Elevator Canada employs over 2000 employees across Canada in the installation, modernization and service of elevator and escalators. TK Elevator Canada is a wholly owned subsidiary of TK Elevator headquartered in Germany. TK Elevator provides vertical transportation solutions to customers in more than 100 countries. The company sells goods in Canada, distributes goods in Canada, and imports goods produced in other countries into Canada.

STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Our Supply Chain

To support its operations, TK Elevator Canada primarily sources elevator and escalator system from TK Elevator owned factories in the US, Germany and China. In addition, TK Elevator Canada directly sources components from suppliers in Canada, the US and China. The components sourced are as follows: control systems (USA), machines (USA & Germany), hoisting ropes (USA), roller guides (USA), rails (China & Canada), counterweights (Canada), sheaves (USA), interiors (USA & Canada), door operators (USA), entrance protection systems (USA), escalator handrails (Canada & China), escalator balustrades (China & USA), escalator steps (China & USA), escalator tracks (China & USA), escalator platforms (China & USA), fasteners & fitting (USA & Canada), electrical wiring (Canada & USA).

TK Elevator Canada operates with a commitment to responsible procurement and sustainability within our supply chain:

1. Sustainability and Supplier Engagement:
 - TK Elevator Canada emphasizes trust, transparency, and sustainability in its collaboration with suppliers.
 - We have established a Sustainability Audit System and actively engage with suppliers to promote their path toward sustainability.
 - The **Supplier Code of Conduct** outlines principles related to human rights, fair working conditions, environmental protection, anti-corruption measures, and climate-related risks.
 - Social, ethical, and environmental criteria are considered in all purchasing decisions.

2. Risk Management and Audits:
 - TK Elevator Canada conducts an annual assessment of potential risks in its supply chain, covering safety, business ethics, corporate governance, and labor rights.
 - Based on risk profiles, certain suppliers may undergo audits.
 - The results of these audits lead to corrective action plans and fostering ongoing relationships with suppliers.

Steps Taken by TK Elevator Canada in 2023-2024

To prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada, TK Elevator Canada (guided and informed by the applicable policies of TK Elevator GmbH and the larger TK Elevator Group) maintains relevant policies and due diligence processes, that are set out in the “Policies and Due Diligence Processes” section below. In addition, it took the following steps to further prevent forced or child labour in its supply chain:

1. Mapping activities;
2. Mapping supply chains;
3. Conducting an internal assessment of risks of forced labour and/or child labour in the organization’s activities and supply chains;
4. Developing and implementing an action plan for addressing forced labour and/or child labour as evidenced by the purchasing department’s screening policy;
5. Addressing practices in the organizations supply chains that increase the risk of forced labour and/or child labour as evidenced by the TK Elevator Supplier Code of Conduct;
6. Developing and implementing due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and/or child labour in the organization’s activities and supply chains as evidenced by the TK Elevator Supplier Code of Conduct;
7. Carrying out a prioritization exercise to focus due diligence efforts on the most severe risks of forced and child labour;
8. Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains as evidenced by the TK Elevator Supplier Code of Conduct;
9. Developing and implementing child protection policies and processes as evidenced by the TK Supplier Code of Conduct;

10. Developing and implementing anti-forced labour and/or child labour contractual clauses through the TK Elevator Supplier Code of Conduct and TK Elevator Code of Conduct;
11. Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists through the TK Elevator Supplier Code of Conduct and TK Elevator Code of Conduct;
12. Monitoring suppliers;
13. Developing and implementing grievance mechanisms as evidenced by the TK Elevator Ethics Line; and
14. Engaging with supply chain partners on the issue of addressing forced labour and/or child labour as evidenced by the Global Framework Agreement TK Elevator is bound by.

POLICIES AND DUE DILIGENCE PROCESSES

TK Elevator Canada maintains several policies and processes which affirm its commitment to abiding by applicable forced labour and child labour laws:

- a) TK Elevator Canada is bound by and has adopted the TK Elevator Supplier Code of Conduct which sets out expectations that suppliers (and their affiliates) who conduct business with any member of the TK Group, comply with applicable national statutes, and international law. The Supplier Code of Conduct expects suppliers and affiliates to recognize the International Bill of Human Rights and the Labour Standards issued by the International Labour Organization (“ILO”), considering the applicable laws and regulations in different countries and at different sites. Furthermore, the Supplier Code of Conduct outlines that suppliers and affiliates must complete self-assessments to comply with all applicable legislation. TK Elevator Canada also reserves the right to perform a sustainability audit on its suppliers.
- b) TK Elevator Canada, as a member of the TK Group, is bound by and abides by the principles set out in the TK Elevator Human Rights and Modern Slavery Statement (the “Statement”). The Statement states that the Senior Leadership Team of the TK Group reviews all sustainability strategies and targets, which include those related to modern slavery.
- c) The “TK Elevator Ethics line” can be used to confidentially report concerns surrounding child and forced labour and the complaints are considered when defining preventative and remedial measures. These preventative and remedial measures are reviewed on an annual basis by the Senior Leadership Team of the TK Group.

- d) TK Elevator Canada is also bound by the Code of Conduct (the “Code”). The Code encourages employees to discuss ethical principles with suppliers. The Code states that TK Elevator Canada abides by human and labour rights standards recognized by the international community and within the countries they are located in. The Code also states that TK Elevator Canada recognizes and respects the fundamental rights set forth in the United Nations Universal Declaration of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work.
- e) TK Elevator Canada is also bound by the terms of the Global Framework Agreement (the “GFA”). The GFA is an agreement made with a global union federation based on the fundamental principles of the ILO and notably includes explicit prohibitions on child and forced labour.
- f) TK Elevator GmbH also has reporting obligations under the United Kingdom’s *Modern Slavery Act 2015* (statement linked [here](#)), and Australia’s *Modern Slavery Act 2018* (statement linked [here](#)). TK Elevator Canada is informed by these commitments which help to reduce the risk of child and forced labour in its own activities and practices.

FORCED LABOUR AND CHILD LABOUR RISKS

TK Elevator Canada has started the process of identifying risks of forced labour and child labour through the global TK Elevator Group’s Senior Leadership team who regularly reviews strategies related to modern slavery (which includes child labour and forced labour). It is aware that there may be higher risks associated with certain regions, goods, and industries.

REMEDIATION MEASURES

TK Elevator Canada has not identified any forced labour or child labour in its activities or supply chains.

REMEDIATION OF LOSS OF INCOME

TK Elevator Canada has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains.

TRAINING PROVIDED TO EMPLOYEES

In 2023-2024, TK Global provided training to the leaders of TK Elevator Canada’s regional supply chains on sustainability within the supply chain. The training provided an in-depth analysis on the

“SPHERA” system that is used by the TK Group to identify risks within its supply chain. Additionally, the training focused on properly identifying and assessing supplier risk, with a focus on developing action plans to mitigate risk going forward. TK Elevator Canada did not provide training specific to forced labour or child labour to all its employees. Moving forward, TK Elevator Canada will be assessing what related training may be appropriate.

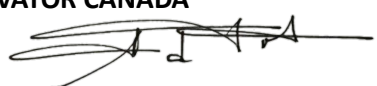
ASSESSING EFFECTIVENESS

TK Elevator Canada currently has specific procedures in place to assess its effectiveness in ensuring that child and forced labour are not being used in its activities and supply chains. For example, the global TK Elevator Group’s Senior Leadership team regularly reviews its strategies related to modern slavery (which includes child labour and forced labour). Additionally, TK Elevator Canada also sets up regular reviews and/or audits of the organizations policies and procedures related to forced and child labour.

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 the report for the entity 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.

IN WITNESS WHEREOF the authorized signing officer(s) of TK Elevator Canada have executed this report as of the effective date of the signatures set out below.

SIGNED)	
)	TK ELEVATOR CANADA
5/30/2024)	
_____)	Per: _____
Date)	Name: Adrian Trotman
)	Title: President CEO TK Elevator Canada Ltd
)	
)	I have authority to bind TK Elevator Canada

