

Report: S-211 Forced Labour in Canadian Supply Chains

Tenaquip Limited

Financial Reporting Year: 2023

Revised Report: No

Business Number: 10517 2506

Joint Report: No

Reporting Obligations in Other Jurisdictions: N/A

Entity Categorization According to the Act: Reporting Entity

Sector/Industry: Industrial Distribution

Location: 22555 Autoroute Transcanadienne, Senneville, Québec, H9X 3L7

Entity Categorization:

- Canadian business presence (select all that apply):
 - o Has a place of business in Canada
 - o Does business in Canada
 - o Has assets in Canada
- Meets size-related thresholds (select all that apply):
 - o Has at least \$20 million in assets for at least one of its two most recent financial years
 - o Has generated at least \$40 million in revenue for at least one of its two most recent financial years
 - o Employs an average of at least 250 employees for at least one of its two most recent financial years

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 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 purpose of the Act, for the reporting year listed above.

Full Name: *Braden Green*

Title: *COO*

Date: *May 30th 2024*

Signature: *[Handwritten Signature]* I have the authority to bind Tenaquip Limited

Summary

While Tenaquip Limited has not encountered any incidents of child or forced labour in its supply chain, measures have nonetheless been taken to mitigate this risk. As a distributor, Tenaquip Limited has required that all suppliers with which it has a supplier agreement comply with Tenaquip Limited's Supplier Code of Conduct, which includes clauses on forced labour and child labour, among other ethical and environmental concerns. With continuous improvement and action beyond compliance in mind, Tenaquip Limited aims to provide training to its employees on the topics of forced and child labour, as well as strengthen its commitment to the elimination of these practices by developing a robust tracking system to ensure that its supply chain remains free of child and forced labour, and further assess the effectiveness of these measures.

Section 11

Subsection 11(1):

In its role as a distributor, Tenaquip Limited embeds mechanisms to mitigate the use of child and forced labour in its supply chain through the application of its Supplier Code of Conduct. The Supplier Code of Conduct was developed with ILO (International Labour Organization) guidelines in mind.

While Tenaquip Limited engages with many suppliers, the vast majority of approved suppliers with which Tenaquip Limited has a contractual agreement have agreed to the terms of the Supplier Code of Conduct. These approved suppliers represent 86% of our total distribution business.

Should Tenaquip Limited be made aware of a supplier who does not comply with this Code, Tenaquip Limited will require that the supplier take immediate corrective action. Tenaquip Limited will not knowingly do business with suppliers and their factories that are unwilling or unable to respect this Code. It contains sections on both Forced Labour and Child Labour:

4. No Forced Labor: Prison, indentured, bonded, and involuntary or slave labour or labour obtained through human trafficking shall not be used. Supplier has implemented procedures to manage the materials and sourced raw materials, including but not limited to all labour related processes, incorporated into its products to ensure they comply with laws on anti-slavery and anti-human trafficking.

6. No Child Labour: All workers shall be at least the local minimum legal working age or ILO's International Labour Standard, whichever is higher.

These clauses are part of our supplier agreements, and Tenaquip may request the supplier to attest that the supplier is in compliance with the Code.

We will continue to enforce this policy and ensure that any new suppliers abide by this policy.

Subsection 11(3):

a. Its structure activities and supply chains:

Tenaquip Limited is an industrial distributor. We purchase from a wide range of suppliers, with the majority of our suppliers being based in the United States and Canada. We sell these products on our e-commerce platform, through our catalogue, our branches, and through customer contracts.

b. Its policies and its due diligence processes in relation to forced labour and child labour:

Tenaquip Limited requires that suppliers with which Tenaquip has a supplier agreement abide by the Supplier Code of Conduct – these suppliers represent 86% of our business and are renewed annually. This Code of Conduct contains clauses which prohibit the use of child or forced labour on the part of Tenaquip Limited's suppliers, and allow Tenaquip to request that a supplier attest that it is in compliance with the Supplier Code of Conduct should their adherence to any clause come into question.

c. The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk:

Tenaquip Limited is actively working towards strengthening our supply chain by ensuring all our suppliers align with our values. Our ongoing efforts include enhancing our vetting process and, where necessary, consolidating our network to include only those who share our commitment to ethical business practices.

Tenaquip Limited distributes goods from over 1648 suppliers in order to meet customer needs and fulfill customer contracts. 86% of our business is represented by suppliers who have agreed to the terms of our code of conduct. A minority of our business is represented by suppliers with which have no such agreements, and their commitment to eliminating and preventing these practices in their own operations is undocumented. However, Tenaquip Limited remains committed undergoing continuous improvement in order to consolidate the number of vendors in our supply chain, which includes removing vendors with which we do not have a supplier agreement from our supply chain where possible, and updating our supplier agreements where necessary.

d. Any measures taken to remediate any forced labour or child labour:

Not Applicable - Tenaquip Limited has not encountered any instances of forced or child labour in its supply chain.

e. Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains:

Not Applicable - Tenaquip Limited has not encountered any instances of forced or child labour in its supply chain.

f. The training provided to employees on forced labour and child labour:

Not Applicable – While Tenaquip Limited has not yet provided training to employees on the topics of forced labour and child labour, a training program has been selected, with a goal of implementing it to all relevant staff in 2024.

g. How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains:

The majority of Tenaquip Limited's suppliers are located in the United States of America and Canada, which, in addition to prohibiting child and forced labour by law, are two member nations of the International Labour Organization — an organization which helps set minimum age conventions and prohibits the use of force labour. Furthermore, Tenaquip Limited's Supplier Code of Conduct reapplies these conventions at the supplier-level.

Looking Forward

This report underlines the integrity of our supply chain, with no instances of child or forced labour identified. This finding validates the strength of our current Supplier Code of Conduct in upholding ethical business practices. Moving forward, our commitment to eliminating any risk of child and forced labour remains steadfast. We are set to revise our Supplier Code of Conduct, ensuring it reflects the latest ethical standards and topics relevant to 2024. Additionally, we will implement targeted employee training programs to reinforce the importance of vigilance and education on these critical issues. Our efforts will be continuously assessed through the implementation of robust tracking systems and key performance indicators (KPIs), guaranteeing our supply chain not only remains compliant but also exemplifies our dedication to ethical business practices.