



# 2024 Supply Chain Report

## Würth Canada Limited

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

**Reporting Year:** 1

**Period:** January 1, 2023 – December 31, 2023

**Accountable Signing Authority:** Yana Popa, CEO & Managing Director

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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 **Würth Canada Limited/Limitée** to address the risks of modern slavery, including but not limited to forced and child labour<sup>1</sup> within our operations and supply chain.

At Würth Canada Ltd., we actively uphold human rights and work to prevent any violation of others’ human rights through the policies and procedures we have established. 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.

Würth Canada Ltd. 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 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. Würth Canada Ltd. 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

Würth Canada Limited/Limitée (BN 892019647) is a Canadian corporation that was founded in Montreal, Québec, in 1971. It is part of the Würth Group, one of the world’s largest suppliers of assembly and fastening materials as well as chemicals to several key industries, including automotive, trucking, industrial, and construction. Würth Canada is wholly owned by Würth International, which has its head office in Chur, Switzerland. Würth International has a controlling interest in most of Würth’s foreign (non-German) subsidiaries. Würth Canada operates through various channels, including face-to-face interactions, phone support, online services, and in-store assistance. It employs over 500 employees and collaborates with various partners and customers including automotive manufacturers, auto body shops, repair facilities, dealerships, and more.

The head office and Eastern/Central Canada warehouse was initially established in Mississauga, Ontario and later moved to Guelph, Ontario, in 2014. Additionally, there is a second warehouse near Edmonton, Alberta (Acheson) to serve customers in Western Canada. In 2021, Würth Canada opened it’s first pick up shop in Vaughan, Ontario. It is the first ever Würth 24/7 Store in North America. The automated system allows customers to enter the store and shop after hours. In 2024, Würth Canada opened another warehouse in Mississauga, Ontario that will also host a pickup shop for our customers.

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<sup>1</sup> As these terms are defined pursuant to section 2 of the Canadian Act.

Würth Canada meets the criteria for being an “entity” under the Canadian Act because it meets all three conditions:

1. It has at least \$20 million in assets;
2. It has generated at least \$40 million in revenue; and
3. It employs an average of at least 250 employees.

## **Our Operations**

Würth Canada Ltd. sells and distributes approximately 14,000+ final goods in the following categories:

- Abrasives
- Adhesives and Tapes
- Anchors
- Auto Bulbs & Work Lights
- Cleaning/Detailing & Sanitation
- Cutting & Drilling
- Electrical
- Equipment & Storage
- Fasteners
- Fittings/Hoses & Tubing
- Hand Tools
- Lubricants & Greases
- ORSY Systems & Solutions
- Paints & Primers
- Power Tools
- Rust Proofing & Rust Remover
- Safety Supplies & First Aid
- Sealants & O-Rings
- Vehicle Repair & Components
- Welding Supplies

Würth Canada Ltd. purchases from a wide variety of global and domestic suppliers. Our locations of operation are as follows:

- Head Office and Warehouse Location:

Würth Canada Limited/Limitée  
345 Hanlon Creek Blvd.  
Guelph, ON N1C 0A1

- Western Canada Warehouse Location:

Würth Canada Limited/Limitée  
11330 255 Street  
Acheson, AB T7X 6C9

- Würth Pick-up Shop (Ontario Only) and Warehouse Location:

Würth Canada Limited/Limitée  
250 Superior Boulevard  
Mississauga, ON L5T 2L2

- Würth Pick-up Shop Location (Ontario Only):

Würth Canada Limited/Limitée  
156 Chrislea Road  
Woodbridge, ON L4I 8V1

Würth Canada Ltd. is primarily deemed to be a supplier of assembly and fastening materials, as well as a supplier to automotive, trucking, industrial, and construction industries. Würth Canada Ltd. has reporting requirements solely within the jurisdiction of Canada.

### **Our Supply Chains**

Würth Canada Ltd. purchases final goods from a wide variety of global suppliers, which reside in the following regions:

- Austria
- Brazil
- Chinese Taipei (Taiwan)
- Estonia
- France
- Germany
- India
- People's Republic of China
- Switzerland
- Turkey
- United Kingdom
- USA

### **Part II – Policies and Due Diligence Processes**

Würth Canada Ltd. has set policies, codes, and procedures addressing its obligations to treat our employees, customers, and suppliers with the highest possible level of dignity and respect, as well as our expectations that our suppliers do the same. These documents are:

- Würth Group Code of Compliance
- Würth Group Policy and Procedure (PAP)
- Würth Group Rapid-Plant-Assessment (RPA) Checklist
- Würth Canada Ltd – Policy and Procedures Manual for Internal Staff
- Würth Canada Ltd – Policy and Procedures Manual for Sales Representatives
- Würth Canada Ltd – Conflict of Interest Policy
- General Terms and Conditions of Purchase of Würth International Ltd.

In addition, Würth Canada Ltd. has put in place new policies, procedures, and due diligence measures specifically to address the complex problems of forced labour and child labour. These documents are:

- Würth Canada Ltd – Modern Slavery, Forced Labour and Child Labour Policy

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

- Current Canadian Bill S-211 – An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act)
- United Nations Universal Declaration of Human Rights (UDHR)
- International Labour Organization (ILO) Standards & Guidelines
- United Nations Convention of the Rights of the Child (UNCRC)
- ICC Business Charter for Sustainable Development
- Business Principles from Transparency International in their fight against corruption

Generally, contracted suppliers are requested by Würth Canada Ltd. to comply with the Würth Group Code of Compliance, ensuring fair and ethical workplace standards across our supply chain, including the prohibition of forced labour, and requiring compliance with forced labour and modern slavery laws through use of the Würth Group Rapid-Plant-Assessment (RPA) Checklist. Würth Canada Ltd. 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.

### **Würth Group Code of Compliance**

Würth Canada Ltd. adheres to the Würth Group Code of Compliance that sets out our values and responsibilities on respectful, safe, healthy workplaces, and a culture of inclusion and diversity. The Code of Compliance places special emphasis on the importance of fostering an environment for open and honest communication by encouraging employees and other business parties to use our SPEAKUP reporting hotline (online at <https://www.bkms-system.net/wuerth>) when confronted with compliance, ethics, legal or other concerns. Our Code of Compliance also focuses on our commitment to protecting and advancing human dignity and human rights to guide our relationships with employees, suppliers, and others through whom we conduct business, including by addressing human trafficking.

The Code of Compliance is managed by the compliance and legal team of the Würth Group, and in conjunction with the Würth Canada Ltd. Compliance Officer & Human Resources Department and is reviewed annually and updated as necessary. The Code of Compliance is accessible for all employees on the homepage of ADP, Würth Canada Ltd.'s Human Resources Information System.

### **Supplier Code of Compliance (Würth Group) and Contractual Obligations**

Würth Canada Ltd. supplier relationships are guided by the Würth Group's Code of Compliance.

We have implemented practices by including clauses that both prohibit against using forced or child labour and impose penalties or sanctions for same. These are contained in our Würth Group Policy and Procedure (PAP), General Terms and Conditions of Purchase of Würth International Ltd, and Würth Group Rapid-Plant-Assessment (RPA) Checklist. The Code of Compliance sets minimum expectations and guidelines for suppliers, and obligates them to comply with applicable laws, including those related to forced and child labour and human trafficking. Würth Canada Ltd. keeps records of all contractual counterparts, and our supplier contracts contain risk mitigation and enforcement provisions.

Würth Canada Ltd. requests that all suppliers, accept the terms of the General Terms and Conditions of Purchase of Würth International Ltd.

The General Terms and Conditions of Purchase of Würth International Ltd. is managed by the Purchasing Department at Würth Canada Ltd. and is reviewed annually and updated as necessary.

## **Human Rights and Human Trafficking Policies**

### **Reporting Process**

Würth Canada Ltd. has a SPEAKUP reporting hotline (online at <https://www.bkms-system.net/wuerth>), which is the Würth Group's whistleblower program. Allegations of any breaches of our policies or any non-compliant and unethical matters are taken seriously. The hotline is made available to employees, suppliers, customers, and other business parties, in an online format with multiple languages to submit a report. Retaliation against anyone, including employees, suppliers, customers, and other business parties speaking up in good faith, is strictly prohibited as specified in our Code of Compliance.

Should we determine a supplier is in non-compliance 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. The supplier will also be placed on the Würth Group's "Blocked Suppliers List".

By putting in place these formal policies, specifically the Code of Compliance for employees and suppliers, and our compliance and monitoring standards, Würth Canada Ltd. actions its commitment to healthy, safe, and respectful working conditions throughout the Würth Canada Ltd. supply chain. Forced labour and child labour are contrary to Würth Canada Ltd. core values.

### **Our Due Diligence Processes**

Würth Canada Ltd. has implemented several due diligence measures, to ensure layers of review. Specifically, for preventative measures we assign the Code of Compliance to every single employee, and target internal departments, such as the product and purchasing departments, are provided the Würth Group Policies and Procedures (PAP). At the time of contract assignment, suppliers are provided with the standard terms of engagement and conditions within the General Terms and Conditions of Purchase of Würth International Ltd., with the expectations to conduct due diligence relevant to forced labour and child labour. Our internal protocols validate the supplier response through the Würth Group Rapid-Plant-Assessment (RPA) Checklist and Sanction Screening. Würth Canada Ltd. screens every customer and supplier upon account set-up. Sanction Screening includes all named parties, individuals, and entities that are on sanction lists for terrorism, money laundering, criminal enterprises, child labour, forced labour, etc. Würth Canada Ltd. subscribes to a monitoring service where we can screen our entire customer and supplier database at once, or query individual names and addresses. Würth Canada Ltd. screens our entire company database once per month. When necessary, appropriate actions are then taken following determination of a breach, which will be grounds to terminate the contract, and to be placed on the Würth Group's "Blocked Suppliers List" and filed appropriately within the Würth Group.

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

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.

Würth Canada Ltd. assesses high risk suppliers for forced labour or child labour in our supply chain, through “Our Due Diligence Processes” as noted above. Würth Canada Ltd. is not aware of any forced labour or child labour in our supply chain.

### **Part IV – Measures to Remedy Forced Labour and Child Labour**

Würth Canada Ltd. 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, Würth Canada Ltd. has not had to take any remedial measures in response to incidents of forced labour or child labour.

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

Würth Canada Ltd. 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.

### **Part VI – Training Provided to Employees**

Every single employee and leader at Würth Canada Ltd., including new hires as part of the onboarding process within 30 days of employment, are assigned mandatory training including content regarding forced labour and child labour, which is developed from the Würth Group’s Code of Compliance through our Learning Management System (LMS) online platform. The training package includes four courses, taking a total time of approximately 2 hours, with a record of completion.

- Compliance 1 - Compliance Basics (30 minutes)
- Compliance 2 - Preventing Corruption (30 minutes)
- Compliance 3 - Handling Information (30 minutes)
- Compliance 4 - Fair Competition (40 minutes)

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

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 process 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 2023, as listed above.

By signing the below, I hereby confirm I have the authority to bind Würth Canada Limited/Limitée.



Yana Popa  
CEO & Managing Director

May 30, 2024

Date