



## **Fighting Against Forced Labour and Child Labour in Supply Chains Act** **2024 Annual Report**

### **Introduction:**

This report is produced by Canadian Bearings Ltd. (“Canadian Bearings” or “CB” or the “Corporation” or “our” or “we”). It constitutes our 2024 report prepared by the Corporation pursuant to Canada’s new Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”).

### **Organization’s structure, activities, and Supply Chain:**

Canadian Bearings Ltd. is a corporation. It has its head office in Mississauga, Ontario. The company employs 300 individuals across Canada and operates in 5 provinces. It is a leading distributor of bearings, power transmission, motion control, belting, and conveyor components. Serving both large and small customers across various industries.

The Strategic Business Manager Team (SBM) supports our supply chain for operations across Canada and the U.S., sourcing parts and components from local suppliers and suppliers with global presence. The key role of the SBMs is to ensure our suppliers meet our qualifications, standards, and corporate requirements.

Canadian Bearings Ltd is committed to fighting forced labour and child labour in our supply chains.

### **Policy and Due Diligence:**

Canadian Bearings Ltd maintains three Codes of Conduct, for employees, Suppliers and Business Partners. They are based on Human Rights and Labour Rights principles and aim to establish a robust framework for managing related processes.

Employees at Canadian Bearings Ltd receive training and awareness programs on human rights, labour laws (Employment Standard Act, ESA), and ethical practices. This training equips them with the knowledge needed to recognize and address issues related to forced labour and child labour within the supply chain. By fostering awareness and vigilance, the company strives to prevent and mitigate any harm caused by these practices."

For more information, you can refer to the Canadian Bearings Ltd Codes of Conduct at <https://canadianbearings.com/>

### **Risk Mitigation Measures:**

Canadian Bearings Ltd also complies with all legislative requirements related to reporting the segments of our supply chains that pose risks of forced labour and child labour. We have implemented steps to prevent and mitigate these risks, including, but not limited to

- **Supplier Due Diligence:** Canadian Bearings evaluates its suppliers and business partners. This includes assessing their labour practices, compliance with human rights standards, and commitment to ethical conduct. Suppliers are vetted to ensure they align with Canadian Bearings' values.
- **Code of Conduct:** The company has a comprehensive Code of Conduct for both employees and suppliers. This code outlines expectations related to labour rights, including the prohibition of forced labour and child labour. It serves as a guide for ethical behavior and sets clear standards. (Supplier Code of Conduct is included in the Standard Terms and Condition of Purchase).
- **Training and Awareness:** Employees receive training on human rights, labour laws (ESA), and ethical practices. They learn to recognize signs of forced labour or child labour within the supply chain. This awareness empowers them to report any concerns promptly.
- **Risk Assessment:** Canadian Bearings conducts risk assessments across its supply chain. This helps identify potential areas where forced labour or child labor may occur.
- **Collaboration with Suppliers:** The company collaborates closely with suppliers to address any issues. If violations are detected, corrective actions are taken, which may include terminating relationships with non-compliant suppliers.
- **Transparency and Reporting:** Canadian Bearings is transparent about its efforts to combat forced labour and child labour. Transparency encourages accountability and drives continuous improvement. Our reputation and our Suppliers' reputations depend on ethical decision-making. Accordingly, everyone has a duty to report any actual violation or suspected violation of the Supplier Code of Conduct.

Canadian Bearings may investigate ethical concerns and suspected violations and take appropriate actions. Such actions may include termination of the business relationships.

Establishing supply chains free from forced labour and child labour is a shared effort, and we are committed to working with the necessary parties to make it a reality. For more detailed information on associated policies, plans, and training programs, please contact Human Resources, [HumanResources@canadianbearings.com](mailto:HumanResources@canadianbearings.com)

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I in the capacity of Chairman and CEO, 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.

- Full name: Andrew Highland
- Title: Vice President, Finance
- Date: 05-16-2025
- *A. Highland*
- "I have the authority to bind 'Name of Entity.'"