



Cancoil Thermal Corporation
Annual Report on Measures to Prevent Forced and Child
Labour in Supply Chains

Report Period – May 1 2024 to April 30 2025

Submission Date: April 30 2025

Background

Forced labour and child labour are practices that are condemned around the world. Canada has been party to several international conventions that contain commitments to control and eventually eliminate forced labour and child labour. In 2018, a House of Commons subcommittee report recommended that Canadian businesses monitor their supply chains to eliminate forced labour and child labour from supply chains.

After a series of bills were tabled to implement business practices that would curb the use of forced labour and child labour, Bill S-211, an Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act was introduced in the Senate by the Honourable Julie Miville-Dechéne. The purpose of Bill S-211 is to reduce the use of forced labour and child labour in supply chains by increasing transparency in these supply chains. The bill requires private companies to publish a report detailing a company's policies and efforts to implement business practices that will identify and eventually eliminate the use of forced labour and child labour in its supply chain.

This report outlines Cancoil Thermal Corporation's supply chain, existing risks and proposed measures to address and mitigate the risks of modern slavery at the end of the fiscal year ending April 30 2025.

1. Company Overview:

CANCOIL THERMAL CORPORATION (CTC) is a manufacturer of commercial refrigeration products and fin and tube coils. CTC's products are used in a wide range of applications including food processing, refrigerated warehouses, supermarkets, convenience stores, schools, hospitals, restaurants, health clubs, computer rooms and telephone exchanges.

CTC was established and incorporated in the province of Ontario in 1983. The company has no subsidiaries. Currently CTC has two manufacturing and warehouse facilities in Kingston, Ontario. CTC's financial year runs from May 1 – April 30.

2. Supply Chain

CTC operates in the manufacturing sector, specializing in the production of fin and tube coils for the refrigeration sector. CTC imports raw materials such as copper and steel from various suppliers globally. Our supply chain includes direct suppliers, sub-suppliers, and distributors. CTC purchases raw materials such as copper tubing and metal sheets, prefabricated parts, electrical components and other accessories (fans, motors, etc.) to manufacture and assemble its finished products. Raw materials such as copper tubes and metal sheets are used to fabricate components of the fin and tube coils. This transformation of tubes and metal sheets takes place using production equipment. This production equipment is purchased from well established global suppliers in the manufacturing industry.

In the last fiscal year:

- Copper tubing was purchased from Canada, USA, and Malaysia
- Aluminium is purchased from vendors in Canada, USA and China



- Galvanized Steel and Stainless Steel are purchased from Canada
- Electrical components and other accessories are purchased from Canada and USA.
- Purchases of equipment is from well established global suppliers in Canada, China, USA and Italy.

3. Supply Chain Risks & Exposure

CTC's risk exposure to forced labour and child labour is through overseas suppliers. We have conducted a preliminary assessment of our supply chain to identify potential risks associated with forced labour and child labour. Raw materials for metal components such as copper tubes and metal sheets must be mined. As would be expected, and as identified by UN reports, the primary sources of modern slavery risks come from CTC's extended supply chain, i.e. specifically the mining of metals in higher-risk geographies.

4. Measures Proposed

CTC recognizes that challenges remain in preventing forced labour and child labour in complex global supply chains. The Act is in its first year of implementation. CTC will take several proactive steps to ensure we are prepared to comply with reporting requirements under the Act.

- Include clauses in supplier contracts prohibiting forced labour and child labour.
- Participate in government and industry forums and initiatives focused on responsible sourcing.
- Improve our internal processes and systems to help us detect and address forced labour and child labour issues.

5. Employee Training & Supplier Awareness

CTC will work with employees and suppliers to raise awareness of child labour and forced labour.

- CTC will provide training to procurement staff on identifying and mitigating forced labour and child labour risks.
- CTC will also work with suppliers to raise their awareness on Canadian labour standards and compliance requirements.

6. Monitoring and Evaluation

Key Performance Indicators (KPIs): CTC will use the following metrics to evaluate the efficacy of our efforts:

- Supplier contracts updated.
- Training programs provided.
- Percentage of staff attending training programs.



In conclusion, Cancoil Thermal Corporation is committed to upholding the highest standards of labour rights in our supply chains. We are committed in our efforts to prevent and reduce the risk of forced labour and child labour, in line with the provisions of Bill S-211.

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 to the best of my knowledge for the purposes of the Act, for the reporting year listed above.

Approved By:

Chander Datta

President and CEO

Cancoil Thermal Corporation

