



2024 ANNUAL REPORT Bill S-211

1. PURPOSE

This report has been created by Freud Canada Inc. (hereinafter referred to as “**Freud**” or the “**Company**”) 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**”). This report outlines the approach and initiatives taken by Freud to identify and address the risks of forced labour and child labour in its business operations and supply chains in the 2024 financial reporting year.

2. COMMITMENT

Freud 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 Freud imports into Canada.

3. STRUCTURE, ACTIVITIES, AND SUPPLY CHAIN

Freud is one of approximately 470 subsidiaries of Robert Bosch GmbH (“**Bosch GmbH**”), a multinational engineering and technology company headquartered in Gerlingen, Germany. Bosch GmbH maintains policies and procedures that apply to all its subsidiaries (all subsidiaries and Bosch GmbH hereinafter referred to as, the “**Bosch Group**”).

As a sales and distribution company, Freud does not engage in its own manufacturing process. It operates solely in the wholesale trade sector. Freud imports power tool accessories into Canada, including but not limited to, circular saw blades, reciprocating saws, and routers. Almost all finished goods imported into Canada by Freud in the 2024 reporting year were sourced through affiliate Bosch Group entities in Switzerland, Italy, and the United States. Freud also imported from third-party suppliers located largely in China.

Steps Taken by the Freud

Freud maintains policies and due diligence processes to directly address child labour and forced labour, including Bosch Group’s aforementioned risk identification, [Code of Business Conduct](#), [Code of Conduct for Business Partners](#), supplier assessments, Risk Management System, Human Rights Committee, [online anonymous whistleblower system](#), and risk assessments.

For additional information on the policies and due diligence processes of Freud, please refer to the Bosch Group’s [2024 Sustainability Report](#).

4. POLICIES AND DUE DILIGENCE PROCESSES

To help prevent and reduce the potential 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, Freud took the following steps in 2024:



1. The application of the [Code of Business Conduct](#) to all employees in the Bosch Group. The Code of Business Conduct requires employees to comply with all relevant laws and internal regulations. It rejects any violation of human rights, and explicitly, forced labour and child labour.
2. The application of the [Basic Principles for Social Responsibility at Bosch](#) (the “**Principles**”), which condemn child labour and state that all enterprises in the Bosch Group adhere to the stipulations of ILO Convention no. 138 and no. 182. The Principles expressly reject forced labour and promote fair working conditions, in compliance with applicable laws and standards.
3. The application of the [Declaration of Principles on Human Rights of the Bosch Group](#), which expressly prohibits forced labour and child labour at every Bosch location.
4. Requiring suppliers of the Bosch Group to comply with a [Code of Conduct for Business Partners](#). Among other things, the Code of Conduct for Business Partners stipulates that there is zero tolerance for any form of child labour, and it rejects any form of forced labour. It also permits the termination of business relationships in the event of a breach.
5. Conducting supplier assessments, including (i) quick scans based on a checklist of specified criteria, such as, human rights; (ii) drill-deep assessments which are carried out by internally licensed assessors in potentially high-risk regions or industries; (iii) self-declarations where the risk is low; and (iv) third-party audits.
6. The maintenance of a Risk Management System for the implementation of corporate due diligence obligations in accordance with the *German Supply Chain Due Diligence Act* to ensure compliance with human rights and environment-related due diligence obligations. The system is directed both at the actions of the Bosch Group in its own operations and the activities of its suppliers. The Risk Management System also includes a Human Rights Committee that convenes twice a year under the Chair of the Human Rights Officer. The Human Rights Committee is made up of the heads of the responsible corporate departments and other corporate departments with an advisory role (compliance, risk management, legal affairs, communication). The Human Rights Committee evaluates the effectiveness of the Risk Management System and contributes to its further development.
7. Encouraging every Bosch Group employee and every Bosch Group business partner to report any possible violation of the law, the Bosch Code of Business Conduct, or other internal regulations through the [online anonymous whistleblower system](#).
8. The completion of risk assessments. The corporate departments assess the risks relating to their own business activities in a top-down or bottom-up approach (e.g. through questionnaires), depending on the processes in question. The Bosch Group has developed a grading system for risks in the supply chain and uses international indexes such as the Global Slavery Index or the ITUC Global Rights Index to assess the respective supplier’s potential risk. A supplier’s sustainability performance – such as audit results, acceptance of the Code of Conduct for Business Partners, or external certifications – is likewise included in the assessment and used to substantiate the results.



5. FORCED LABOUR AND CHILD LABOUR RISKS

Freud has identified risks to the best of its knowledge and the Company will continue to strive to identify emerging risks in its activities and supply chains. It is aware that there may be higher risks of child labour and forced labour associated with certain regions, goods, and industries.¹

6. REMEDIATION MEASURES

Freud has not identified any forced labour or child labour in its activities or supply chains. As such, it has not undertaken any remediation measures.

7. REMEDIATION OF LOSS OF INCOME

Freud 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.

8. TRAINING PROVIDED TO EMPLOYEES

All Freud employees with purchasing functions are required to complete training specific to child labour and forced labour. In addition, employees who manage suppliers receive training on the requirements expected from suppliers and the procedure for the quick scan supplier assessments.

9. ASSESSING EFFECTIVENESS

Freud assesses the effectiveness in addressing the risks of forced labour and child labour in its activities and supply chain through regular reviews of its policies and procedures related to forced labour and child labour. Specifically, effectiveness is assessed by Freud through the Bosch Group's aforementioned Risk Management System, Human Rights Committee, and risk assessments.

¹ See, for example, U.S. Department of Labor – Bureau of International Labor Affairs, “List of Goods Produced by Child Labor or Forced Labor”: <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>.

