

Report: S-211 Forced Labour in Canadian Supply Chains

Tenaquip Limited

Financial Reporting Year: 2024

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:
 - o Has a place of business in Canada
 - o Does business in Canada
 - o Has assets in Canada
- Meets size-related thresholds:
 - 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
- Import goods produced outside of Canada

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: Chief Operating Officer

Date: May 30, 2025

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 has required that all suppliers with which it has a supplier agreement comply with Tenaquip'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 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 engages with many suppliers, the vast majority of approved suppliers with which Tenaquip has a contractual agreement have agreed to the terms of the Supplier Code of Conduct. These approved suppliers represent 89% of Tenaquip's total distribution business in 2024.

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

Prohibition of Forced and Bonded Labour

Tenaquip strictly prohibits all forms of forced, bonded, indentured labour, modern slavery, and human trafficking. As a reporting entity under Canada's Bill S-211, we are mandated to publicly disclose findings of child or forced labour within our supply chain. Suppliers are required to implement robust due diligence processes to prevent, identify, and remediate instances of forced labour. Tenaquip expects full transparency from its suppliers and immediate corrective action in the event of any violations. Non-compliance may lead to contract termination and reporting to authorities, as per our legal obligations.

Child Labour Prohibition

Suppliers must not employ individuals below the minimum legal working age, which must align with ILO standards or local law, whichever is stricter. Suppliers should also implement robust age verification processes and provide remediation if violations are found.

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 89% 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’s suppliers, and allow Tenaquip to request that a supplier attest that they are 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 distributes goods from over 1597 suppliers in order to meet customer needs and fulfill customer contracts. 89% 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 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.

In 2025, Tenaquip established a Governance Committee to strengthen oversight of ethical and operational practices across the organization. Among its key responsibilities, the Committee has been mandated to investigate any identified instances of child or forced labour, ensuring that appropriate actions are taken in accordance with company policy and applicable legislation. This initiative reinforces Tenaquip's commitment to accountability and ethical integrity throughout its operations and supply chain.

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 for all relevant staff in 2025.

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'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 Supplier Code of Conduct in upholding ethical business practices. Moving forward, our commitment to eliminating any risk of child and forced labour remains steadfast.

The Supplier Code of Conduct was revised in 2024 to reflect current ethical standards and address emerging issues. The updated Code is now incorporated into all new supplier agreements. Tenaquip Limited aims to have all key supplier partners formally re-acknowledge and sign the revised Code of Conduct upon renewal of their supplier agreements. Furthermore, the organization will implement targeted employee training programs to underscore the importance of ongoing vigilance and education on these critical matters.

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.