

Forced Labour in Canadian Supply Chains Bill S-211

Liebherr-Canada Ltd – Financial Reporting Year Ended 31st December 2023.

Officers: P. Robson, T. Petersen
Ontario Corporation No. 000281247
Québec Enterprise No. 1144267219

Introduction

Liebherr-Canada Ltd (LCA) recognizes the problem of modern-day slavery which can take the form of human trafficking, bonded labour, child labour and forced labour and fully supports the eradication of such heinous acts in the 21st century.

The Company is committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere within our company or its suppliers domiciled in Canada. This statement is written in accordance with Fighting Against Forced Labour and Child Labour in supply Chains Act.

Business Structure & Activities

Liebherr-Canada Ltd operates as a wholly owned subsidiary of Liebherr International AG, which is based in Switzerland. The Liebherr Group has become synonymous with technological innovation, quality, commitment to engineering excellence and progress dedicated to its customers and business associates all over the world.

LCA is a Canadian corporation headquartered in Burlington, Ontario with a current workforce of **520 employees**. The core activities are organized into divisional Sales and Customer Service operating units focused on Earthmoving (EMT), Mobile Cranes (LWE), Mining (MIN) Concrete and Mixing Technology (LMT), Maritime and Construction Machinery (MCC), Aerospace and Transportation (AER) and Remanufacturing component Overhaul, Repair and Exchange program within the component division (COT) products from the extensive Liebherr manufactured range. LCA distributes the entire portfolio of heavy plant equipment and related products services and equipment within Canada and operates through sales and service branches located right across the country. LCA imports Liebherr products direct from their manufacturing sister companies located primarily in Europe and the United States of America.

Supply Chain

Liebherr-Canada Ltd maintains relationships with many organisations in its supply chain, as well as being a direct employer. In general, within the Liebherr Group of companies the focus of manufacture is predominantly European with raw material supply contracts from multinational partners. As a sales and service entity for Liebherr products and services, approximately 85% of sourced goods originate from the European Union, 5% the United States of America and remainder from Canada and lesser extent other countries. In all commercial partnerships' considerations of the general employment laws, and human rights laws, the compliance and risk management processes have been reviewed. This determines to what extent measures already exist and what further measures may be required to prevent slavery and human trafficking taking place in any part of the business or in its supply chains.

Due Diligence

Liebherr-Canada Ltd acknowledges that they do not control the conduct of individuals, organisations and those suppliers domiciled outside of Canada.

LCA governs its business relationships in accordance with best practices and within the Group's defined Code of Conduct, Supplier Code of Conduct and associated terms of business covering supply contracts.

To underpin compliance with practical steps, LCA intend to implement the following measures:

1. Reinforcing existing responsible business conduct into policies and management systems aligned with Canadian legislation.
2. Engage with domiciled Canadian suppliers both to convey to them our Forced Labour in Canadian Supply chain Statement, obtain a copy of their statement where applicable and/or gain an understanding of the measures taken by them to ensure modern slavery is not occurring in their businesses.
3. Monitor Canadian supply chain through our supplier evaluation process, coupled with professional chartered memberships and confirm that suppliers accept the company's right to audit their activities (where practicable) at times of reasonable suspicion.
4. Ceasing, preventing, or mitigating adverse identified impacts.

Key Performance Indicators

The following key performance indicators (KPI's) form part of the Internal Control Assessment performed annually, to measure how effective LCA is at preventing slavery from being part of our business in any way.

- Information instruction and mandatory annual training for all employees covering both forced labour and child labour. This covered in the Group's Code of Conduct training with supplementary awareness training concerning the Canadian legislation.
- Identify higher risk suppliers and audit their activities where appropriate via existing vendor approval and assessment.
- Promote and centralize vendor management, procurement, and supply chain management systems.
- Close out investigations and remedial actions undertaken in respect of any audit findings.
- Tracking levels of employee awareness from training outcomes annually.

- Tracking reported and resolved cases via policy audits, whistleblowing, or grievance mechanisms annually.
- Partnering with suppliers to measure the effectiveness of their actions to address compliance with the Act and their relevant performance indices.

Training & Communication

All employees will be informed through internal annual mandatory training of their obligation to familiarize themselves with the Company's procedures to help in the identification and prevention of modern-day slavery and to conduct business in such a manner that the opportunity for an incident of modern-day slavery would be prevented. This training is complimented by the Liebherr Group Code of Conduct, Supplier Code of Conduct, Group's Corporate Responsibility Policy and Core Values.

[Liebherr Corporate Responsibility](#)

[Core Values](#)

[Code of Conduct](#)

[Supplier Code of Conduct](#)

Liebherr-Canada Ltd encourages all employees or any third party to inform the HR Management, in confidence, of any concern or issue of suspicion regarding a person acting on behalf of their company, one of its suppliers or one of its businesses seeking to exploit another person or persons in a way which could amount to modern slavery. Also, the Liebherr Group has implemented a Group wide Whistleblowing System where compliance breaches can be notified to Liebherr- International AG.

The Company aims to encourage openness and will support anyone who raises genuine concerns in good faith under their policies, even if they turn out to be mistaken. Nevertheless, misuse of the reporting channels for improper purposes will not be tolerated. Any reports are to be kept in confidence, subject to the need for the LCA to act responsibly and within the law.

The approach to modern day slavery must be communicated to suppliers, contractors and business partners domiciled within Canada at the outset of the company's business relationship with them and reinforced as appropriate thereafter.

Liebherr-Canada Ltd has a strong working knowledge of its core tier 1 vendor partners and we continuously assess and address any identified issues directly, in a collaborative way. LCA has not identified any forced or child labour in our activities and supply chains in the reporting period. Accordingly, we have not taken any remedial actions.

The Board of Liebherr-Canada Ltd. has approved this report.

In accordance with the requirements of the Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in the report for the entity listed above. Based on our knowledge, and having exercised reasonable diligence, we 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.



Paul Robson
Managing Director/CFO
Date: 24th May, 2024



Tim Petersen
Managing Director

We have the authority to bind Liebherr-Canada Ltd.