

# Canadian Forced Labour and Child Labour Supply Chain Act

Covering activities undertaken from 1 January 2023 to 31 December 2023

Vanderlande Industries Canada Inc.

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## 1. INTRODUCTION

This report is produced by Vanderlande Industries Holding BV for its entities Vanderlande Industries Canada Inc. and Vanderlande APC Inc. (“**Vanderlande**” or the “**Corporation**” or “**our**” or “**we**”) for the calendar year starting from 1 January 2023 and ending on 31 December 2023 (the “**Reporting Period**”). It sets out the steps taken to prevent and reduce the risk of forced labour or child labour (also referred to as “**modern slavery**”) used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada by the Corporation. This is the first report prepared by the Corporation pursuant to Canada’s new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”).

## 2. REPORTING CONTEXT

This report provides an overview of our robust governance processes, existing risk mitigation measures, and the progress achieved during the 2023 reporting period in addressing the risks associated with modern slavery across our supply chain. We are a federally incorporated entity subject to the legal requirements in section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

The report is a joint submission by Vanderlande and its subsidiaries, Vanderlande Industries Canada Inc. and Vanderlande APC Inc., which are authorized to import goods into Canada. Vanderlande Industries Holding BV (“**Vanderlande Industries Holding BV**”) is ultimately owned and controlled by Toyota Industries Corporation.

## 3. STEPS TO PREVENT AND REDUCE RISK OF FORCED AND CHILD LABOUR

We hold the unwavering belief that the respect for human rights is not only a fundamental corporate responsibility, but also a guiding principle that permeates every facet of our operations. As we conduct business globally, we place paramount importance on upholding human rights. This commitment extends to our valued business partners, whom we expect to share this ethical imperative.

In 2023, we implemented the following measures during the reporting period to proactively address and mitigate the risks associated with forced and child labour within our business operations and supply chains. These actions were taken to uphold ethical standards and ensure compliance with human rights principles, thereby safeguarding our reputation and fostering responsible business practices.

- Supplier Code of Conduct signed by preferred and strategic suppliers.
- Supplier third-party due diligence process.
- Checked our suppliers via LexisNexis® Firco™ Compliance Link on sanctions and adverse media through enhanced due diligence.
- Suppliers are evaluated based on a country’s human rights risks.
- Execution of supplier audits.

In this comprehensive report, we will delve into the intricacies of the subject matter previously referenced. Our analysis will provide an overview of the process applied, relevant details, data and contextual information.

#### 4. STRUCTURE, ACTIVITIES & SUPPLY CHAINS

Vanderlande’s warehousing solutions are the first choice for many of the largest global e-commerce players and retailers in food, fashion and general merchandise across the globe. The company helps them to fulfil their promise of same-day delivery for billions of orders, with nine of the 15 largest global food retailers relying on its efficient and reliable solutions.

As a global partner for future-proof airport automation, Vanderlande’s market-leading baggage handling systems and related passenger solutions are capable of moving over 4 billion pieces of baggage around the world per year. These are active in more than 600 airports, including 12 of the world’s top 20. In addition, over 380 of Vanderlande’s security lanes are installed at checkpoints worldwide.

Vanderlande is also a leading supplier of process automation solutions that address the challenges in the parcel market. More than 52 million parcels are sorted by its systems every day, which have been installed for the world’s leading parcel handling companies.

Established in 1949, Vanderlande has more than 9,000 employees, all committed to moving its customers’ businesses forward at diverse locations on every continent. With a turnover of 2.1 billion euros, it has established a worldwide reputation over the past seven decades as a global partner for future-proof logistic process automation.

Toyota Industries Corporation (TICO) acquired Vanderlande in 2017 to cement its global leading position within material handling. It aims to achieve this by increasing its presence in all integrated and automated projects, and capitalising on the synergies between the organisations and the added value they offer to the market.

TICO therefore launched the Toyota Automated Logistics Group (TALG), which consists of Toyota L&F, Bastian Solutions, Vanderlande and viastore. TALG is a global partner for integrated logistic process automation, with its group companies collaborating under the guiding principle: for every challenge, a reliable solution.

Vanderlande’s total import value for the 2023 reporting period by origin country:

Country of origin	Import value percentage (%)
Canada	68.85
United States	20.51
The Netherlands	7.12
Germany	2.00
France	1.28
China	0.18
Finland	0.06

## 5. POLICIES, GOVERNANCE & DUE DILIGENCE PROCESSES

### 5.1 Vanderlande's Commitment to Sustainability and Corporate Responsibility

At Vanderlande, we prioritize embedding human rights considerations into every facet of our operations. Our policies, governance framework and decision-making processes reflect this commitment. We recognize that effectively managing environmental, social, and governance (ESG) risks and opportunities is not only a responsibility, but also a strategic imperative for our long-term success.

To achieve our sustainability goals, we actively track and assess potential risks that shape our operating environment. Our strategies focus on enhancing performance across various issues relating to sustainability. Key oversight lies with our Executive Board and Risk Committee, which diligently monitor our ESG plan, practices, related policies and disclosures. Additionally, our Supervisory Board and the Audit Committee play an essential role in overseeing specific ESG-related matters and disclosures.

Annually, we publish our Sustainability Report (ESG Report), which provides transparency about our corporate social responsibility performance. It outlines our achievements, as well as our sustainability and ESG goals for FY2025, and can be accessed on our website: [Vanderlande ESG Report](#).

### 5.2 Vanderlande's Commitment to Ethical Procurement Practices

At Vanderlande, our procurement professionals adhere to rigorous standards that uphold human rights and ethical principles, with some specific examples listed below.

- Forced labour rejection: we categorically reject any form of forced labour within our supply chain.
- United Nations endorsement: our professionals actively endorse the United Nations' principles. This includes supporting the Conventions concerning the minimum age for employment (ILO Convention No. 138) and the prohibition and immediate action for the elimination of the worst forms of child labour (ILO Convention No. 182).
- Anti-discrimination stance: within the legal boundaries defined by current legislation and regulations, we stand against all forms of discrimination. Our professionals champion equal treatment, regardless of sex, race, disability, ethnic or cultural background, religion or worldview, age or sexuality.

In alignment with our dedication to upholding human rights, we reaffirm our unwavering stance against child or forced labour. We hold ourselves accountable to the highest standards. We expect all our employees—at all levels—as well as our valued business partners, to uphold these principles in their actions and decisions.

This information is also mentioned in the UK Modern Slavery and Human Trafficking Statement, which is available on our website: [Modern Slavery and Human Trafficking \(United Kingdom\)](#).

### 5.3 Vanderlande's Global Code of Ethics: Upholding Integrity and Standards

Vanderlande's Policy on Good Business (employee Code of Conduct) establishes global standards for our business operations. It applies to all members of the Vanderlande community, including the Board of Directors, management, and employees at every level, across all countries and from every Vanderlande legal entity (including joint ventures in which Vanderlande holds a majority or controlling interest). This policy specifically addresses ethical conduct within our working environment, business practices and relationships with external stakeholders.

The principles outlined in the policy reflect Vanderlande's unwavering commitment to honesty and integrity, which contribute to a positive working environment and enhance the confidence of all stakeholders. The policy provides clear guidance on the expected standards of behaviour for everyone in their daily activities and interactions with others. Additionally, it outlines the key responsibilities of Vanderlande's leaders, emphasizing their role in setting high standards of ethical conduct and creating a good working environment.

We are committed to upholding our core values and adhering to our standards of behaviour across all global endeavours. Importantly, this policy applies universally, without exception, to all members of the Board of Directors, management and employees. The policy can be found on our website: [Policy on Good Business](#).

In addition, we have other policies in areas such as a human rights, reviewing the standards of business partners and fair competition. All policies are available in multiple languages, including English and French.

### 5.4 Vanderlande's Supplier Code of Conduct: Upholding Ethical Standards

In alignment with Vanderlande's vision for its suppliers, we actively collaborate with our supply chain partners through adherence to the Supplier Code of Conduct. This has been meticulously developed, and most recently updated in January 2022. It provides clear guidelines and expectations for our suppliers across various critical areas, including human rights, labour practices, legal compliance, health and safety, environmental stewardship, anti-corruption measures, ethics and governance.

Our code explicitly incorporates provisions that prohibit child and forced labour.

- **Prevention of underage labour**  
*"Prevention of underage labour: the supplier shall not employ workers under the age of 15 or, in those countries subject to the developing country exception of the ILO Convention 138, employ no workers under the age of 14 and not employ workers under the age of 18 for hazardous work according to ILO Convention 182."*
- **Prevention of involuntary labour and human trafficking**  
*"Prevention of involuntary labour and human trafficking: the supplier shall not traffic in persons or use any form of slave, forced, bonded, indentured, or prison labour. This includes the transportation, harboring, recruitment, transfer, or receipt of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation. All work must be voluntary and workers shall be free to leave work or terminate their employment with reasonable notice. The supplier shall ensure that third-party agencies providing workers are compliant with the provisions of the Code and the laws of the sending and receiving countries, whichever is more stringent in its protection of workers. The supplier shall ensure that contracts for both direct and contract workers clearly convey the conditions of employment in a language understood by the worker."*

For further details, you can find the complete Supplier Code of Conduct on our website: [Supplier Code of Conduct](#).

## 5.5 Vanderlande's Third Party Due Diligence Process: Ensuring Ethical Partnerships

While enhancing operational efficiency, we remain committed to fortifying our processes to mitigate risks related to forced labour and child labour. In alignment with our third-party due diligence process, our supply chain organization employs a rigorous risk assessment procedure before engaging with new suppliers.

Vanderlande is committed to maintaining ethical practices and responsible business conduct throughout its supply chain. In the context of risk assessment for child labour and forced labour, we take a comprehensive approach.

Firstly, we meticulously examine the composition of our supply chain, considering factors such as geographical locations, supplier profiles, and operational practices. Suspected hotspots—such as unauthorized sub-contracting or regions with heightened risks—are closely monitored.

Secondly, we evaluate supplier awareness regarding child labour and forced labour prevention and remediation. This includes assessing the systems and capacities that suppliers have in place to address these risks effectively.

Additionally, we scrutinize recruitment practices, age verification processes and the use of labour intermediaries. Our commitment extends beyond compliance: we actively strive to create a responsible and sustainable supply chain, emphasizing the reduction of child and forced labour risks, while strengthening the rights of children.

## 5.6 Vanderlande's Robust Misconduct Reporting Framework: Fostering Ethical Accountability

As an organization deeply committed to responsibility and integrity, we uphold the highest standards of ethics in all our business endeavors. Our Policy on Good Business (Employee Code of Conduct) embodies Vanderlande's ONE company philosophy, guiding our actions and decisions. Through our ONE way of working, we empower our people to make informed choices based on our established policies, procedures and guidelines. To facilitate this process, we offer multiple channels for reporting potential breaches.

- Employees can reach out to colleagues, including supervisors, human resources representatives, legal services, internal audit personnel, or next-level management. At Vanderlande, we foster an environment where open and honest communication is not merely encouraged—it is the expectation. We want every employee to feel comfortable approaching their supervisor or management, whenever they suspect violations of policies or standards.
- Our dedicated Ethics and Compliance Officer (based in the Legal and Risk Department) is accessible via email or phone, serving both employees and suppliers across all major sites.
- Additionally, our global ethics line—a free and confidential hotline—operates 24/7, allowing employees and third parties to report concerns by phone or online (it's called "EthicsPoint"). People are encouraged to submit reports related to violations outlined in our Policy on Good Business (Employee Code of Conduct).

## 6. ASSESSING AND MANAGING THE RISKS

In its commitment to ethical business practices, Vanderlande adopts a risk-based approach to assess and manage the potential risks associated with forced and child labour within its supply chain. This strategic methodology allows us to prioritize our efforts effectively and make informed decisions.

Vanderlande conducts thorough due diligence of its suppliers. This process involves evaluating several factors, including country-specific risk indicators, supplier categories, and the nature of products or services provided by each supplier. By meticulously assessing suppliers, we identify potential risks related to forced and child labour.

Based on the data collected, we assign a risk score to each one, which determines the level of additional due diligence required. Suppliers with higher risk scores undergo closer scrutiny, particularly concerning forced and child labour practices. Vanderlande maintains continuous monitoring of its suppliers, conducting regular reviews to ensure compliance with ethical standards. The frequency of these reviews varies based on risk scores and other relevant factors.

## 7. REMEDIATION MEASURES

Our Policy on Good Business and the Supplier Code of Conduct provide a mechanism for both employees and suppliers to report ethical or legal violations, as well as other concerns. The code also outlines details about the ethics line, which suppliers can use to raise any issues.

## 8. TRAINING

In 2024, Vanderlande aims to offer a training program specifically designed to address child and forced labour. This training will be provided to a targeted audience.

We are taking steps to address these critical issues to ensure that slavery and human trafficking are not part of our business or supply chain.

## 9. EVALUATING THE EFFECTIVENESS OF IMPLEMENTED MEASURES

Vanderlande has implemented several measures to mitigate the risk of forced or child labour in our operations and supply chains. Although we have not yet evaluated the effectiveness of these measures, we plan to assess their impact on preventing and reducing such risks at a later point.



## APPROVAL AND 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 purposes of the Act, for the reporting year listed above.

I have the authority to bind Vanderlande Industries Canada Inc. and Vanderlande APC inc.

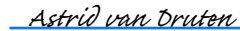


Full name: Nick Porter

Title: President Vanderlande Industries Canada Inc. and President Vanderlande APC Inc.

Date: May 28, 2024

On behalf of Vanderlande Industries Holding B.V.



Astrid van Druten (May 25, 2024 18:41 GMT+2)

Full name: Astrid van Druten

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Date: May 25, 2024