



# FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

## 2023 Annual Report

### TABLE OF CONTENTS

#### **INTRODUCTION**

The Forced Labour and Child Labour in Supply Chains Act

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#### **OUR BUSINESS**

ColdFront's Structure, Activities and Supply Chains

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#### **COMPANY POLICIES**

Code of Conduct Policy  
Supplier Code/Policies  
Whistleblower Policy

---

#### **PROCESSES OF DUE DILLIGENCE**

Proactive Assessments to Investigate, Evaluate and Mitigate Potential Human Rights Issues  
Assessing Effectiveness

---

#### **REPORT APPROVAL AND ATTESTATION**

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## **INTRODUCTION**

### ***THE FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAIN ACT***

The Forced Labour and Child Labour in Supply Chains Act (the “Act”) requires that businesses specify actions they have taken during the fiscal year to prevent and reduce the risk of forced labour or child labour within their operations and supply chain. This report is for ColdFront Limited (the “Company”) which has an obligation to publish a report under the Act. This report refers to the 2023 fiscal year end, being December 31, 2023 and describes steps taken by the Company in 2023. ColdFront Ltd., substantially relies upon the efforts of its supply chain providers (third-party companies) for managing and monitoring their operations and compliance programs.

At ColdFront, our main goal is to be Western Canada’s go-to resource for temperature control products and services for transport and industry. We recognize our responsibility to respect and protect the human rights of all people who support and intersect with our business, comprised of all our employees in our facilities, including in our supply chain network. We recognize the importance of our partnerships with our customers and providing them with certainty that the products we sell comes from suppliers that provide safe, fair, and ethical working conditions for their workers.

ColdFront’s commitment to prevent and reduce the risk of forced and child labour applies to all our locations across Western Canada, our business partners and our North American supply chain network. We expect our business partners and suppliers (as well as their contractors, agents, subcontractors, sub-agents and labour agencies) to uphold these same principles within their operations and adhere to applicable human rights and employment standards laws.

## **OUR BUSINESS**

### ***COLDFRONT STRUCTURE, ACTIVITIES AND SUPPLY CHAINS***

ColdFront is the dealer for Carrier Transicold in British Columbia, Alberta and Saskatchewan. ColdFront was born from a union of two organizations (Hiway Refrigeration and Eskimo Refrigeration), both with over 50 years history in Western Canada. In addition to representing Carrier Transicold, ColdFront is a distributor for other industry leading Temperature management related products including Webasto and RedDot. ColdFront only sells quality products from established Suppliers with operations in North America.

ColdFront employs over 125 employees, all in Western Canada.

## **COMPANY POLICIES**

Through formal policies, we have a documented Code of Conduct for our employees and adhere to comprehensive compliance standards based on Federal and Provincial Legislation, Unionized Organization Labour Agreements (applicable to our BC operations only) and universal Human Rights. ColdFront strives to uphold the rights of customers, colleagues and our employees. ColdFront is committed to protecting human rights, founded on a strong belief in doing what is right, and to create a safe and inclusive experience for all employees across all of our locations and the many customers who choose our products.

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ColdFront's policies and practices are compliant per the following North American industry leading best practice standards:

- Business and Human Rights Laws and Regulations
- Unionized Labour Organization Agreements (BC)
- Employment Standards (Provincial)
- Federal Legislation
- Provincial Legislation
- Local human rights laws
- Regulatory Safety Standards (WCB and WSBC)

ColdFront's approach to Human Rights addresses the risk of modern slavery and is supported by our internal processes through our employees Code of Conduct and our position on Human Rights. Our internal processes reinforces compliance pertaining to workers' rights and safety by assessing and confirming these and other factors:

- labour is voluntary;
- workers are properly compensated;
- workers are not exploited;
- facilities comply with applicable employment standards (including minimum age);
- working hours are consistent with local laws and standards; and
- facilities meet health and safety laws and regulations.

#### ***CODE OF CONDUCT POLICY***

ColdFront's Employee Code of Conduct reflects our CORE values of Certainty, Responsiveness, Partnership and Knowledge & Education Ownership, Respect and Excellence, and reinforces our commitment to integrity, professionalism and accountability. Respecting and protecting human rights is a focus within our Code. Employees are encouraged to apply a human rights lens when conducting business activities and making ethically sound decisions. The Code is managed by the Human Resources Department and is reviewed annually and updated as necessary.

#### ***SUPPLIER CODE/POLICIES***

ColdFront Reviewed the 2023 ESG Reports for all our major suppliers and have verified that over 97% of our products that we sell have been purchased from Suppliers that who themselves have verified that in their supply chain they have done the Due Diligence to ensure that they do not import or purchase products manufactured with either child labour or forced labour. Specifically our main supplier, Carrier Transicold, uses EcoVadis, a third-party risk assessment platform and engagement tool, to assess top factory suppliers across key ESG topic areas, including labor practices, human rights, ethics, energy, climate and water.

#### ***WHISTLEBLOWER POLICY***

We have established whistleblower procedures containing provisions encouraging anyone who becomes aware of a violation of a policy to speak up. The policy offers confidential methods for reporting violations, including immediate internal department management, Human Resources, and Leadership Level (CEO). To protect whistleblowers, our policy prohibits retaliation against any person for reporting, in good faith, contraventions of the policy, or for filing a complaint or testifying, assisting or participating in any manner in any investigation or hearing conducted.

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## **PROCESSES OF DUE DILLIGENCE**

### ***PROACTIVE ASSESTMENTS TO INVESTIGATE, EVALUATE AND MITIGATE POTENTIAL HUMAN RIGHTS ISSUES***

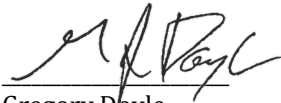
ColdFront has done a review of our existing products and have come to the conclusion that the risk of child or forced labour being used in our products is extremely low as the vast majority of our products are manufactured in North America which is covered by labour laws prohibiting the use of such labour. While assessing our Suppliers, gaps of information do exist, we will continue to seek out assurances from our suppliers that they have done their due diligence and that the products they source and the suppliers they use do not use child or forced labour.

### ***ASSESSING EFFECTIVENESS***

ColdFront is committed to addressing the risks of forced labour and child labour in our business and supply chains. ColdFront will continue measures to prevent and reduce these risks. However, to date, no actions have been taken to assess the effectiveness of these measures.

## **REPORT 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.



Gregory Doyle  
Chief Financial Officer  
ColdFront Ltd.

May 28<sup>th</sup>, 2024

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