



## 2024 Forced Labour & Child Labour Report

### **Part I: Air Liquide Canada Inc. (“Air Liquide Canada”) Activities**

Air Liquide Canada is incorporated under the federal laws of Canada. It is part of the Air Liquide group of companies (“AL Group”). Air Liquide Canada is the main corporation in the AL Group that does business in Canada.

Air Liquide Canada is primarily in the business of manufacturing, producing and distributing /selling compressed and/or liquified gases. Most gases sold by Air Liquide Canada are manufactured in Canada at Air Liquide Canada air separation units, and the majority share of Air Liquide Canada profits is derived from such sales. Specialty gases, rare gases, and propane may be purchased from various suppliers, and can be imported. A significant volume of those few gases come from the United States, but can also be imported from elsewhere across the world.

Air Liquide Canada is also in the business of distributing, importing and selling hardgoods primarily to welding customers. Air Liquide Canada purchases hardgoods from many external manufacturers and suppliers from around the world, but mainly from the United States, which has robust import laws against forced labour and child labour.

### **Part II: Policies & HR**

Air Liquide Canada has numerous policies in place covering both external suppliers and internal Human Resources (“HR”). Here are the primary ones:

#### *Supplier Code of Conduct*

Air Liquide Canada has in place a [Supplier Code of Conduct](#) to which all suppliers are generally required to adhere. Sections 3 and 4 of the Supplier Code of Conduct require all external suppliers to be compliant with Air Liquide principles in human, social and labour rights. Most formal contracts with suppliers reference the Supplier Code of Conduct. The standard language in Air Liquide Canada purchase orders also references our Supplier Code of Conduct.

#### *Code of Conduct*

Air Liquide Canada has in place a Code of Conduct applicable to the AL Group. The Code of Conduct applicable to all employees requires employees in their areas of responsibility to protect human rights, which includes, among others, health, security and safety, non-discrimination, freedom of opinion, expression and association, working under decent and fair conditions, and explicitly references the prohibition of child labour or any form of modern slavery. As part of their onboarding with Air Liquide Canada, all employees must take a Code of



Conduct training. Furthermore, there is annual training and overview addressing various selected topics in the Code of Conduct.

#### *Human Resources*

Air Liquide Canada has a strong HR team in place to ensure compliance with applicable employment and labour laws in Canada, and to the extent Air Liquide Canada has students under the age of 18, the HR team will ensure that work hours are conducive for their concurrent educational pursuit.

### **Part III: Supply Chain**

#### **a) Due Diligence**

Air Liquide Canada has robust supplier vetting processes. Before contracting with a supplier, the supplier must generally answer a series of questions in a contractor assessment platform and or on a Supplier Application Form (“SAF”), including the question “Does the supplier use any child, forced, or prison labour in the production or supply of the products it sells to [Air Liquide Canada]?”. Suppliers must have in place policies and verification methods in place against the use of forced labour and child labour. They must also comply with applicable laws in Canada.

In addition, Air Liquide Canada uses a third party database to verify if any new supplier is involved in forced labour or child labour, including when a supplier of AL Group starts supplying in Canada. Air Liquide Canada also makes this verification whenever a Risk Assessment Checklist is required by the issuer of a request for proposals.

#### **b) Risk Identification**

It is extremely unlikely that any internal Air Liquide Canada activities in Canada involve any form of forced labour or child labour.

It is very unlikely that gases imported by Air Liquide Canada are manufactured or produced or handled by forced labour or child labour.

It is unlikely that hardgoods imported by Air Liquide Canada are manufactured or produced or handled by forced labour or child labour.

### **Part IV: Conclusion**

It is Air Liquide Canada’s belief that contractual undertakings by suppliers, questionnaires to be filled by suppliers, and verification by a third party database are highly effective to filter out forced labour and child labour in Air Liquide Canada’s supply chain. It is further Air Liquide Canada’s belief that a Code of Conduct, trainings, and a robust HR team ensure that Air Liquide Canada’s internal activities are not subject to child labour or forced labour. The measures we



have taken are specifically targeted internally or at multiple stages of contracting, and therefore, minimize potential impact on vulnerable families that may result from potential contract termination. As such, no specific remediation measures are taken to address the loss of income for vulnerable families caused by any measures to eliminate the use of forced or child labour.

Air Liquide Canada does not assess the effectiveness of our measures because we are of the view that there is no real mechanism to perform such an assessment. Nevertheless, every year, there is a small number of suppliers with whom Air Liquide Canada is not contract with or must stop contracting due to their appearance on the third party database for various reasons, or who do not meet Air Liquide Canada's due diligence requirements. This suggests that Air Liquide Canada's contracting process with suppliers is robust, and allows Air Liquide Canada to weed out certain suppliers, almost always before even dealing with them contractually.

#### **List of Entities Covered**

Air Liquide Canada Inc.

**Approved by the Air Liquide Canada Board on May 9, 2024**