



Carrier Enterprise Canada, L.P.

Forced/Child Labour Report

May, 2024

REPORT INTRODUCTION

Carrier Enterprise Canada, L.P. (or “CEC”) is an HVAC/Refrigeration distributor in Canada offering heating and air conditioning equipment, parts and supplies throughout its 36 wholesale locations (stores), in every province except Newfoundland and Labrador and Prince Edward Island, and online through its ecommerce site. This report is in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act, S.C. 2023, c. 9 (the “Act”). This report describes the steps we have taken during the financial year ending December 31, 2023 (the “Reporting Period”) to identify, assess, and address forced/child labour risks in our operations and supply chain.

ORGANIZATION STRUCTURE

CEC is a limited partnership that is jointly owned by Watsco Canada, Inc. and Carrier Canada Corporation. CEC’s headquarters are in Mississauga, Ontario supporting our local markets across Canada. CEC is national sales and distribution company of HVAC and refrigeration products. CEC purchases from over 100 suppliers across North America. We have 5 major distribution centres across Canada storing and distributing to 31 other branch locations. We rely on 3rd party transportation service to deliver our inventory to branches and ship out to customers.

POLICIES AND DUE DILIGENCE PROCESSES

CEC has a Human Rights Policy and Supplier Code of Conduct in place to address the risk of human rights violations and forced/child labour within our operations and supply chain.

(1) SUPPLIER CODE OF CONDUCT

Product suppliers to Carrier Enterprise Canada, L.P. are required to adhere to its ultimate parent corporation Watsco, Inc.’s Supplier Code of Conduct. CEC seeks business partners who share our commitment to the highest moral and ethical standards with regard to legal, compliance, corporate governance, human rights, employment standards, health, safety and environmental stewardship.

CEC is committed to the protection and advancement of human rights guided by values that inspire how we conduct our business. In furtherance of CEC's commitment to human rights, suppliers shall not engage in human trafficking, slavery, bonded (including debt bondage) or indentured labour, forced labour, child labour or prison labour. Suppliers shall adhere to the minimum employment age limit defined by the applicable national law or regulation and comply with relevant International Labour Organization standards. Suppliers shall comply with all applicable laws and industry practices on working hour schedules, payment of minimum wages, overtime pay, rest periods, holidays, and freedom of association.

CEC maintains the right to take actions, including on-site inspections of the supplier's facilities and review of any applicable books, records, certifications and other documentation in order to assess compliance with the Code.

(2) HUMAN RIGHTS POLICY


CEC is subject to and abides by Watsco, Inc.'s Human Rights Policy. CEC does not tolerate the use of child labour or human trafficking. CEC does not tolerate the exploitation of children or the trafficking, physical punishment, abuse, or involuntary servitude of any worker. CEC does not and will not employ child labour in any of its operations and facilities. In addition, CEC will not knowingly engage a supplier, or enter into a joint venture with an organization that directly, or indirectly through a third party, employs child labour. CEC does not and will not employ forced labour in any of its operations and facilities. In addition, CEC will not knowingly engage a supplier, or enter into a joint venture with an organization, that directly or indirectly employs forced labour or employs persons who were trafficked into employment.

Violations of the Human Rights Policy and Supplier Code of Conduct can be reported confidentially to Watsco's Corporate Assurance Team at confidentialemail@watsco.com or via telephone call to (866) 492-6800.

ATTESTATION PURSUANT TO SECTION 11 OF THE CANADIAN ACT

In accordance with the requirements of the Canadian Act, particularly section 11, I attest that I have reviewed the information contained in this report for the entity subject to the Canadian Act. 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.

Signed by:



Brock Horton

President

Carrier Enterprise Canada, L.P.