



May 29, 2024

Robert Bosch Inc.
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2023 ANNUAL REPORT

1. Purpose

This annual report for the 2023 financial reporting year has been created by Robert Bosch Inc. (hereinafter referred as “**RBCA**”, “**our**”, or “**we**”) for the sole purpose of meeting its obligations and reporting requirements for entities pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the “**Act**”).

2. Our Commitment

RBCA is committed to preventing and reducing the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere, including goods that RBCA imports into Canada.

3. Categorization, Sector, and Industry

RBCA is a sales and distribution entity headquartered in Mississauga, Ontario.

In terms of the Act’s threshold requirements, RBCA has at least \$20 million in assets for at least one of its two most recent financial years, it has generated at least \$40 million in revenue for at least one of its two most recent financial years, and it employs an average of at least 250 employees for at least one of its two most recent financial years.

4. Structure, Activities, and Supply Chain

RBCA is one of approximately 470 subsidiaries of Robert Bosch GmbH (“**Bosch GmbH**”), a multinational engineering and technology company headquartered in Gerlingen, Germany. Bosch GmbH maintains policies and procedures that apply to all of its subsidiaries (all subsidiaries and Bosch GmbH hereinafter referred to as, the “**Bosch Group**”).

As a sales and distribution company, RBCA does not engage in its own manufacturing process. All finished goods are imported into Canada and sourced through affiliate Bosch Group entities in the United States, Germany, Portugal, and the Netherlands.

RBCA’s operations are divided into four divisions: (i) Power Tools; (ii) Mobility Aftermarket; (iii) Building Technologies; and (iv) Home Comfort. We operate in the wholesale trade, retail trade, and transportation and warehousing sectors.

RBCA’s Power Tools division is responsible for: (i) the sales and logistics of power tools and related accessories in Canada; and (ii) Canadian customer service for Bosch products. For the power tools business, RBCA sells power tools and accessories primarily under the Bosch

and Dremel brands. The Bosch brand, which includes cordless drills, drivers, jigsaws, circular and reciprocating saws, are generally marketed to professional users. The DIY consumer market is mostly serviced by the Dremel brand of cordless and corded power tools and accessories. RBCA sources the majority of its power tools and related accessories from affiliated Bosch Group companies in the United States and Germany. These products are then sold by RBCA in Canada to consumers through third-party retailers and industrial customers through independent dealers.

The Mobility Aftermarket division of RBCA is responsible for: (i) the sales and logistics of automotive aftermarket and replacement parts for servicing vehicles; and (ii) the sales of workshop and diagnostic equipment for vehicles. The products in this division are primarily sourced from the affiliated mobility aftermarket divisions of the Bosch Group in the United States and Germany. The automotive aftermarket products that RBCA purchases and sells are targeted mainly for the aftermarket, sold under the Bosch brand, and include brakes, diesel, glow plugs, filters, fuel injection and pumps, ignition parts, oxygen sensors, spark plugs, starters and alternators (new and remanufactured), water pumps, wiper blades, and other related products. RBCA's primary customers are in the independent aftermarket channel and retail channel.

The Building Technologies (security and communication systems) division of RBCA is responsible for the sales, logistics, and customer service of primarily Bosch video, intrusion control, and communications products. RBCA sells security systems products through a direct sales force and manufacturer sales representatives. Security systems products are manufactured by Bosch Group affiliates in the Netherlands, Portugal, and China. The products are then shipped to a distribution center in the United States. RBCA orders the security systems products from the Bosch Group affiliate in the United States for their resale to Canadian customers.

The Home Comfort division of RBCA is responsible for the sales of water heating and comfort heating systems. RBCA purchases Bosch tankless, point-of-use water heaters, Buderus floor-standing and Buderus and Bosch wall-hung boilers, as well as controls and accessories for sale in the local market. All products are sourced from Bosch Group affiliates in the United States. Accessories can include items such as gaskets, flanges, mounts, screws, insulators, and burners.

Steps Taken by the RBCA in 2023

To help prevent and reduce the potential risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada, RBCA took the following steps in 2023:

1. Mapping activities;
2. Mapping supply chains;
3. Conducting an internal assessment of risk of forced labour and/or child labour in the organization's activities and supply chains;
4. Developing and implementing an action plan for addressing forced labour and/or child labour;
5. Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily;
6. Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour;
7. Developing and implementing due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains;
8. Carrying out a prioritization exercise to focus due diligence efforts on the most severe risks of forced and child labour;
9. Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains;
10. Developing and implementing anti-forced labour and/or -child labour contractual clauses;
11. Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists;
12. Auditing suppliers;
13. Monitoring suppliers;
14. Enacting measures to provide for, or cooperate in, remediation of forced labour and/or child labour;
15. Developing and implementing grievance mechanisms;
16. Developing and implementing training and awareness materials on forced labour and/or child labour;
17. Developing and implementing procedures to track performance in addressing forced labour and/or child labour;

18. Engaging with supply chain partners on the issue of addressing forced labour and/or child labour; and
19. Engaging with civil society groups, experts and other stakeholders on the issue of addressing forced labour and/or child labour.

To achieve the above steps, RBCA relied on the actions taken by the Bosch Group in 2023, which included:

1. Identifying fifteen (15) high-risk raw materials that the Bosch Group uses and launching specific risk-mitigating programs.
2. The application of the [Code of Business Conduct](#) to all employees in the Bosch Group. The Code of Business Conduct requires employees to comply with all relevant laws and internal regulations. It rejects any violation of human rights, and explicitly, forced labour and child labour.
3. Requiring suppliers of the Bosch Group to comply with a [Code of Conduct for Business Partners](#). Among other things, the Code of Conduct for Business Partners stipulates that there is zero tolerance for any form of child labour, and it rejects any form of forced labour. It also permits the termination of business relationships in the event of a breach.
4. Conducting supplier assessments, including (i) quick scans based on a checklist of specified criteria, such as, human rights; (ii) drill-deep assessments which are carried out by internally licensed assessors in potentially high-risk regions or industries; (iii) self-declarations where the risk is low; and (iv) third-party audits.
5. The maintenance of a Risk Management System for the implementation of corporate due diligence obligations in accordance with the *German Supply Chain Due Diligence Act* to ensure compliance with human rights and environment-related due diligence obligations. The system is directed both at the actions of the Bosch Group in its own operations and the activities of its suppliers. The Risk Management System also includes a Human Rights Committee that convenes twice a year under the Chair of the Human Rights Officer. The Human Rights Committee is made up of the heads of the responsible corporate departments and other corporate departments with an advisory role (compliance, risk management, legal affairs, communication). The Human Rights Committee evaluates the effectiveness of the Risk Management System and contributes to its further development.
6. Encouraging every Bosch Group employee and every Bosch Group business partner to report any possible violation of the law, the Bosch Code of Business Conduct, or other internal regulations through the [online anonymous whistleblower system](#).

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7. The completion of risk assessments. The corporate departments assess the risks relating to their own business activities in a top-down or bottom-up approach (e.g. through questionnaires), depending on the processes in question. The Bosch Group has developed a grading system for risks in the supply chain and uses international indexes such as the Global Slavery Index or the ITUC Global Rights Index to assess the respective supplier's potential risk. A supplier's sustainability performance – such as audit results, acceptance of the Code of Conduct for Business Partners, or external certifications – is likewise included in the assessment and used to substantiate the results.

For additional information on the details provided above and the Bosch Group's global initiatives, please refer to the Bosch Group's [2023 Sustainability Report](#).

5. Policies and Due Diligence Processes

RBCA maintains policies and due diligence processes to directly address child labour and forced labour, including:

1. Embedding responsible business conduct into policies and management systems;
2. Identifying and assessing adverse impacts in operations, supply chains and business relationships;
3. Ceasing, preventing, or mitigating adverse impacts;
4. Tracking implementation and results;
5. Communicating how impacts are addressed; and
6. Providing for or cooperating in remediation when appropriate.

The above steps were addressed by RBCA through the Bosch Group's aforementioned risk identification, [Code of Business Conduct](#), [Code of Conduct for Business Partners](#), supplier assessments, Risk Management System, Human Rights Committee, [online anonymous whistleblower system](#), and risk assessments.

For additional information on the policies and due diligence processes of RBCA, please refer to the Bosch Group's [2023 Sustainability Report](#).

6. Forced Labour and Child Labour Risks

RBCA has started the process of identifying risks in its activities and supply chains. It is aware that there may be higher risks of child labour and forced labour associated with certain regions, goods, and industries.

For additional information on the forced labour and child labour risks, please refer ^{May 31, 2024} to the Bosch Group's [2023 Sustainability Report](#).
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7. Remediation Measures

RBCA has not identified any forced labour or child labour in its activities or supply chains. As such, it has not undertaken any remediation measures.

8. Remediation of Loss of Income

RBCA has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains.

9. Training Provided to Employees

All RBCA employees with purchasing functions are required to complete training specific to child labour and forced labour. In addition, employees who manage suppliers receive training on the requirements expected from suppliers and the procedure for the quick scan supplier assessments.

10. Assessing Effectiveness

RBCA assesses the effectiveness in addressing the risks of forced labour and child labour in its activities and supply chain through regular reviews of its policies and procedures related to forced labour and child labour. Specifically, effectiveness is assessed by RBCA through the Bosch Group's aforementioned Risk Management System, Human Rights Committee, and risk assessments.

For additional information on how RBCA assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chain, please refer to the Bosch Group's [2023 Sustainability Report](#).

11. 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 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.

