

**FANUC Canada, Ltd.**  
**FANUC America Corporation**

**Joint Report pursuant to the *Fighting Against Forced  
Labour and Child Labour in Supply Chains Act*  
For the fiscal year ended March 31, 2024**

# FANUC

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) implements Canada’s international commitment to contribute to the fight against forced labour and child labour and requires certain private entities to disclose their efforts taken in support of this important initiative.

## Company Overview

Established in 1985, FANUC Canada Ltd. (“FANUC Canada”) is a leading supplier of industrial robots, computer numerical control (CNC) systems, and factory automation solutions. FANUC Canada has established itself as a trusted partner for factory automation, leveraging its parent company's cutting-edge technologies and adapting solutions to meet the unique needs of its customers. FANUC Canada is part of a global FANUC group, with its parent company FANUC America Corporation (“FANUC America”) located in the United States and global headquarters FANUC CORPORATION located in Japan.

FANUC Canada’s sales and distribution operations are located in Mississauga, Ontario, and Blainville, Quebec. The company’s supply chain includes electric products suppliers, employment agencies, and subcontractors; however, our main supply base for FANUC products is FANUC America and its suppliers including FANUC CORPORATION. FANUC America had a small branch in Canada and some limited sales and service activities, with most business in Canada conducted by its subsidiary, FANUC Canada.<sup>1</sup>

## Commitment to Human Rights

FANUC Canada and FANUC America are organizations with strong values of responsibility and integrity. We are committed to ethical business practices including upholding human rights and the fight against forced labour and child labour. We expect our suppliers to share this commitment. All workers at FANUC Canada, FANUC America, and our suppliers must be employed voluntarily, with no use of child labour or forced, coerced, or involuntary labour.

## Policies and Due Diligence

FANUC Canada and FANUC America have established policies and actively practices due diligence to uphold its ethical and legal commitments.

- Suppliers must agree and adhere to a Supplier Code of Conduct that includes prohibitions on forced labour and child labour.
- Suppliers are subject to compliance checks through audits, site inspections, and corrective actions.
- Suppliers must agree to comply with applicable laws in supplier contracts. In cases where there may be a conflict in laws and policy, local law will take precedence.
- FANUC companies operate with a philosophy of strict transparency and respect for human rights. <https://www.fanuc.co.jp/en/profile/profile/index.html>
- All workers adhere to an Ethics Program, Code of Business Conduct, and Corporate Social Responsibility policy which apply at every level, prohibit the use of forced labour or child labour, and encourage transparency and reporting of violations.
- All workers and suppliers are responsible for understanding and adhering to the policies.

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<sup>1</sup> References to FANUC Canada include FANUC America, as applicable.

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- We have a Compliance Committee and a Risk Management Committee that meet periodically and address compliance risks and make, update, and enforce policies.
- We are continuously improving our policies and practices with routine review, monitoring, and updating. For example, the Corporate Social Responsibility policy, established in 2018, that prohibits the use of forced labour and child labour, is being revised and retitled to “Human Rights and Corporate Social Responsibility” to bring even more awareness to our responsibilities.
- Our leaders instill the importance of compliance and encourage reporting. We have many reporting avenues for employees to ask a compliance question or report, without fear of retaliation, any concerns or compliance violations, including an Ethics Reportline that supports workers’ anonymous questions and reports, direct communication to leadership with an Ask the President portal, and Global Whistleblowing system.

## Risk Assessment

FANUC Canada’s industry of robotics and technology is not considered to be high-risk, nor are the regions where FANUC Canada operates and procures from FANUC America in Rochester Hills, MI, USA. However, FANUC Canada recognizes that no industry or region is immune from the risk of forced labour or child labour being utilized.

While FANUC Canada operations are predominantly based in North America, the company's supply chain has global linkages that require monitoring and mitigation efforts to address potential forced labour and child labour risks. One identified risk area is the ultimate procurement of industrial robots and related components from the headquarters manufacturing facilities in Japan. That risk is substantially mitigated by FANUC CORPORATION’S demonstrated integrity, principles of strict transparency, and established human rights policies and practices that prohibit the use of forced labour and child labour across their operations worldwide:

<https://www.fanuc.co.jp/en/sustainability/social/humanright.html>

<https://www.fanuc.co.jp/en/sustainability/policy/csrprocure.html>

[https://www.fanuc.co.jp/en/sustainability/policy/pdf/codeofconduct\\_e.pdf](https://www.fanuc.co.jp/en/sustainability/policy/pdf/codeofconduct_e.pdf)

Similarly, FANUC Canada considers its suppliers based in North America and mitigates risk with the measures described above.

## Remediation Processes and Assessing Effectiveness

FANUC Canada has not identified any instances of forced labour or child labour in its operations or supply chains and, therefore, specific remediation measures have not been required and no actions have been needed to assess effectiveness of its policies and procedures. However, FANUC Canada could potentially implement the following remediation approach if any violations are discovered with a supplier. The approach may involve:

- Immediately disengaging from any supplier found to be using forced labour or child labour practices.
- Developing a remediation plan with the supplier to correct the violation if the supplier wishes to continue their business relationship with FANUC Canada.
- If the supplier is unwilling to remediate the forced labour or child labour violation, or fails to implement the necessary corrective actions, FANUC Canada may terminate the business relationship with that supplier.

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By having this potential remediation process in mind, FANUC Canada demonstrates its commitment to addressing any instances of forced labour or child labour in its supply chains through a stringent compliance approach - allowing opportunities for remediation, when possible, but maintaining a zero-tolerance stance by disengaging from non-compliant suppliers.

## Training

Upon hire, all employees are expected to review and understand all policies, procedures, the Code of Business Conduct, and applicable laws and ethical standards.

The organization has held several, mandatory training courses, with assessments, on our Ethics Program, Code of Business Conduct, Whistleblowing and Retaliation policies.

FANUC Canada also has available to all employees training programs to raise awareness and build knowledge on forced labour and child labour risks in supply chains and reinforce reporting accountability. These training sessions are provided to all employees, including leadership, human resources, and procurement teams.

## Statement of Approval

This report was approved for publication by the Board of Directors of FANUC Canada, Ltd. on May 30, 2024.

## 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 this report. 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 and the reporting year.

*I have authority to bind FANUC Canada and FANUC America.*

Name: Michael Cicco

Title: FANUC Canada, Ltd. Director & President

FANUC America Corporation, Director, President & CEO

Signature:  Date: May 30, 2024

*I have authority to bind FANUC Canada.*

Name: Peter Fitzgerald

Title: FANUC Canada, Ltd. Director & General Manager

Signature:  Date: May 30, 2024