



**Fighting Against Forced Labour and Child
Labour in Supply Chains Act
2024 Report**

Introduction

This joint report is published in connection with the reporting obligations under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) on behalf of Lawson Products Canada Inc. (“**Lawson Products**”), and its subsidiaries, The Bolt Supply House Ltd. (“**Bolt**”) and Source Atlantic Limited (“**SAL**”, together with Bolt and Lawson Products, the “**Lawson Entities**”). This report covers the 2024 fiscal year, with the fiscal year ending December 31, 2024.

The Lawson Entities are subject to the reporting requirements of the Act because they have a place of business in Canada and have assets and revenue in Canada that exceed the threshold tests set out in the Act. The Lawson Entities are in the business of selling and distributing goods in Canada, as well as importing goods produced outside of Canada as described further below.

The Lawson Entities are committed to combatting forced labour and child labour in its supply chains in all its forms and believe that the eradication of these egregious violations of human rights necessitates a collaborative approach, drawing upon the dedication and resources of governments, international organizations, the private sector, and civil society. The Lawson Entities acknowledge the unique role that businesses play in this global endeavour. They understand their operations can impact the general public, and are fully committed to expanding their efforts to identify, address, and prevent instances of child labour and forced labour within their supply chains and broader business activities.

This commitment extends beyond mere compliance with regulations; it is a moral imperative that guides the actions and decision-making processes of the Lawson Entities. The Lawson Entities recognize that the fight against modern slavery requires ongoing vigilance, continuous improvement, and a willingness to innovate. They are dedicated to implementing policies, conducting risk assessments, and engaging with stakeholders to ensure transparency and accountability in their efforts to combat modern slavery. Furthermore, we are committed to providing support and resources to empower those affected by these injustices and to contribute to broader systemic change.

In collaboration with their partners and stakeholders, the Lawson Entities will continue to advocate for stronger regulations, promote ethical sourcing practices, and raise awareness about the devastating impact of modern slavery. Together, they can build a future where every individual is treated with dignity, respect, and fairness, free from the chains of exploitation and oppression.

Structure, activities and supply chain

Lawson Products is a corporation that sells and distributes specialty products to the industrial, commercial, institutional and government maintenance, repair and operations markets. Lawson Products operates across Canada and is principally located in Ontario, Canada. Lawson Products has two wholly-owned subsidiaries: Bolt and SAL.

Bolt is managed and run independent from Lawson Products. Bolt is a supplier of high-quality fasteners, industrial and safety products to companies and individuals throughout Western Canada. Bolt sources its products worldwide and has distribution centres across Western Canada. Bolt is principally located in Alberta, Canada with a presence in British Columbia, Saskatchewan, and Manitoba.

SAL is a wholesale distributor of industrial MRO supplies, safety products, fasteners, and related value-add services for the Canadian MRO market. SAL is principally located in Saint John, New Brunswick, Canada. SAL was established in 1867, and is an industrial supply company for industrial, government, commercial and residential markets, with 24 locations across Canada, and 13 specialized product and service divisions. SAL has approximately 520 employees and is the importer of record for approximately 765 global suppliers, with approximately 51 countries of origin. Goods imported into Canada by SAL include equipment, parts and supplies for sales and services to customers.

Policies, controls and due diligence processes

The Lawson Entities have policies in place related to forced labour and child labour.

Lawson Products is committed to acting ethically and responsibly in all facets of their operations, and has adopted several policies to achieve this objective:

- The **Code of Conduct** reflects their commitment to acting ethically and with integrity in all aspects of the business. The Code of Conduct condemns the use of slave labour and human trafficking, denounces any degrading treatment of individuals and unsafe working conditions, and supports their products being free of conflict minerals. Lawson Products will not knowingly use suppliers who participate in using child labour or forced labour.
- The **Supplier Code of Conduct** expects all suppliers to ensure that they will not use forced labour, human trafficking, slavery, and child labour. It also sets out the expectation that suppliers will operate in accordance with all applicable laws and regulations.
- The **Purchase Order Terms and Conditions** require all new suppliers to comply with the Supplier Code of Conduct.

The Code of Conduct is provided to all employees when they begin working for Lawson Products and is reviewed each year in conjunction with the annual compliance training requirement.

Each new supplier is provided a packet that includes the Supplier Code of Conduct and is required to review the materials prior to selling products to Lawson Products.

Bolt has a no-tolerance policy for any form of modern slavery within their operations. In order to ensure that Bolt remains proactive in upholding ethical standards and fostering positive change, Bolt has adopted the following policies:

- The **Minors in the Workplace Policy** recognizes the value of early employment and Bolt's commitment to providing comprehensive training, supervision, and growth opportunities for minors, fostering a supportive environment free from exploitation. However, the policy prioritizes the protection and empowerment of young workers and ensures strict adherence to regulations governing young workers, ensuring their safety, well-being, and educational needs are met.
- The **Illegal Labour Policy** strictly prohibits any unlawful practices pertaining to illegal labour in the workplace and ensures compliance with all relevant laws and regulations.
- The **Supplier Certificate of Compliance** form is issued to all new vendors Bolt partners with.

SAL has a Business Code of Conduct, Anti-Harassment Policy, Ethical and Safe Workplaces Policy and Supplier Code of Conduct in place. To further strengthen SAL'S role in the prevention of the use of force labour and child labour, SAL has instituted a Supplier Code of Conduct, a Child Labour Policy and an Illegal Labour Policy and commits to reviewing and enhancing current policies and establishing new policies to address these issues. The Supplier Code of Conduct will be required to be confirmed by all new suppliers as they are onboarded, and existing suppliers within a specified amount of time.

Training to Employees

As of the date of this report, Lawson Products does not provide specific training or information to employees regarding forced labour and/or child labour.

Bolt has developed informative material surrounding modern day slavery in their on-boarding orientation program for employee awareness and included in their Employee Handbook annual acknowledgment.

During the 2024 reporting period, SAL provided training to educate employees on various topics, including ethical and safe workplace practices.

Assessing the risk of forced labour or child labour in our supply chains

As of the date of this report, Lawson Products has not yet started to substantively identify the risk of forced labour or child labour in areas of the supply chain, however Lawson Products has interviewed buyers and suppliers

to confirm if they have identified any issues.

Since the implementation of the Act, Bolt has conducted regular meetings of their internal modern slavery working group to assess and address modern slavery risks. Bolt has issued Supplier Certificates of Compliance to gather information on vendors' efforts to address modern slavery risks and has evaluated responses to the vendor questionnaire. No material risks have been identified to date.

As of the date of this report, SAL has not yet started to identify the risk of forced labour or child labour in other areas of the supply chain.

Remediation measures taken in 2024

As there was no known risk of forced labour and child labour identified in the supply chain, the Lawson Entities have not taken any measures to remediate the loss for those affected. No individuals or families affected by forced labour or child labour have been identified in the supply chain for remediation measures to be implemented.

Steps taken in 2024 to prevent and reduce the risk of forced labour and child labour

In 2024, Lawson Products developed and implemented training and awareness materials on forced labour and child labour. Specifically, Lawson Products reviewed the Code of Conduct to ensure it addresses Human Rights, particularly the use of slave labour and human trafficking. Additionally, Lawson Products engaged with their suppliers on the issue of addressing forced labour and child labour in its supply chain. All of Lawson Products' new suppliers are provided with a copy of the company's Supplier Code of Conduct, which requires suppliers to ensure that they will not use forced labour and/or child labour.

In 2024, Bolt has heightened its focus on modern slavery within their Canadian operations and supply chain. Their actions include:

- Continuing regular meetings of Bolt's internal modern slavery working group to assess and address modern slavery risks.
- Delivering an annual modern slavery awareness program to all teammates.
- Issuing Supplier Certificates of Compliance to gather information on vendors' efforts to address modern slavery risks.
- Evaluating responses to the vendor questionnaire, with no material risks identified to date.
- Extending due diligence to all suppliers, regardless of spend or relationship size.
- Ensuring that Bolt's standard contract terms incorporate provisions on compliance with human trafficking and modern slavery laws for all newly contracted contractors or suppliers.
- Maintaining an accessible ethics reporting framework and policies to handle issues confidentially and without fear of reprisal.
- Committing to investigate and remediate any reported incidents of potential or actual modern slavery in collaboration with suppliers and stakeholders.
- Identifying future actions for continuous improvement in modern slavery response, embedding risk management in ongoing processes beyond 2025.

SAL implemented a Code of Business Conduct and a Supplier Code of Conduct to address forced labour and child labour in the 2024 calendar year.

Assessing the effectiveness

As of the date of this report, the Lawson Entities do not have policies and procedures in place to assess their effectiveness in ensuring that forced labour or child labour are not being used in their activities and the supply chains. Although no actions have been taken at this time, the Lawson Entities will continue to monitor their policies and procedures on an on-going basis and make any necessary changes to increase their effectiveness and ensure regulatory compliance.

Our consultation and governance process

In preparing this report, each of the Lawson Entities consulted with key areas of their organizations to prepare this report, including Procurement, Human Resources, the Legal Department and external legal counsel. These teams operate across our enterprise, including across the subsidiaries to which this report applies. This consultation process has supported the Lawson Entities' enterprise-wide approach to forced labour and child labour.

Conclusion

Each of the Lawson Entities remains committed to preventing forced labour and child labour from taking place in their businesses and in their supply chains. They will continue to review the policies, procedures and practices periodically to determine any enhancements they may be made to help prevent forced labour and child labour and any other forms of human rights abuse.

Approval and Attestation

This report was approved pursuant to section 11(4)(b)(i), by the board of directors of Lawson Products Canada Inc., Bolt Supply House Ltd., and Source Atlantic Limited on May 27, 2025.

In accordance with the requirements of the Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in the report for the entities listed above. Based on our knowledge, and having exercised reasonable diligence, we 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.

Lawson Products Canada Inc.



Name: Richard D. Pufpaf

Title: Secretary

Date: May 27, 2025

I have the authority to bind Lawson Products Canada Inc.

The Bolt Supply House Ltd.



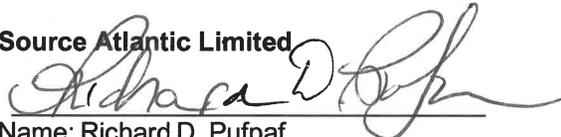
Name: Richard D. Pufpaf

Title: Secretary

Date: May 27, 2025

I have the authority to bind The Bolt Supply House Ltd.

Source Atlantic Limited



Name: Richard D. Pufpaf

Title: Secretary

Date: May 27, 2025

I have the authority to bind Source Atlantic Limited