



Fighting Against Forced Labour and Child Labour in Supply Chains Act

2023 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 subsidiary, The Bolt Supply House Ltd. (“**Bolt**”, and together with Lawson Products, the “**Lawson Entities**”). This report covers the 2023 fiscal year, with the fiscal year ending December 31, 2023.

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 believes 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 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.

Bolt is a wholly owned subsidiary of Lawson Products, but is managed and run independent from its parent corporation. 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.

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 the company.

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 that Bolt partners with.

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 and included in their Employee Handbook annual acknowledgment alongside their Code of Business Conduct.

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 identify the risk of forced labour or child labour in other areas of the supply chain.

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, with no material risks identified to date.

Remediation Measures taken in 2023

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 2023 to prevent and reduce the risk of forced labour and child labour

In 2023, Lawson Products has developed and implemented training and awareness materials on forced 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 child labour.

In 2023, 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 2024.

Assessing the effectiveness

As of the date of this report, the Lawson Entities do not have policies and procedures in place to assess its effectiveness in ensuring that forced labour or child labour are not being used in its activities and supply chains. Since the policies and procedures have only recently been adopted and implemented, as of the date of this report the Lawson Entities have been unable to assess their effectiveness in ensuring that forced labour or child labour are not being used in its activities and supply chains. They will continue to monitor the 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 which include 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. and Bolt Supply House Ltd. on May 28, 2024.

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 28, 2024

The Bolt Supply House Ltd.



Name: Richard D. Pufpaf
Title: Secretary
Date: May 28, 2024