

# ROBINSON™

## FORCED LABOUR AND CHILD LABOUR REPORT

### INTRODUCTION

This Forced Labour and Child Labour Report (this “**Report**”) for the financial year ending January 31, 2024, in the case of B.A. Robinson Co. Ltd. and September 30, 2023, in the case of Ross Group Inc. is made pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada), also known as the Modern Slavery Act (the “**Act**”).

This Report is a joint report which applies to, and describes the reasonable steps taken by, the following reporting entities to mitigate forced labour and child labour in our organization’s operations and supply chains:

<u>Reporting Entity</u>	<u>Abbreviation</u>
B.A. Robinson Co. Ltd.	ROBINSON
Ross Group Inc.	RGI

In this Report, ROBINSON and RGI are hereinafter referred to collectively as the “Robinson Group” or “**we**”, “**us**” or “**our**” except where the context otherwise requires.

### RESPECT FOR HUMAN RIGHTS

The Robinson Group fully supports the objectives of the Act and opposes the use of all forms of forced labour and child labour in our operations and our supply chain. Respect for human rights is fundamental to our values, the long-term stability and growth of our business and to the wellbeing of the communities in which we operate.

As set out in the United Nations Guiding Principles on Business and Human Rights (“**UNGPs**”), business enterprises have a responsibility to respect internationally recognized human rights. The responsibility to respect human rights requires that business enterprises: (a) avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur; and (b) seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, and the products or services obtained through their business relationships, even if they have not contributed to those impacts.

The Robinson Group has a risk based due diligence approach on forced labour and child labour. The Act came into force on January 1, 2024. While as of the end of their respective fiscal years ROBINSON and RGI had not taken any steps to identify and assess the risk of forced labour and child labour in its activities, other than asking for the date of birth of any new employees, by following a risk-based approach we are committed to continuous improvement in our policies and processes.



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## CORPORATE STRUCTURE, ACTIVITIES AND SUPPLY CHAINS [SECTION 11(3)(A) OF THE ACT]

### Corporate Structure

ROBINSON and RGI are corporations incorporated under *The Corporations Act* in Manitoba. ROBINSON is wholly owned subsidiary of RGI. RGI has other subsidiaries; however, those subsidiaries are not reporting entities under the Act.

### Activities

RGI is not itself involved in the production, selling or distribution of goods but it controls ROBINSON which distributes goods.

ROBINSON is a leading distributor of plumbing, HVAC, hydronics, electrical and lighting products across a network of branches with operations in 5 provinces. ROBINSON was established in 1936, and is headquartered in Winnipeg, Manitoba.

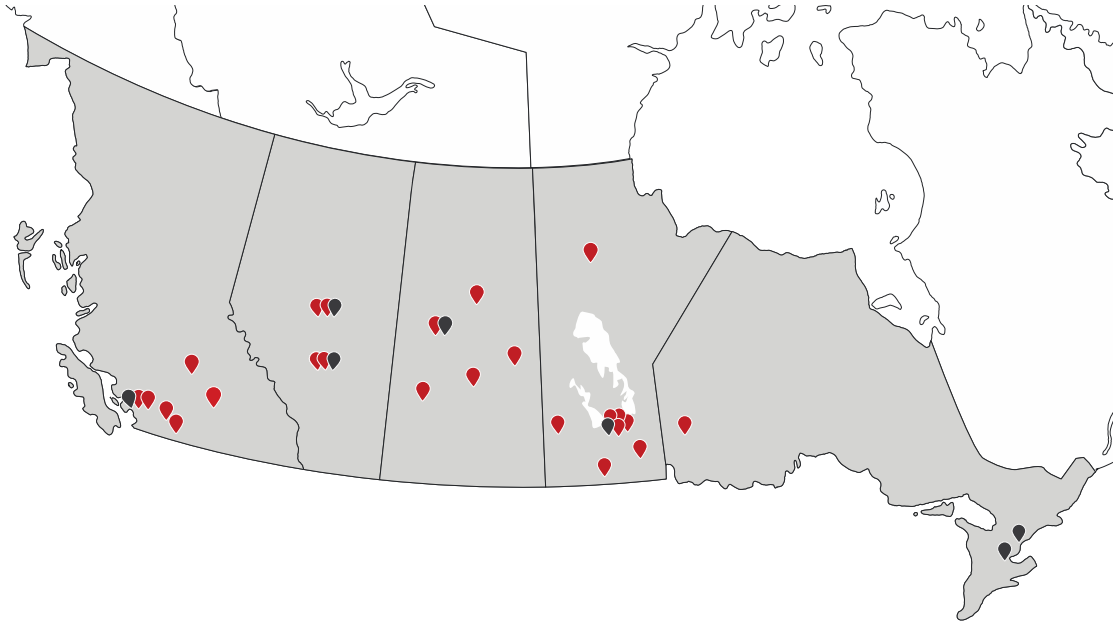
ROBINSON is family owned and operated. We believe our success is attributed to longstanding principles and values including commitment to our family of employees, exceptional customer service, and encouraging entrepreneurial spirit at all levels of the organization. These principles have contributed to ROBINSON's Platinum status as one of Canada's Best Managed Companies.

ROBINSON's revenue split is roughly 85% wholesale and 15% showroom. Wholesale branches operate under the brand name ROBINSON Supply and showroom branches operate under the brand name ROBINSON. As of January 2024, ROBINSON employs more than 550 people in Canada. ROBINSON has no employees outside of Canada. RGI has no employees in Canada other than its directors and officers. RGI has no employees outside of Canada.

ROBINSON's business is facilitated across a network of 31 wholesale and showroom branches which locations are shown below.



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**BRITISH COLUMBIA**

- Abbotsford
- Burnaby
- Kamloops
- Penticton
- Surrey
- Vancouver
- Vancouver Showroom

**ALBERTA**

- Calgary
- Calgary Express
- Calgary Showroom
- Edmonton
- Edmonton Express
- Edmonton Showroom

**SASKATCHEWAN**

- Prince Albert
- Regina
- Saskatoon
- Saskatoon Showroom
- Swift Current
- Yorkton

**MANITOBA**

- Brandon
- Steinbach
- Thompson
- Winkler
- Winnipeg Plumbing
- Winnipeg Electrical
- Winnipeg Heating
- Winnipeg Express
- Winnipeg Showroom

**ONTARIO**

- Burlington Showroom
- Kenora
- Toronto Showroom

ROBINSON’s employee salaries are reviewed regularly, including against the Consumer Price Index (CPI) in Canada to determine cost of living increases. ROBINSON has established compensation policies, including compensation grids, which are reviewed regularly. ROBINSON has committed to paying all employees a “living wage” by 2025. A living wage is not the same as the minimum wage, which is the legislated minimum all employers must pay and is set by the provincial government. The living wage reflects what people need to earn to cover the actual costs of living in their specific community or province and draws on community and province specific data to determine living expenses. A living wage adds value to communities through expanded contribution and participation in local economies.

Permanent and full-time employees of ROBINSON are eligible for employer-paid benefits, an employer-matched RRSP plan, and ROBINSON provides an Employee Assistance Plan (EAP) that supports the mental, social, physical, and financial health of ROBINSON employees.

ROBINSON has established organization guidelines and operating practices which govern operations including the hours of operation, employee job descriptions and salary ranges, and safety policies and procedures for employee protection.



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In the fiscal year (FY) ended January 31, 2024, ROBINSON purchased products for resale from 768 manufacturers totaling \$259.6 million, a modest increase from FY2023 when purchases totaled \$257.6 million. A breakdown by product segment is below.

Product Segment	Products	FY2024 Purchases (\$M)	FY2024 Vendor Count	FY2023 Purchases (\$M)	FY2023 Vendor Count
Plumbing	Rough-in (pipe, valve, fittings) Finish (faucets, toilets, tubs, sinks, vanities, & accessories) Hot water tanks Pumps Water treatment Plumbing tools	170.7	530	166.0	509
Electrical	Wire Conduit Boxes and connectors Breakers and panels Accessories and tools	37.1	208	40.3	200
Lighting	Decorative and commercial fixtures Lamps Lighting controls	11.4	121	11.3	119
HVAC	Furnaces, air conditioners, and controls Ducting Air treatment	18.4	185	20.4	181
Hydronics	Boilers Pipe, fittings, manifolds Pumps & controls Glycol	21.9	155	19.6	153
	<b>Total</b>	<b>\$259.6</b>		<b>\$257.6</b>	
	Number of Vendors (see Note)	768	1199	760	1162

Note: Some vendors supplied under more than one category and therefore the number of vendors listed in the vendor count column is more than the total listed under the purchases column.



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## SUPPLY CHAIN AND OPERATIONS

### AD Canada Plumbing & Heating and AD Canada - Electrical Buying Groups

ROBINSON is a member/shareholder of Affiliated Distributors Canada Inc. (“ADC”), a buying group with over 200 members/shareholders. ADC has two divisions, AD Canada Plumbing & Heating for plumbing material and AD Canada – Electrical for electrical material.

In the fiscal year ending January 31, 2024, of the 768 vendors noted above 156 were vendors that supplied goods to ROBINSON through the two buying groups. Those 156 vendors accounted for 70% of the total products purchased by ROBINSON during the fiscal year.

Although ROBINSON is a member of ADC, ROBINSON has direct relationships with all vendors and buys directly from the vendors. Payments to vendors flow through the buying group but ROBINSON issues purchase orders directly to the vendor. ROBINSON does not rely on the buying group to assess whether the suppliers utilize any child or forced labour in their operations or in their supply chain. To date ROBINSON has not implemented any policies or practices to assess if there is child labour or forced labour within the operations of these suppliers.

### Goods purchased directly by ROBINSON

The remaining 30% of ROBINSON volume which is not purchased through the buying groups (approximately \$77.9 million) is purchased from approximately 610 vendors. ROBINSON sourced approximately \$2.8 MM in fiscal 2024 from China and approximately \$244K from Spain. For goods ROBINSON purchases directly for resale, including those imported from China and Spain, ROBINSON currently does not have any policies or practices in place to determine whether forced labour or child labour is used at any step of the production of those goods in Canada or elsewhere or of those goods imported into Canada.

### Goods and Services Procured Directly by ROBINSON to Support our Operations

ROBINSON procures various services and goods (other than goods for resale) to support its operations. ROBINSON’s specific supply chain profile remains largely the same year-on-year. The types of goods (other than goods for resale) and services procured by ROBINSON from its suppliers consist of:

- Office equipment and supplies/consumables/marketing materials
- Technology and IT
- Transport and accommodation
- Facilities management
  - o Janitorial services
  - o Cleaning, sanitation, and personal property equipment and products
- Parts and Equipment
  - o operational equipment, including forklifts

The total procurement spend by ROBINSON on these items in the last 2 financial years was \$2.4M for the year ending January 31, 2023, and \$2.6M for the year ending January 31, 2024.

ROBINSON also procures professional (legal and accounting), investment and insurance services to support its operations. Other than professional services (legal and accounting), investment and insurance services, RGI does not procure goods and services.

Risks of modern slavery may exist in the outer tiers of the supply chain supporting ROBINSON’s operations. Raw materials included in the manufacture of computer hardware, electronics, textiles, and office furniture rely on ingredients sourced globally often from countries with a higher prevalence of, and vulnerability to forced labour and child labour. As well, there is risk of forced labour and debt bondage in services provided by third party



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companies such as property maintenance, cleaning, food services, transportation, courier, and accommodations. These industries may involve employers withholding wages, excessive working hours, complex and opaque subcontracting arrangements, and workers on temporary visas with limited bargaining power and awareness of their rights at work.

Our suppliers to support ROBINSON's operations are primarily domiciled in Canada, and we are of the view that our supply chains and activities for the types of goods and services procured by ROBINSON carry a low risk of the use of child labour and forced labour.

## **STEPS TAKEN DURING LAST FINANCIAL YEAR TO PREVENT AND REDUCE RISK THAT FORCED LABOUR AND CHILD LABOUR USED IN SUPPLY CHAIN [SECTION 11(1) OF THE ACT]**

Other than obtaining new employee's date of birth upon hiring, and having in place a Respect in the Workplace Policy and Code of Conduct Policy, the Robinson Group did not take steps during the last financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere for goods distributed by ROBINSON or of goods imported into Canada by ROBINSON.

## **POLICIES AND DUE DILIGENCE PROCESSES IN RELATION TO FORCED LABOUR AND CHILD LABOUR [SECTION 11(3)(B) OF THE ACT]**

ROBINSON has certain internal policies and processes in place to promote and ensure compliance with applicable laws (including in respect of employment and human rights) in Canada where ROBINSON has operations. These policies include Respect in the Workplace Policy and Code of Conduct Policy. Those policies do not currently specifically reference child labour and forced labour.

ROBINSON currently does not require copies of identification, nor does it conduct a right to work check, such as obtaining copies of a birth certificate, passport, or visa, to ensure employees have the right to work in Canada. Any overtime hours worked must be voluntarily and mutually agreed to by the employee and their manager. Any work outside of usual hours, such as in the evening, overnight or weekend, or calls into work of an employee, are paid in accordance with the applicable report-to-duty rates. All employees are paid their wages via an electronic transaction and receive a pay statement.

ROBINSON has assessed our operational risk for our own employees of child labour and forced labour as low.

## **RISK ASSESSMENT AND MANAGEMENT [SECTION 11(3)(C) OF THE ACT]**

As of the end of the last financial year the Robinson Group had not assessed nor identified which parts of its supply chain may carry a risk of forced labour or child labour.

## **FORCED LABOUR AND CHILD LABOUR REMEDIATION MEASURES [SECTION 11(3)(D) OF THE ACT]**

The Robinson Group is not currently aware of any forced labour or child labour practices occurring within its supply chain or in its activities. Accordingly, the Robinson Group has not undertaken any measures to remediate any forced labour or child labour to date.

## **LOSS OF INCOME - REMEDIATION MEASURES [SECTION 11(3)(E) OF THE ACT]**



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The Robinson Group is not currently aware of any forced labour or child labour practices occurring within its supply chain. Accordingly, the Robinson Group has not undertaken any measures to remediate any loss of income relating to any forced labour or child labour to date.

## **TRAINING [SECTION 11(3)(F) OF THE ACT]**

The Robinson Group currently does not provide formal training to its employees on forced labour and child labour.

## **ASSESSING EFFECTIVENESS [SECTION 11(3)(G) OF THE ACT]**

The Robinson Group currently does not have any policies or practices in place to measure and track the Robinson Group's success in preventing and reducing risks of forced labour and child labour in its activities and supply chains.



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## APPROVAL AND ATTESTATION [SECTION 11(4) AND (5) OF THE ACT]

This Report has been approved by the Board of Directors of B.A. Robinson Co. Ltd. in accordance with Section 11(4)(b)(ii) of the Act. 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 or entities 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.

DocuSigned by:

*K. Shea Robinson*

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- I have authority to bind B.A. Robinson Co. Ltd.

Signature

Name: K. Shea Robinson

Title: Director

Date: May 31, 2024





# ROBINSON™

This Report has been approved by the Board of Directors of Ross Group Inc. in accordance with Section 11(4)(b)(ii) of the Act. 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 or entities 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.

DocuSigned by:

*K. Shea Robinson*

- I have authority to bind Ross Group Inc.

Signature

Name: K. Shea Robinson

Title: Director

Date: May 31, 2024

