

**D&H Distributing**

6370 Belgrave Road, Mississauga, ON L5R 0G7

905.796.0030 | www.dandh.ca

Bill S-211 Annual Report

An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff

05/31/2024

1. *What steps has the entity taken in the previous 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 by the entity or of goods imported into Canada by the entity? Select all that apply. (Required)

- Mapping activities
- Mapping supply chains
- Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
- Contracting an external assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
- Developing and implementing an action plan for addressing forced labour and/or child labour
- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily
- Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour
- 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
- Carrying out a prioritization exercise to focus due diligence efforts on the most severe risks of forced and child labour
- 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
- Developing and implementing child protection policies and processes
- Developing and implementing anti-forced labour and/or -child labour contractual clauses
- Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists
- Auditing suppliers
- Monitoring suppliers
- Enacting measures to provide for, or cooperate in, remediation of forced labour and/or child labour
- Developing and implementing grievance mechanisms
- Developing and implementing training and awareness materials on forced labour and/or child labour
- Developing and implementing procedures to track performance in addressing forced labour and/or child labour
- Engaging with supply chain partners on the issue of addressing forced labour and/or child labour
- Engaging with civil society groups, experts and other stakeholders on the issue of addressing forced labour and/or child labour
- Engaging directly with workers and families potentially affected by forced labour and/or child labour to assess and address risks
- Information not available for this reporting period
- Other, please specify:

2. Please provide additional information describing the steps taken (if applicable) (1,500 character limit).


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D&H's policies and principals relating to the prevention and reduction in the use of forced labour or child labour at any step of the production of goods are set forth in its Supplier Code of Conduct which can be found here:

<https://www.dandh.com/v4/view?pageReq=suppliercodeofconduct>. D&H's Vendor partners acknowledge that the Supplier Code of Conduct sets out audit standards that D&H may use to determine whether Supplier is meeting the requirements set out in the Code of Conduct.

3. *Which of the following accurately describes the entity's structure? (Required)

- **Corporation**
- Trust
- Partnership
- Other unincorporated organization

4. *Which of the following accurately describes the entity's activities? Select all that apply. (Required)

- Producing goods (including manufacturing, extracting, growing and processing)
 - in Canada
 - outside Canada
- Selling goods
 - in Canada
 - outside Canada
- **Distributing goods**
 - in Canada
 - outside Canada
- **Importing into Canada goods produced outside Canada**
- **Controlling an entity engaged in producing goods in Canada or outside Canada, or importing into Canada goods produced outside Canada**

5. Please provide additional information on the entity's structure, activities and supply chains (1,500 character limit).

D&H has been a leader in the North American distribution market for 105 years, supporting many technology-led industries. D&H has corporate offices/logistics centers in Pennsylvania, Atlanta, Chicago, California, Tampa, Vancouver, and Toronto. D&H supports over 20,000 channel partners, including corporate resellers, national service providers, the largest consumer retail and eetail partners, federal and SLED solution providers, and managed services partners. In alignment to its North American partner base, D&H supports a portfolio of over 400 vendors and services manufacturers/OEMs.

6. *Does the entity currently have policies and due diligence processes in place related to forced labour and/or child labour? (Required)

Yes

6.1 *If yes, which of the following elements of the due diligence process has the entity implemented in relation to forced labour and/or child labour? Select all that apply. (Required)

- **Embedding responsible business conduct into policies and management systems**
- Identifying and assessing adverse impacts in operations, supply chains and business relationships
- Ceasing, preventing or mitigating adverse impacts
- Tracking implementation and results



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- Communicating how impacts are addressed
- Providing for or cooperating in remediation when appropriate

7. Please provide additional information on the entity's policies and due diligence processes in relation to forced labour and child labour (if applicable) (1,500 character limit).

D&H's Supplier Code of Conduct, which outlines its expectations and policies regarding forced labour and child labour can be found at <https://www.dandh.com/v4/view?pageReq=suppliercodeofconduct>.

8. *Has the entity identified parts of its activities and supply chains that carry a risk of forced labour or child labour being used? (Required)

- Yes, we have identified risks to the best of our knowledge and will continue to strive to identify emerging risks.
- Yes, we have started the process of identifying risks, but there are still gaps in our assessments.
- No, we have not started the process of identifying risks.

8.1 *If yes, has the entity identified forced labour or child labour risks related to any of the following aspects of its activities and supply chains? Select all that apply. (Required)

- The sector or industry it operates in
- The types of products it produces, purchases or distributes
- The locations of its activities, operations or factories
- The types of products it sources
- The raw materials or commodities used in its supply chains
- Tier one (direct) suppliers
- Tier two suppliers
- Tier three suppliers
- Suppliers further down the supply chain than tier three
- The use of outsourced, contracted or subcontracted labour
- The use of migrant labour
- The use of forced labour
- The use of child labour
- None of the above
- Other, please specify

9. *Has the entity identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries? Select all that apply. (Required)

- Agriculture, forestry, fishing and hunting
- Mining, quarrying, and oil and gas extraction
- Utilities
- Construction
- Manufacturing
- Wholesale trade
- Retail trade
- Transportation and warehousing
- Information and cultural industries
- Finance and insurance
- Real estate and rental and leasing


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- Professional, scientific and technical services
- Management of companies and enterprises
- Administrative and support, waste management and remediation services
- Educational services
- Health care and social assistance
- Arts, entertainment and recreation
- Accommodation and food services
- Other services (except public administration)
- Public administration
- None of the above
- Other, please specify: **Technology Supply Chain**

10. Please provide additional information on the parts of the entity's activities and supply chains that carry a risk of forced labour or child labour being used, as well as the steps that the entity has taken to assess and manage that risk (if applicable) (1,500 character limit).

D&H recognizes the need for technology companies to drive awareness and corporate action as it relates to combatting forced labour in their supply chains. As a distributor of technology products, D&H maintains and enforces a Supplier Code of Conduct (<https://www.dandh.com/v4/view?pageReq=suppliercodeofconduct>). D&H fully vets its vendor partners to corporate integrity, responsible product sourcing, and the safety and wellbeing of workers across the global supply chain.

11. *Has the entity taken any measures to remediate any forced labour or child labour in its activities and supply chains? (Required)

- Yes, we have taken remediation measures and will continue to identify and address any gaps in our response.
- Yes, we have taken some remediation measures, but there are gaps in our response that still need to be addressed.
- No, we have not taken any remediation measures.
- **Not applicable, we have not identified any forced labour or child labour in our activities and supply chains.**

11.1 *If yes, which remediation measures has the entity taken? Select all that apply. (Required)

- ☐ Actions to support victims of forced labour or child labour and/or their families, such as workforce reintegration and psychosocial support
- ☐ Compensation for victims of forced labour or child labour and/or their families
- ☐ Actions to prevent forced labour or child labour and associated harms from reoccurring
- ☐ Grievance mechanisms
- ☐ Formal apologies
- ☐ Other, please specify.

12. Please provide additional information on any measures the entity has taken to remediate any forced labour or child labour (if applicable) (1,500 character limit).

N/A

13. *Has the entity taken any measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains? (Required)



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- Yes, we have taken substantial remediation measures and will continue to identify and address any gaps in our response.
- Yes, we have taken some remediation measures, but there are gaps in our response that still need to be addressed.
- No, we have not taken any remediation measures.
- Not applicable, we have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

14. Please provide additional information on any measures the entity has taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains (if applicable) (1,500 character limit).

N/A

15. *Does the entity currently provide training to employees on forced labour and/or child labour? (Required)

Yes.

15.1 *If yes, is the training mandatory? (Required)

- Yes, the training is mandatory for all employees.
- Yes, the training is mandatory for employees making contracting or purchasing decisions.
- Yes, the training is mandatory for some employees.
- No, the training is voluntary.

16. Please provide additional information on the training the entity provides to employees on forced labour and child labour (if applicable). (1,500 character limit).

D&H makes courses available on Supply Chain Transparency.

17. *Does the entity currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains? (Required)

No.

17.1 *If yes, what method does the entity use to assess its effectiveness? Select all that apply. (Required)

- Setting up a regular review or audit of the organization's policies and procedures related to forced labour and child labour
- Tracking relevant performance indicators, such as levels of employee awareness, numbers of cases reported and solved through grievance mechanisms and numbers of contracts with anti-forced labour and -child labour clauses
- Partnering with an external organization to conduct an independent review or audit of the organization's actions
- Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators
- Other, please specify.

18. Please provide additional information on how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains (if applicable). (1,500 character limit).


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D&H's principles regarding forced labour and child labor are reflected in its Supplier Code of Conduct ("Code of Conduct"), which establishes the standards that D&H expects its Suppliers to adhere to, regarding:

- Supplier's treatment of workers;
- workplace safety;
- the impact of Supplier's activities on the environment; and
- Supplier's ethical business practices.

The Code of Conduct applies to all Suppliers that provide products to D&H for resale. Supplier is responsible for compliance with the standards set out in this Code of Conduct throughout its operations and throughout its entire supply chain.

D&H's vendor partners are required to self-report any violations of the Code of Conduct and may not retaliate or take disciplinary action against any worker who has, in good faith, reported violations or questionable behavior.

D&H may immediately terminate its business relationship (including any purchase orders and contractual agreements) with a Supplier/Vendor who fail.

Supplier Code Of Conduct

Corporate integrity, responsible product sourcing, and the safety and wellbeing of workers across the global supply chain are of paramount importance to D&H Distributing Co., D&H Canada ULC, and all of the related entities (hereinafter referred to as "D&H"). These principles apply to all aspects of D&H's business, and encompass all manufacturers, distributors, vendors, and other suppliers (each a "Supplier" and collectively "Suppliers") that supply the products that D&H sells.

These principles are reflected in this Supplier Code of Conduct ("Code of Conduct"), which establishes the standards that D&H expects its Suppliers to adhere to, regarding:

- Supplier's treatment of workers;
- workplace safety;
- the impact of Supplier's activities on the environment; and
- Supplier's ethical business practices.

Applicability

This Code of Conduct applies to all Suppliers that provide products to D&H for resale. Supplier is responsible for compliance with the standards set out in this Code of Conduct ("Standards") throughout its operations and throughout its entire supply chain.

Without limiting Supplier's obligations hereunder, Supplier shall comply with the Standards in:

- all of its facilities; and
- all of its operations, including with respect to manufacturing, distribution, packaging, sales, marketing, product safety and certification, intellectual property, labor, immigration, health, worker safety, and the environment.

Without limiting Supplier's obligations hereunder, Supplier is responsible for compliance with the Standards by all of its suppliers, vendors, agents, and subcontractors and their respective facilities ("Partner(s)").

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Slavery and Human Trafficking

All labor must be voluntary. Supplier shall not support or engage in slavery or human trafficking in any part of its supply chain.

Without limiting Supplier's obligations hereunder, Supplier shall not, and shall ensure that its Partners do not, support or engage in, or require any:

- compelled, involuntary, or forced labor;
- labor to be performed by children;
- bonded labor; and
- indentured labor.

Compliance and Documentation

Supplier shall:

- Implement and maintain a reliable system to verify the eligibility of all workers, including:
 - age eligibility; and
 - legal status of foreign workers.
- Implement and maintain a reliable recordkeeping system regarding the eligibility of all workers.

Hazardous Work

Without limiting Supplier's obligations hereunder, Supplier shall not, and shall ensure that its Partners do not, support or engage in, or require any hazardous labor to be performed by any person under the age of 18. Hazardous labor involves any work, that by its nature or the circumstances in which the work is undertaken, involves the substantial risk of harm to the safety or health of the worker or coworkers if adequate protections are not taken.

Identification Papers

Without limiting Supplier's obligations hereunder, Supplier shall not require any worker to surrender control over original:

- identification papers or documents giving a foreign worker the right to work in the country;
- identification papers or documents, such as a passport, giving a foreign worker the right to enter or leave the country; or
- documents, such as a birth certificate, evidencing the worker's age.

Financial Obligations

Without limiting Supplier's obligations hereunder, Supplier shall not, whether or not as a condition to the right to work, require any worker (or worker's spouse or family member) to, directly or indirectly:

- pay recruitment or other fees or other amounts (monetary or in-kind);
- incur debt;
- make financial guarantees; or
- incur any other financial obligation.

Freedom of Movement

Without limiting Supplier's obligations hereunder, Supplier shall ensure that workers have the right to freedom of movement without:



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- delay or hindrance; or
- the threat or imposition of any discipline, penalty, retaliation, or fine or other monetary obligation.

Worker freedom of movement rights include each worker's right to leave the facilities without retaliation:

- at the end of each workday;
- based on reasonable health and safety-related justifications; and
- based on any reasonable circumstances, such as personal or family emergencies.

Freedom to Terminate Employment

Without limiting Supplier's obligations hereunder, Supplier shall allow workers to terminate their employment or work arrangement:

- without restriction; and
- without the threat or imposition of any discipline, penalty, retaliation, or fine or other monetary obligation.

Compensation and Benefits

Supplier must compensate all workers with wages, including overtime premiums, and benefits that, at a minimum, meet legally mandated wages and benefits under applicable law.

Supplier shall make wage payments on legal, regularly scheduled intervals and provide benefits on a timely basis.

Supplier's obligation to compensate and provide benefits applies to all workers at all times, including during periods of training, apprenticeship, and probation.

Documentation

Supplier shall:

- provide proof of payment to its workers showing hours worked, wage amounts and rates (regular, overtime, and bonus), and deductions;
- ensure that proof of payment is accurate, is clearly calculated, and enables workers to quickly verify the amount of payment and method of calculation; and
- maintain proper documentation of wage payments for their internal records.

Deductions

Supplier shall not make any deductions from wages, except income tax withholding and those that are legally allowed.

Work Hours

Supplier shall:

- comply with all applicable working hour laws and regulations, including those relating to minimum wages, regulated hours of work, daily and weekly rest periods, and annual holidays and legally mandated benefits.

Documentation

Supplier shall:

- use an industry-accepted time-keeping system to track worker work hours; and



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- develop work-hour policies to ensure compliance with this Code of Conduct and applicable law.

No Discrimination, Abuse, OR Harassment

Supplier shall not discriminate in hiring, compensation, training, advancement or promotion, termination, retirement, or any other employment practice based on race, color, national origin, gender, gender identity, sexual orientation, military status, religion, age, marital status, pregnancy status, disability, or any other characteristic other than the worker's ability to perform the job.

Supplier shall treat workers with respect and dignity.

Supplier shall not subject workers to corporal punishment, or physical, verbal, sexual, or psychological abuse or harassment. Supplier must not condone or tolerate such behavior by its Partners.

Health and Safety

Supplier shall provide a safe, healthy, and sanitary working environment. Supplier shall implement procedures and safeguards to prevent workplace hazards, and work-related accidents and injuries, including procedures and safeguards to prevent industry-specific workplace hazards, and work-related accidents and injuries, that are not specifically addressed in these Standards.

General and industry-specific procedures and safeguards include those relating to:

- health and safety inspections;
- equipment maintenance;
- maintenance of facilities;
- worker training covering the hazards typically encountered in their scope of work;
- fire prevention; and
- documentation and recordkeeping.

Supplier shall provide workers adequate and appropriate personal protective equipment to protect workers against hazards typically encountered in the scope of work.

Facilities

Supplier shall:

- ensure that all facilities meet all applicable building codes and industry design and construction standards;
- obtain and maintain all construction approvals required by law;
- obtain and maintain all zoning and use permits required by law;
- without limiting Supplier's obligations hereunder, ensure that all facilities have:
 - an adequate evacuation plan;
 - adequate, well-lit (including emergency lighting), clearly marked, and unobstructed emergency exit routes, including exits doors, aisles, and stairwells;
 - a sufficient number of emergency exit doors, which are located on all sides of each building, are unlocked (from the inside), and are readily opened from the occupied side and swing in the direction of emergency travel;
 - visible and accurate evacuation maps posted in the local language;
 - adequate ventilation and air circulation;
 - adequate lighting;
 - adequate first aid kits and stations;
 - adequate fire safety, prevention, alarm, and suppression systems;
 - adequate access to potable water; and
 - adequate access to private toilet facilities.

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- post safety rules, inspection results, incident reports, and permits, in each case, as required by law.

If Supplier provides dining facilities for its workers, it shall provide safe, healthy, and sanitary facilities (including food preparation and storage areas) that comply with all the Standards set out in the Health and Safety section of this Code of Conduct. Without limiting Supplier's obligations hereunder, Supplier shall obtain and maintain all food preparation permits and health certificates if required by law.

Reporting Violations

Supplier shall self-report any violations of the Code of Conduct. Supplier can also submit questions and comments regarding the Code of Conduct by electronic mail, to D&H's Legal Department at Legal@dandh.com.

Supplier shall not retaliate or take disciplinary action against any worker who has, in good faith, reported violations or questionable behavior, or who has sought advice regarding this Code of Conduct.

Compliance With Laws

Supplier shall comply with all applicable national and local laws and regulations, including laws and regulations relating to the Standards. Where this Code of Conduct requires Supplier to meet a higher standard than set out by law or regulation, Supplier shall meet such higher standards. Supplier acknowledges that these Standards set out audit standards that D&H may use to determine whether Supplier is meeting the requirements set out in this Code of Conduct.

Supplier acknowledges that D&H may in its discretion conduct inspections of the facilities to confirm Supplier's compliance with this Code of Conduct. D&H has no obligation to conduct inspections.

Termination

D&H may immediately terminate its business relationship (including any purchase orders and contractual agreements) with Supplier if Supplier fails to comply with this Code of Conduct.

* * * *

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.

I have the authority to bind D&H Distributing Co. and D&H Canada ULC.

DocuSigned by:

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Brett Schwab

Corporate Counsel

May 31, 2024