



E.B. Horsman & Son

The Electrical Distributor of Choice!

E.B. HORSMAN & SON ANNUAL REPORT 2023 BILL S-211 (MODERN SLAVERY)

EXECUTIVE SUMMARY

This report outlines E.B. Horsman & Son's compliance and dedication to ethical sourcing and fair labour practices, as mandated by Canada's Modern Slavery Act.

Our report delves into our efforts to combat modern slavery within our operations and supply chains. Recognizing the pervasive nature of forced labour and child labour risks worldwide, particularly within global supply chains, we acknowledge the importance of addressing these exploitative practices. Bill S-211, known as the Fighting Against Forced Labour and Child Labour in Supply Chains Act, alongside amendments to the Customs Tariff, amplifies the imperative for industry awareness and transparency.

INTRODUCTION

According to [The International Labour Organization \(ILO\) data as of 2022](#):

- **27.6 million** people were forced into labour.
- **US \$236 Billion** generated in illegal profits every year.
- **US 3.9 Million** of these people are in State-imposed form of forced labour.
- **39.4%** of these people are women and girls.
- **12%** of them are children (3.3 million). More than half of these children are in commercial sexual exploitation.
- **3 times more** risk of forced labour for migrant workers.

Some of the most common forms of forced labour include debt-induced forced labour (commonly referred to as "bonded labour"), forced labour in prisons, human trafficking, coercion in employment, and forced labour linked to exploitative labour contract systems.

Most forced labour is inflicted by private entities, not the state or armed forces, underlining the urgent need for action. The vast profits from forced labour highlight economic motivations driving exploitation.

Our company recognizes the risks within global supply chains and supports Bill S-211 to enhance industry awareness, transparency, and accountability. We are committed to ethical sourcing and fair labour practices as outlined in this report, striving to eliminate forced labour and child labour from our operations. Together, we can build a future where exploitation has no place in our global economy.



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WHO WE ARE

With more than a century in the electrical supply business, we're proud to be Western Canada's largest independent, employee- and family-owned electrical supplier.

It all [started in 1900](#), when we opened our doors as a humble hardware store in the small village of Moosomin, Saskatchewan. Since then, five generations of the Horsman family have run the company, now led by President and CEO Tim Horsman.

Today, headquartered in Surrey, B.C., we have the largest branch network in Western Canada, with [22 locations](#) across B.C., Alberta, and Saskatchewan. We proudly represent over 600 plus [suppliers](#) with over 1 million products making us a distributor of choice for thousands of Electrical Contractors, End User MROs, and Industrial OEMs.

Our locations are supported by over 400 employees and [technical service teams](#) for:

- Full-line electrical
- Process instrumentation
- Industrial automation
- Lighting supply and design
- Data communication products
- Commercial project quotations

With a rich heritage and unwavering commitment to quality, innovation, and customer service, we are a trusted partner for a diverse range of businesses across Western Canada. Our dedication to excellence has been recognized through our inclusion as one of the Best Managed Companies in Canada, a testament to our steadfast commitment to operational excellence and sustainable growth as we strive to be "The Electrical Distributor of Choice!"

SUPPLY CHAIN

Our supply chain encompasses multiple tiers, including manufacturers, distributors, and logistics providers. We work closely with reputable suppliers who adhere to ethical standards and regulatory requirements. While the majority of our suppliers are located within Canada, we also import products from manufacturers outside of Canada.

We recognize the importance of transparency and accountability in our supply chain practices. As part of our commitment to responsible sourcing, we conduct audits and assessments to evaluate the compliance of our suppliers with labour and human rights standards.



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Currently, we are actively involved in ongoing efforts to identify any areas of our operations and supply chain that may be susceptible to the use of forced labour or child labour. Our focus is on closing existing gaps in our evaluations and implementing measures to mitigate risks and ensure ethical sourcing practices throughout our supply chain. To date, we have not identified any risks of forced labour in our supply chain.

Overall, EB Horsman & Son is dedicated to upholding the highest standards of integrity and ethical conduct in all aspects of our business operations, including our supply chain management. We remain committed to fostering transparent and responsible relationships with our suppliers and partners to promote sustainable business practices and support the well-being of workers globally.

POLICIES AND DUE DILIGENCE

E.B. Horsman & Son's Supplier Code of Conduct is an extension of E.B. Horsman & Son's Code of Business Conduct and Ethics which reflects our ethical standards, commitment, core values and expectations. The Supplier Code of Conduct sets forth our standards and expectations for our Suppliers and we expect these ethical standards and principles to be applied by all suppliers delivering goods and services to E.B. Horsman & Son.

The principals in this Supplier Code of Conduct apply to all aspects of E.B. Horsman & Son's supply chain, and encompass all manufacturers, distributors, vendors, agents, consultants, business partners and all other suppliers of E.B. Horsman & Son.

Suppliers must respect the human rights of workers and treat them with dignity and respect and treat all those involved in their supply chains fairly, honestly, and with dignity. Suppliers must responsibly conduct all their operations in a coercion and harassment free manner, and in full compliance with all applicable laws.

E.B. Horsman & Son values the business relationship with all suppliers and expects them to share our commitment to conducting business in a safe, ethical, and socially responsible manner.

Our organization has policies and due diligence processes in place regarding forced labour and child labour. EB Horsman & Son's Code of Business Conduct and Ethics explicitly mandates full compliance with all applicable laws and governmental regulations. We are committed to upholding these standards across all aspects of our operations.

EB Horsman & Son maintains measures to address forced labour and child labour within our supply chain. Our Supplier Code of Conduct sets forth clear guidelines, ensuring that all suppliers adhere to minimum standards, including prohibitions against forced labour and child labour. We actively monitor compliance with these standards to uphold ethical practices throughout our supply chain.

RISK ASSESSMENT



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Our organization has conducted a risk assessment of our business and supply chains to identify areas susceptible to forced labour or child labour. Through analyzing factors such as volume, product type, business relationship, experience, and country of origin for both inventory and non-inventory suppliers, we identified a tier 1 risk group. To manage these risks, we've implemented measures such as updating our Supplier Code of Conduct (SCOC) with stricter provisions against forced labour and child labour. This revised SCOC has been distributed to our tier 1 suppliers, who were identified through the risk assessment process.

SUPPLY CHAIN REMEDIATION

In response to identified risks, our organization has taken targeted measures to remediate instances of forced labour or child labour within our supply chain. These measures stem from our updated Supplier Code of Conduct (SCOC), which now includes stringent provisions against such labour practices. After distributing the revised SCOC to the tier 1 suppliers, who were identified through our risk assessment, we ensured compliance through acknowledgment forms affirming commitment to its terms. Additionally, our SCOC mandates prompt notification of any policy or procedural changes, especially those related to Bill S-211 compliance. Through these proactive steps, we're dedicated to addressing any instances of forced labour or child labour, while upholding ethical standards and regulatory compliance.

EFFECTIVENESS

To gauge our effectiveness in ensuring the absence of forced labour and child labour within our business and supply chains, we've implemented a tracking system focused on supplier compliance with our Supplier Code of Conduct (SCOC). Through this system, we record which suppliers have provided a signed acknowledgment form committing to either (a) abide by the terms of our SCOC, or (b) adhere to their own equivalent policies and procedures that meet or exceed the standards outlined in our SCOC. For those opting for option (b), we require a copy of their documentation for review. This approach allows us to verify alignment with our ethical standards across our supplier network.

Furthermore, to ensure ongoing adherence, suppliers are obligated to promptly notify us in writing of any changes made to their policies or procedures, especially those related to compliance with former Bill S-211 or if any violations are identified.

We've established a dedicated email distribution for a specialized team within EB Horsman & Son to address any notifications received from suppliers regarding policy changes or violations. Our objective is to achieve a 100% response rate of Tier 1 suppliers for either option (a) or (b) by the end of 2024 calendar year, thereby reinforcing our commitment to ethical sourcing and proactive risk management.

REMEDIATION



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E.B. Horsman & Son has not implemented any measures to address the potential loss of income for the most vulnerable families arising from actions taken to eliminate the use of forced labour or child labour in its operations and supply chains. This decision is based on our current assessment, which has not identified any instances of income loss for vulnerable families related to our activities. We remain committed to ongoing monitoring and evaluation to ensure the well-being of all stakeholders in our business practices.

TRAINING

Our training focuses on explaining Bill S-211's significance in eradicating forced labour and child labour globally, emphasizing the gravity of these practices and the legal obligations. Additionally, it explores broader humanitarian, ethical, and legal implications to foster deeper understanding, instilling a sense of responsibility and accountability.

Central to our initiative is sharing our annual report, detailing actions taken to prevent and mitigate risks within our operations and supply chains.

Employees will also receive our Supplier Code of Conduct, outlining ethical labour practices. This ensures they understand the standards to which our suppliers are held accountable, reinforcing ethical sourcing.

Our company's code of ethics further guides our business conduct, cultivating a culture of integrity and social responsibility among employees.

Regarding reporting mechanisms, clear guidance is provided on identifying and reporting suspected violations. Specific points of contact within our organization ensure employees know where to turn if they encounter instances of forced labour or child labour.

In summary, our training endeavours equip employees with knowledge, resources, and an ethical framework to address these issues effectively. By integrating Bill S-211 compliance, organizational reports, codes of conduct, and reporting mechanisms, we uphold ethical labour standards and foster a culture of responsibility and accountability.

BOARD APPROVAL (Approval by the governing body of each entity included in the report):

EB HORSMAN & SON REVIEW AND APPROVAL PROCESS – Bill S-211 Annual Report	
Report Approved By	Last Date Reviewed, Revised, and/or Approved
Tim Horsman	May 21, 2024



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