

BILL S-211 - Building Sustainable Supply Chains

This statement is made pursuant to Bill S-211 and outlines the approach and initiatives by Electrical Wholesalers (Calgary) Ltd (“EWCL”) to identify and address the risks of forced labour and child labour in business operations and supply chain, during the financial year commencing January 1, 2023 and ending December 31, 2023.

Group Structure

Electrical Wholesalers (Calgary) Ltd was established on June 17, 1981. The only location is in Calgary, Alberta.

The organization has a functional structure where it’s divided into departments based on functions, such as outside sales, purchasing, accounting etc.

Supply Chain

During the reporting period, EWCL purchased electrical supplies from distributors and companies located in Canada and the United States. Of the material purchased, 97.9% was packaged/shipped from warehouses in Canada and the remaining 2.1% was packaged/shipped from warehouses in the United States.

Risks in Supply Chain

Electrical Wholesalers Calgary Ltd believes in human rights for all individuals and is committed to ensuring forced labour and child labour is not a part of our supply chain.

- Raw materials used in manufacturing - who provides the raw material, how is the material obtained and under what working conditions is it obtained.
- Manufacturing/production of finished goods - who manufactures the products and under what working conditions is it made.
- Testing of finished goods - who tests the products and under what conditions are they tested.

To determine the industries and products that are susceptible to child labour or forced labour, we reviewed the 2022 List of Goods Produced by Child Labor or Forced Labor published by the US Department of Labor for guidance. While we may not directly purchase or sell any of the items included on this list, we want to ensure that the products we purchase and the suppliers we work with do not support child labour or forced labour within their supply chains.

Actions Taken

EWCL believes that labour rights are essential for a just and equitable society and ensuring the dignity, well-being and protection of workers worldwide. All workers have a right to fair and safe working conditions. EWCL also believes every child deserves an environment that nurtures their growth, education and well-being, free from exploitation and abuse. Electrical Wholesalers strongly supports the implementation and enforcement of strict laws and regulations that prohibit all forms of child and forced labour.

Supplier Application Process

As of June 1, 2024, when considering a new relationship with an unknown supplier, we will pose the following questions before establishing an account with the new supplier:

- Does your organization manufacture goods sold or are the goods imported for resale?
- If the goods are manufactured, please indicate where the raw materials are obtained that are used in the production of the goods.
- If the goods are manufactured, please describe the working conditions within the facility.
- If goods are imported, do you know where your supplier obtains their raw materials used in the production of their goods?
- If goods are imported, do you know about the suppliers' working conditions in their manufacturing facilities?

Asking these questions before establishing an account with new suppliers will help us determine which organizations have taken steps to mitigate the risk of child or forced labour and which organizations we feel comfortable supporting, and which ones we don't care to establish a relationship with.

Employee Education

Effective May 1, 2024, EWCL's policy manual was updated to include the following policy:

EWCL does not employ any person below the age of eighteen years. We prohibit the use of forced or child labour. No employee is required to work against their will, work in an unsafe environment or work in violation of any Canadian labour laws including fair wages for work performed. This policy applies to the entire organization, including suppliers and contractors.

Risk Assessment

As mentioned above, we now have steps in place to identify new suppliers with/without policies surrounding forced and child labour. The next consideration was to pose these same questions to our existing suppliers in the supply chain.

Existing Suppliers

While we know where our supplier warehouses are located and where our material is packaged and shipped from, we are currently unsure of their manufacturing processes in terms of who is manufacturing the material, what the working conditions are like in the manufacturing facilities, if labour laws and regulations are followed in these jurisdictions and where they obtain the material used in the manufacturing process. As such, we will be contacting our existing suppliers to pose the following questions:

- Does your organization have a code of conduct? If so, are all employees required to review and acknowledge it on a regular basis?
- Do you have policies around forced labour and child labour? If so, are all employees trained on the policy? Is it reviewed on a regular basis?

If our supplier manufactures their own products, we will include the following questions:

- Please indicate the locations for all manufacturing facilities.
- Please describe the working conditions within the manufacturing facility.
- Do you have policies in place with regards to child and forced labour? If so, please provide details of the policies.
- If no policies exist, are steps taken to prevent the hiring of children?
- If no policies exist, are steps taken to ensure all labour laws are followed in the jurisdictions where manufacturing facilities exist?
- Please indicate which countries you source all raw materials from.
- Are there policies in place that require suppliers to disclose where they source their raw materials?
- Are there policies in place that require suppliers to disclose the working conditions in which the raw materials are obtained and if all labour laws are followed in their respective jurisdictions?
- Who tests the finished products? Under what working conditions are the products tested?

If our supplier act as a distributor of finished products and is not involved in the manufacturing process, we will include the following questions:

- Please list the countries in which all finished products are purchased.

- Do your manufacturers have policies in place against child labour and forced labour? Are the policies discussed with employees and reviewed on a regular basis?
- Do you know about the manufacturing process used by your suppliers, including the working conditions?
- Are you aware of the raw materials used to manufacture all finished products purchased, and where they source their raw materials?

During the reporting period, EWCL had purchases with 299 suppliers. Of these suppliers, 221 were trade suppliers with whom we purchased electrical supplies/products. Due to the large volume of suppliers, we need to prioritize our risk assessment during 2024. We will begin with the twenty-five suppliers we had the highest volume of purchases with as we deem them as our key suppliers. Once we are comfortable with the first twenty-five suppliers, we will expand our risk assessment to include the next twenty-five largest suppliers and will continue these steps until discussions have occurred with all existing suppliers.

Remediation

If child labour or forced labour is identified within the supply chain with one of our existing or potential suppliers, the following steps will be taken:

1. Bring identified risks/concerns to suppliers. Discuss what changes are required if we are to continue a business relationship and determine what steps are required to mitigate the identified risks.
2. If supplier is unwilling to make changes and eliminate child and forced labour, terminate business relationship immediately.
3. If business relationship with a supplier is terminated, contact government agency in the jurisdiction where supplier operates and make them aware of the identified issue.
4. Raise awareness within our supply chain around our commitment to ethical practices.

Training

Prior to December 31, 2024, employees will receive training on the new policies and procedures we have in place to eliminate the risk of child or forced labour. The policy has been updated in the employee manual, but employees will be educated on child and forced labour, the root cause of the issue and the impact on children across the world.

As our policies and procedures surrounding child and forced labour evolve, we will keep employees informed of any changes. They will also be reminded that it is their



responsibility to come forward if they suspect or know of any child or forced labour in our supply chain.

This will be reviewed with employees on an annual basis.

Effectiveness Assessment

The measures we have chosen to ensure our policies and procedures are effective include the following:

1. Compliance Rate - document and track the number of stakeholders that comply with policies and procedural requirements.
2. Policy Awareness - assess level of stakeholder awareness of new policies and procedures surrounding child and forced labour.
3. Risk Reduction - assess if policies and procedures contribute to mitigating risks of child and forced labour.
4. Complaints and grievances - document and track complaints received from all stakeholders with concerns of child or forced labour in our supply chain.

During 2024, all individuals employed with EWCL will receive training on the new policies surrounding child and forced labour. They will be responsible to bring identified risks to the attention of their direct managers when they suspect non-compliance with our policies and procedures.

Attestation

This statement is made pursuant to Bill S-211 for the financial year ending December 31, 2023. It has been issued on behalf of Electrical Wholesalers (Calgary) Ltd and approved by the President.

Signed,

A handwritten signature in black ink, appearing to read 'Rudy Van Es', written in a cursive style.

Rudy Van Es
May 30, 2024