



# 2023 Modern Slavery Report

## By Franklin Empire Inc.

### **About this Statement**

This Statement constitutes Franklin Empire’s Statement Regarding Modern Slavery (Statement), covering our fiscal year of January 1st, 2023, to December 31st, 2023. This Statement is made on behalf of Franklin Empire pursuant to section 6(2) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Canadian Act). This Report constitutes the first report prepared by Franklin Empire pursuant to Canada’s new Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”).

### **1. Introduction**

This Report is produced by Franklin Empire Inc. (“Franklin Empire” or the “Corporation” or “our” or “we”) for the financial year ending December 31, 2023 (the “Reporting Period”) and sets out the steps taken 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 or of goods imported into Canada by the Corporation.

For over 80 years, Franklin Empire Inc. has helped shape the electrical distribution industry. We are a 4<sup>th</sup> generation family-owned business, our success is based on strong human values. Advancing social equity is a key focus for our business and we are committed to doing this both in Canada and abroad. We recognize our responsibility to respect and protect the human rights of all people who support and intersect with our business, comprised of colleagues and employees in our branches and facilities and workers, including migrant and temporary labourers, in our supply chain network. Our customers trust that the products we sell in our branches come from suppliers that provide safe, fair, and ethical working conditions for workers.

Franklin Empire’s commitment to prevent and reduce the risk of forced and child labour applies to our network of stores and facilities nationwide, our business partners and our worldwide supply chain network. We expect our business partners and suppliers (as well as their contractors, agents, subcontractors, sub-agents and labour agencies) to uphold these same principles within their operations and adhere to applicable human rights and employment standards laws.

### **2. Steps to prevent and reduce risks of forced labour and child labour.**

We consider the respect of human rights to be a fundamental corporate responsibility and a value governing all our activities. We place the highest importance on respecting human rights while conducting our business activities everywhere we operate.

In general terms, we took the following steps during the Reporting Period to prevent and reduce the risk of forced labour or child labour in our business and supply chains:



- reviewed and updated our Supplier Code of Conduct during 2023.
- conducted a preliminary initial internal assessment of the risks of forced labour and/or child labour in our supply chains to enhance our supplier Third-Party due diligence process.
- tested our new supplier Third-Party due diligence process, which includes modern slavery risks, with selected suppliers with the objective of testing the process and improving it as necessary.

Details of the above actions are set out in this Report.

### **3. Structure, activities and supply chains.**

Franklin Empire is incorporated under the *Canada Business Corporation Act*. Headquartered in Greater Montreal, Québec. The owners of this family-run business are actively involved in day-to-day management and decision-making. This hands-on involvement and entrepreneurial spirit allow us to quickly implement custom programs to offer our customers flexibility and fast service. Everything we do is customer focused. Certified to ISO9001 standards, we are committed to the continuous improvement of our processes and Quality Management System. We're dedicated to providing quality products and services that meet the applicable requirements. Franklin Empire is much more than a distributor. We offer many services to help you grow your business. Our team becomes an extension of your team, including dedicated business developers, Siemens product specialists, application engineers, project managers. For over 80 years, Franklin Empire Inc. has helped shape the electrical distribution industry.

With over 20 branches covering territory from Windsor to Sept-Îles, we're focused on the specific needs of local customers. We take pride in offering personalized service and local expertise supported by regional centres of excellence.

Franklin Empire has built relationships with suppliers worldwide in production, indirect goods and services and components. Franklin Empire currently does business with suppliers from all over the world represented by local distributors or agents based in Canada.

The list of our approved suppliers is available on our website: [www.franklinempire.com](http://www.franklinempire.com)

### **4. Policies, Governance and Due Diligence processes**

#### **4.1 United Nations Global Compact ("UNGC") and Environmental, Social and Governance Initiatives**

Franklin Empire is committed to embedding human rights considerations into its policies, governance framework and decision making. As such, Franklin Empire sees the management of Environmental, Social and Governance ("ESG") risks and opportunities as an inherent part of Franklin Empire's success as a business. Franklin Empire regularly tracks the potential sustainability-related risks that are shaping its operating environment and develops and implements strategies to progress its performance across sustainability areas. The upper management and the Human Resources and also oversee certain elements pertaining to ESG-related matters and disclosures. The 2023 ESG Report is available upon request.



## 4.2 Human Rights Statement

In furtherance of Franklin Empire's commitment to upholding human rights through the UNGC, our Human Rights Statement reiterates Franklin Empire's position to not use child or forced labour. In support of this commitment, we expect all employees at all levels, as well as our business partners, to act accordingly.

## 4.3 Code of Conduct, Code of Ethics and Code of equal opportunity (the "Codes")

The Codes apply to all members of the Franklin Empire community, including the management and employees at every level.

It addresses ethical conduct in our work environment, business practices and relationships with external stakeholders. The principles set out in the Code reflect Franklin Empire's belief that honesty and integrity foster a positive work environment that strengthens the confidence of all stakeholders. The Codes detail the standards of behaviour expected from everyone to whom it applies in their daily activities and in dealings with others. It also outlines the key responsibilities of Franklin Empire leaders who are to provide a model of high standards of ethical conduct and to create a work environment reflecting both the content and the spirit of the Code. Our Code requires us to uphold our core values, our standards of behaviour. The Codes apply at all times, without exception, to all of management and all employees. The codes can be found here: [www.franklinempire.com](http://www.franklinempire.com).

## 4.4 Supplier Code of conduct (the "Supplier Code")

In line with Franklin Empire's vision for its suppliers, the company actively engages its supply chain by the adherence of its suppliers to its Supplier Code which has been developed with recognition of the 10 principles outlined in the UNGC. The Supplier Code, which was last updated during 2023, details our expectations of suppliers in respect of human rights, labour, legal compliance, health and safety, the environment, anti-corruption, ethics, and governance.

Our Supplier Code specifically includes provisions prohibiting child labour and forced labour, as follows:

### "5. Respect for employees' fundamental rights

- Promote equal opportunities and treatment for all employees, irrespective of any discriminatory criteria relating to skin color, race, nationality, social origin, disability, sexual orientation, political or religious convictions, gender or age;
- Respect the principles of personal dignity, privacy and the fundamental rights of every individual;
- Refuse to employ or make any person work against his or her will;
- Not tolerate unacceptable treatment of employees, such as mental cruelty, sexual harassment or discrimination;



- Prohibit any behavior, including gestures, language or physical contact, that is sexual, coercive, threatening, abusive or exploitative;
- Allocate fair remuneration and guarantee the minimum income applicable under current national legislation;
- Respect the maximum number of working hours imposed by applicable national legislation;
- Recognize, in accordance with the law, the right of employees to free association, and thus neither favor nor discriminate against workers' organizations or trade unions.

“6. Prohibition of child labor

- Not to employ any worker under the age of 15, or in countries subject to the exception applicable to developing countries in Convention 138 of the International Labor Organization, not to employ any worker under the age of 14.

“9. Supply Chain

- Promote compliance with this Code of Conduct among its own suppliers;
- Comply with the Principles of non-discrimination in the selection and treatment of each supplier.

“10. Conflict minerals

- Strive to avoid the use in its products of raw materials used to directly or indirectly finance armed groups that violate human rights.

The Supplier code can be found here: [www.franklinempire.com](http://www.franklinempire.com)

#### 4.5 Third Party Due Diligence Policy

While improving operational efficiency, we continue to strengthen our processes to reduce risks related to forced and child labour. In line with our Third-Party Due Diligence Policy, our supply chain organization applies a risk assessment procedure prior to engaging with new suppliers and conducts reviews based on their operational risk framework.

#### 4.6 Reporting and Non-Retaliation Policy

In accordance with our Reporting and Non-Retaliation Policy and our Supplier Code, should employees or suppliers have concerns regarding forced or child labour, they have a responsibility to report their suspicions. To that effect, Franklin Empire provides multiple channels for them to report any potential breach, on a confidential basis or not, such as reporting:

- to colleagues, including supervisors, human resources representatives or next level of management;
- to Franklin Empire’s upper management, by email or phone, open to both employees and suppliers and to dedicated Ethics Ambassadors available at all major sites; or



- to the Franklin Empire Privacy Committee, c/o the Data Privacy Officer at: [kevyn.gagne@franklinempire.com](mailto:kevyn.gagne@franklinempire.com)

## **5. Assessing and managing our risk**

Franklin Empire uses a risk-based approach to assess and manage its risk of forced labour and child labour. Our approach helps us prioritize our efforts and adjust our actions. Our methodology to identify risks in our supply chain through our Third-Party Due Diligence process combines notably country risk indicators, supplier's category and type of products/services offered by the supplier.

Our methodology to identify risks is notably based on 1) whether the supplier is headquartered or its manufacturing sites are located in countries that have a low score on the corruption perception index and/or that are at risk according to the global slavery index based on the products they supply to Franklin Empire, 2) whether the products/services come from or are delivered to one of the countries mentioned above, 3) whether Franklin Empire is supplied with certain indirect goods and services, and 4) if the products offered by the supplier to Franklin Empire include raw materials.

## **6. Remediation Measures**

Our Reporting and Non-Retaliation Policy, Code of Ethics and Supplier Code offer a reporting mechanism for our employees and suppliers to report ethical or legal violations, among other concerns. Our Supplier Code also includes information on the Ethics Line, which suppliers can use to raise concerns. In accordance with UNGC principles and our policies, if a situation of non-compliance is identified, Franklin Empire will work to develop and implement a corrective plan to improve and remedy the situation.

## **7. Training**

Franklin Empire's employees receive regular tailored training on ethical topics and our policies. All new office employees are assigned a mandatory onboarding training package which includes training on our Code of Ethics.

## **8. Assessing effectiveness**

Franklin Empire has in place a number of measures to prevent and reduce the risk that forced labour or child labour is used in our activities and supply chains. While we have not yet taken any actions to assess the effectiveness of those actions, Franklin Empire intends to assess its effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains at a later stage.



## 9. Approval and Attestation

This Report was approved pursuant to subparagraph 11(4)(a) of the upper management of Franklin Empire Inc.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this 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 Franklin Empire Inc.

Per: 

Full Name: Bernard Backman

Title: Co-President

Date: May 21, 2024