

To Whom it May Concern:

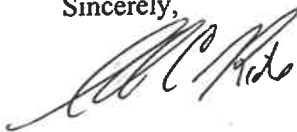
As mandated by reporting requirements, we are pleased to present our compliance report on forced labour in Canadian supply chains. The Canadian government's commitment to eradicating forced labour from supply chains is integral to upholding human rights and fostering ethical business practices.

1. **Assessment of Supply Chains:** The assessment of our supply chain is an ongoing process that includes identification of risk areas, mitigation of potential risks and ongoing monitoring of entities. Improvement initiatives continue but no major corrective actions have been identified within our supply chain.
2. **Policy and Regulatory Framework:** We have continued to align our policies and regulatory framework with international standards and best practices to address forced labour effectively. This includes legislation, such as the Modern Slavery Act, and collaboration with industry partners to ensure compliance.
3. **Due Diligence Measures:** Our Code of Conduct and Responsible Sourcing Policy establish expectations within our organization and with suppliers to value all individuals within our supply chain. We have supplier screening processes, conduct regular third party compliance audits and provide resources to support suppliers in mitigating risks within their supply chains.
4. **Accountability and Reporting:** Accountability is an essential element of our Responsible Sourcing Policy that requires acknowledgement and acceptance from suppliers as part of the onboarding of new suppliers and ongoing qualification of existing suppliers.
5. **Capacity Building and Awareness:** We recognize the importance of building capacity and raising awareness to prevent and address forced labour effectively. By setting expectations and monitoring the entities within our supply chain, we continue to emphasize the importance of these principles and requirements.

Moving forward, we remain committed to advancing our efforts in preventing forced labour within our supply chain. We will continue to collaborate with suppliers and customers, enhance regulatory frameworks, and further develop solutions to ensure that Canadian businesses operate ethically and responsibly.

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 2023.

Sincerely,



Scott Ride  
President  
Hillman Group Canada ULC



Doug Cahill  
Chairman, President & CEO  
The Hillman Group, Inc.

This list can support entities in preparing for their submission. Once ready, entities can submit a questionnaire through the online form.

## Identifying information

Questions marked with an asterisk (\*) are mandatory.

### 1. \*This report is for which of the following? (Required)

- Entity

### 2. \*Legal name of reporting entity or government institution (Required)

THE HILLMAN GROUP CANADA ULC

### 3. \*Financial reporting year (Required)

- January 1, 2023 to December 30, 2023

### 4. \*Is this a revised version of a report already submitted this reporting year? (Required)

- No

#### 4.1 \*If yes, identify the date the original report was submitted. (Required)

- N/A

#### 4.2 \*Describe the changes made to the original report, including by listing the questions or sections that were revised (1,500 character limit). (Required)

- N/A

### 5. For entities only: Business number(s) (if applicable):

BC1235732

### 6. For entities only: \*Is this a joint report? (Required)

- No

#### 6.1 \*If yes, identify the legal name of each entity covered by this report. (Required)

N/A

#### 6.2 Identify the business number(s) of each entity covered by this report (if applicable).

N/A

### 7. For entities only: \*Is the entity also subject to reporting requirements under supply chain legislation in another jurisdiction? (Required)

- No

#### 7.1 \*If yes, indicate the applicable law(s). Select all that apply. (Required) – N/A

### 8. For entities only: \*Which of the following categorizations applies to the entity? Select all that apply. (Required)

- Canadian business presence (select all that apply):
  - Has a place of business in Canada
  - Does business in Canada
  - Has assets in Canada

- Meets size-related thresholds (select all that apply):
  - Has at least \$20 million in assets for at least one of its two most recent financial years
  - Has generated at least \$40 million in revenue for at least one of its two most recent financial years
  - Employs an average of at least 250 employees for at least one of its two most recent financial years

**9. For entities only: \*Which of the following sectors or industries does the entity operate in? Select all that apply. (Required)**

- Manufacturing
- Wholesale trade
- Other: As a wholesaler, we sell to retailers and online retailers.

**10. For entities only: \*In which country is the entity headquartered or principally located? (Required)**

- Canada

**10.1 If in Canada: \*In which province or territory is the entity headquartered or principally located? (Required)**

- Ontario

**11. For government institutions only: \*Is this a report for a federal Crown corporation or a subsidiary of a federal Crown corporation? (Required)**

- No

**11.1 \*If yes, which of the following sectors or industries does the Crown corporation or subsidiary operate in? Select all that apply. (Required) – N/A**

**11.2 \*If yes, in which province or territory is the Crown corporation or subsidiary headquartered or principally located? (Required) – N/A**

## Annual Report

### Reporting for entities

**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)**

- 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

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

- Published updated Responsible Sourcing Policy in 2023
- Suppliers acknowledged and signed back updated policy in Q1 2024

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

- Corporation

**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
- Distributing goods
  - in Canada
- 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).**

**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

**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).**

**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.

**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 locations of its activities, operations or factories
- Tier one (direct) suppliers
- The use of outsourced, contracted or subcontracted labour
- The use of migrant labour
- Other: We have identified risks but have not discovered any evidence of forced labour in our internal or third party factory audits.

**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)**

- Manufacturing
- Other: There are risks in contract manufacturing. We control the risk with policies and procedures.

**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).**

- Foreign migrant workers are used in some of the regions where the company's outsource manufacturing partners are located.
- Company policy prohibits suppliers from requiring recruitment fees, travel expenses or withholding pay or travel documents whether by the supplier or a recruiting agency.
- Regular 3<sup>rd</sup> party audits are required to assess working conditions and compliance with company policies.

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

- 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)**

**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).**

**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)**

- 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).**

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

- No

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

**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).**

**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)**

- Yes

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

- 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. Regular 3<sup>rd</sup> party audits are required to assess working conditions and compliance with company policies.

**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).**