



Fighting Against Forced Labour & Child Labour in Supply Chains Act **2024 Report**

This statement is made to comply with Bill S-211, the Act of Fighting Against Forced Labour and Child Labour in Supply Chains. This report outlines the efforts by Charles Jones Industrial Limited (CJI) to identify and address potential risks of forced labour and child labour within our supply chains and to provide transparency for the financial year of October 1st, 2023 to September 30th, 2024

Charles Jones Industrial Limited is a Canadian-based company specializing in the distribution of industrial supplies. The company distributes products both domestically and internationally. It also imports goods manufactured outside of Canada into the country. Its primary suppliers are located across North America.

As of September 2024, Charles Jones Industrial operates five locations within Canada:

- Brantford, Ontario
- Edmonton, Alberta
- Nanticoke, Ontario
- Pointe-Clair, Quebec
- Stoney Creek, Ontario

The company's operations are managed by a team of shareholders and a strong leadership group based across its various branches. Charles Jones Industrial is not currently subject to any additional jurisdictional requirements related to annual forced labour reporting.

In 2025, Charles Jones Industrial will continue to enhance the visibility of our suppliers both domestically and internationally. We are in the process of implementing a Human Rights Risk Assessment and Supplier Code of Conduct Contract. These initiatives will support our efforts to ensure transparency of our supply chain.

Policies and Due Diligence Processes

Human Rights Handbook

Charles Jones Industrial is committed to ethical labor practices and has implemented a policy specifically addressing forced labor and child labor within our supply chain. This policy is a core component of our Human Rights Policy Handbook, which guides our socially responsible business operations. It highlights our dedication to eliminating these unacceptable practices and promoting a responsible, sustainable work environment across our operations and throughout our supply chain. The policy applies to all employees, contractors, suppliers, and affiliated entities, regardless of location, and covers every aspect of our operations.

Hiring and Employment Practices

Prior to commencing employment with Charles Jones Industrial, all candidates go through an interview process with Human Resources. CJI strictly prohibits the employment of individuals who are below the legal minimum age for work, as outlined by International Labour Organization (ILO) conventions and relevant local laws. We ensure compliance through rigorous documentation of employee age requirements. A condition of employment is that all candidates must be legally entitled to work in Canada. CJI also maintains a recruitment process and employment practices that are free from any form of forced labour.

Health & Safety

Charles Jones Industrial is dedicated to fostering a safe, healthy, and supportive work environment for all employees. This commitment is upheld through a series of policies such as our Employee Handbook and Human Rights Policy Handbook which establish the controls and requirements necessary to ensure the safety of our employees, customers, and visitors. These policies also ensure compliance with all relevant laws, including provincial occupational health and safety legislation, regulations, and standards. We are also adding a designated Health and Safety Policy Handbook. All employees receive training and are required to report any workplace incidents.

Key Supplier Questionnaire

A questionnaire was developed in line with Bill S211 to gather information about suppliers' operations and their policies in place to address forced and child labour concerns. This was distributed to our key suppliers.

Forced Labour and Child Labour Risks

During the 2024 financial year, Charles Jones Industrial is continuing to identify areas of forced labour and child labour risks in our supply chain. The wholesale industrial supply industry operates within complex global supply chains, which can present risks of forced labor and child labor at various stages of the supply process. We acknowledge that there are certain parts of our supply chain where there might be an increased risk of human rights violations. While Charles Jones Industrial will be putting procurement controls in place, such as the Supplier Code of Conduct Contract, there is a risk that it could miss subcontractors using black-market labour, paying wages that are not sufficient for a reasonable standard of living, not placing reasonable limits on working hours, or undercutting health and safety protections. Charles Jones Industrial's reliance on tier-one suppliers to apply minimum standards to the next tier down may not be sufficient to detect these risks. While we recognize these potential risks, we are not aware of any specific instances occurring in our supply chain.

In 2025, Charles Jones Industrial will continue to strengthen the visibility of our suppliers, both within Canada and internationally. We are working on implementing a Human Rights Risk Assessment and a Supplier Code of Conduct Contract. These initiatives are key steps in advancing transparency and compliance throughout our supply chain.

Remediation Efforts

During the 2024 reporting period, Charles Jones Industrial did not identify, been made aware of, or received any reports of forced labor or child labor within our supply chain. Consequently, no remediation measures related to these issues have been necessary. Likewise, there have been no required actions to address potential income loss for vulnerable families that could result from efforts to eliminate such practices.

Training

Charles Jones Industrial created a training module internally which is being implemented during the current period. This training will be mandatory and going forward, it will be included in our onboarding process. This training material includes education and awareness on key terms and definitions, understanding rules and regulations of the Act, how to identify risks, the steps taken by Charles Jones Industrial to prevent forced labour, and child labour in our supply chain.

Effectiveness Assessment

During the reporting period, Charles Jones Industrial did not identify any cases of forced labour or child labour within our supply chain. In the event such instances are discovered, we would act immediately to investigate the issue with the supplier to ensure that corrective actions are implemented to eliminate the use of forced or child labour, and, if the supplier failed to take appropriate corrective measures, discontinue the business relationship.

Charles Jones Industrial is committed to reviewing and updating our Human Rights Policy Handbook, Child Labour and Forced Labour Policy, operating procedures, and training module to ensure we are continually identifying actions to prevent forced labour and child labour risks within our supply chain. This effort will be carried out alongside ongoing monitoring of federal guidance and industry best practices to ensure our compliance and continued commitment to the global goal of eliminating forced and child labour.

Charles Jones Industrial is also committed to expanding our approach to identifying and mitigating risk of forced labour and child labour. Some of the initiatives for the current period include:

- **Supplier Code of Conduct Contract:** A contract to ensure our suppliers are managing their operations according to the most stringent standards of ethical

business, integrity and equity. Suppliers must comply with all laws/regulations including, but not limited to the environment, health and safety, labour and employment, human rights and product safety, and anti-corruption laws, trade agreements, conventions, standards, and guidelines.

- Human Rights Risk Assessment: A systematic periodic review of the risk mapping of potential and actual human rights issues to identify, assess, prevent and mitigate human rights risk across the supply chain.

Attestation

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I, in the capacity of Vice President, attest that I have reviewed the information contained in the report on behalf of the governing body of the entity 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 within this report.

A handwritten signature in black ink, appearing to read 'Tim O'Brien', with a horizontal line extending to the left and a vertical line extending downwards from the end of the signature.

Tim O'Brien
Vice-President

I have the authority to bind Charles Jones Industrial Limited.

Date: May 25th, 2025