

## Foreword from our Chairman of the Board

Sonepar is an independent family-owned group with global leadership in business-to-business (“B-to-B”) distribution of electrical products, solutions and related services. Present in forty (40) countries and drawing on the skill and passion of its 45,000 associates, Sonepar is committed to high ethical, social and environmental standards. In 2023, Sonepar was represented by eight (8) different local distributor brands in Canada, namely Aztec, Blueway, Dixon, Gescan, Lumen, MGM, Sesco and Texcan.

In accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act (“Modern Slavery Act”), Sonepar Canada Inc. (“Sonepar Canada”), as single reporting entity, is filing its Annual Report, covering the financial reporting period from January 1, 2023 to December 31, 2023 (“FY23 Report”). This FY23 Report outlines the measures taken to prevent and reduce modern slavery risks when conducting business, and covers the seven (7) mandatory criteria set out in section 11 of the Modern Slavery Act. To guide our approach, we have used the federal government’s first published guidance on the Modern Slavery Act’s requirement on December 20, 2023 and its amendment of March 7, 2024.

Sonepar Canada is not aware of any instances of forced or child labour in its supply chain and is committed to uphold the intent and requirements of the Modern Slavery Act. We understand that ethical and responsible procurement is an important part of being Canada’s electrical distributor of choice.

### Principal Governing Body Approval

This FY23 Report was approved by the Board of Sonepar Canada in their capacity (in accordance with section 11 of the Modern Slavery Act).

### Signature of Responsible Member

This FY23 Report is signed by Robert Taylor, Chairman of the Board of Sonepar Canada (in accordance with section 11 of the Modern Slavery Act).



Robert Taylor,  
Chairman of the Board of Directors of Sonepar Canada Inc.  
May 23, 2024

## SONEPAR CANADA INC. FY23 REPORT

### 1. The reporting entity – Sonepar Canada Inc.

In accordance with section 11 of the Modern Slavery Act, the single reporting entity is Sonepar Canada Inc. (“Sonepar Canada”), an independent family-owned company with leadership in the business-to-business (“B-to-B”) distribution of electrical, industrial and safety products, and related solutions.

Sonepar Canada is incorporated under the laws of the Province of Québec, with its headquarters located in Laval, Québec (Sonepar Canada will also, from time to time, be referred to as “Sonepar”, “we”, “us”, or “our”).

### 2. Sonepar Canada’s structure, operations and supply chain

#### a) Our structure

In 2023, Sonepar Canada was represented by the following eight (8) locally managed electrical and industrial distributor brands: Aztec, Blueway, Dixon, Gescan, Lumen, MGM, Sesco and Texcan. At the end of the reporting period, Sonepar did not have any other Canadian affiliate.



Our company has over 100 branches, 3 distribution centers, and over 1,900 associates.

b) **Our operations**

Our core business is the distribution of electrical, industrial and safety products, and related solutions in Canada. We offer a wide range of product categories:



The main markets we serve are the following:

**Industrial:** Automation, Process and Electrical Products for the Industrial Market

**Commercial:** Wire, Distribution, Lighting, Installation Material

**Utility:** High Voltage Cable, Accessories, Tools

**Residential:** Wiring Devices, Lighting, Distribution, Lifestyle Solutions

**Institutional:** Lighting, Control, Distribution, Network Products

To support our customers, we also offer a blend of solutions and services in Automation and Control, Process Control, Datacom, Electrical Vehicle Charging, Power and Distribution, Health and Safety, Lighting, Smart Home, Tools and Equipment and Wire and Cable.

c) **Our supply chain**

Through a strong focus on quality and compliance with standards, we source and distribute best-in-class products and solutions to meet our customers' day-to-day needs. We do this by carefully selecting our suppliers, and building long-term relationships with them, on the basis of their ability to innovate, recommend appropriate products, and continuously improve. In Canada, our supply chain is predominantly composed of Canadian and other North American recognized suppliers.

In addition, to help support our business offerings, we engage with a range of suppliers who provide us with different goods and services used internally, in the normal course of business. These suppliers may, for instance, relate to cleaning services, office supplies, professional services and more. The majority of such suppliers are from Canada or other North American locations.

**3. Actions taken to address risks of modern slavery practices, including due diligence and remediation processes**

The section below provides an overview of the steps taken during the reporting period to assess and address the risks of modern slavery practices in our operations and supply chain.

a) **Global policies and procedures**

Sonepar has a comprehensive Compliance Program which is composed of several policies, procedures and practices designed to assess and address compliance with legal and regulatory requirements, including modern slavery:

- [Code of Conduct](#): this is the reference document for global compliance and integrity within Sonepar, together with our internal Compliance Policies and Procedures Manual.
- [Supplier Code of Conduct](#): Sonepar expects its business partners to commit to the same high ethical standards. As such, we use a dedicated Supplier Code of Conduct that sets out clearly defined expectations.
- [Statement on Conflict Minerals](#): Sonepar is deeply committed to responsible sourcing, as an important part of its CSR strategy. We do our best to ensure that our suppliers' products and components do not contribute to adverse impacts on human rights.
- [Human Rights Policy](#): this global policy applies to all Sonepar entities and associates, and outlines Sonepar's requirement to comply with various aspects of human rights.
- [CSR Report](#): Sonepar's Corporate Social Responsibility strategy demonstrates a firm commitment to deploying action plans intended to minimize the impact of its activities on the environment and society. As part of this approach, Sonepar joined the United Nations Global Compact in 2021 and is committed to supporting the 10 principles of voluntary international framework. These relate to respect for human rights, international labour and environmental standards, and the fight against corruption. Also, Sonepar has integrated

the United Nations' Sustainable Development Goals (SDGs) for 2030 into its CSR approach. These objectives are implemented through its core business and through actions and initiatives at each of the Head Office, Region, Country and operational subsidiary levels. Sonepar also applies a vigilance approach, which covers its own activities as well as those of all its consolidated operating subsidiaries and its suppliers. Said approach is modeled on the principles of the March 27, 2017 law on the duty of care of parent companies. This decision anticipates the obligations arising from the *EU's Corporate Sustainability Reporting Directive of December 14, 2022*.

Sonepar has also implemented a dedicated global policy with respect to due diligence and monitoring of customers, suppliers, vendors, service providers and intermediaries ("Business Partners"). This global policy requires the implementation of local business processes to help evaluate the integrity and reputation of our Business Partners. More information in this regard is available in Section 3 b) of this FY23 Report.

To support its Compliance Program, Sonepar has also established a dedicated resource for reporting actual or potential violations of our Code of Conduct as well as instances of fraud, theft, corruption, violations of law, or threats to Sonepar's business integrity, including violations or potential violations that may relate to human rights. Our [reporting system](#) is open to all, confidential, secure and administered by a third party. It is available in 20 languages and follows best practices.

#### b) **Local policies and procedures**

As part of our Compliance Program, Sonepar Canada has adopted local policies and procedures to help assess and address the risks of modern slavery:

- A local policy to help evaluate the integrity and reputation of certain Business Partners who meet certain established thresholds. Such Business Partners are subject to additional review and ongoing monitoring throughout the duration of their business relationship with Sonepar Canada. This is done through a risk management database, administered by an independent third party, which assesses integrity, ethical and compliance risks, including but not limited to those pertaining to modern slavery.
- Our standard Terms and Conditions of Purchase include provisions whereby suppliers agree to act in compliance with Sonepar's Compliance Program and, in particular, with our Supplier Code of Conduct.

#### 4. **Risks of modern slavery practices in our activities and supply chain**

Given our structure and operations, the nature and origins of our supply chain and the actions we are taking to ensure that we act as a responsible corporate citizen, the risks of modern slavery practices in Sonepar Canada's activities and supply chain are low. We are not aware of any instances of forced or child labour in our supply chain.

A risk mapping project specifically related to human rights was recently conducted at Sonepar. The purpose of this project was to deepen the analysis of certain risks pertaining to human rights, with a view to identify the most significant human rights risks related to Sonepar's activities in the different countries where it operates and those of its suppliers. The project was conducted in 2023 and focused on most exposed

countries, operating subsidiaries and suppliers (defined in accordance with the supplier's country of activity or location, the number of associates and the volume and types of purchases), according to criteria derived from international institutions or non-governmental organizations. Canada, as a country of operation, and Sonepar Canada as operating subsidiary of Sonepar, were identified as representing a low risk in terms of possible exposure to forced or child labour.

## **5. Remediation**

As mentioned previously, we are not aware of any instances of forced or child labour in our supply chain. As such, we have not taken any remedial actions.

We continuously monitor the integrity and reputation of the suppliers we use in our activities and supply chain through our risk management database, which assesses integrity, ethical and compliance risks, including but not limited to those pertaining to modern slavery.

Our reporting system is available in more than 20 languages and any allegations that may arise will be properly investigated.

## **6. Training**

Sonepar has launched a comprehensive ethics and compliance training program across the company. The program exists since 2018 and consists of custom e-learning modules organized for associates having the most at-risk functions. Additional mandatory trainings are also deployed on a case-by-case basis for select groups of associates as deemed necessary.

As mentioned previously, Sonepar recently conducted a risk mapping project specifically related to human rights. In the course of this project, certain Sonepar entities were prompted to undertake specific trainings pertaining to modern slavery, but Sonepar Canada was identified as representing a low risk in terms of possible exposure to forced or child labour and was therefore exempted from conducting such trainings.

## **7. Assessment of effectiveness of actions**

Sonepar has a robust and standardized internal control and assessment system that covers an extensive range of operating rules and processes. This internal control framework serves to evaluate the effectiveness and implementation of our policies and practices throughout the company, including those relating to human rights. Internal control campaigns are conducted annually.

In addition, an internal audit function exists at Sonepar to help ensure that our company's standards are implemented and complied with across the organization, including in Canada. Occasionally also, external auditors are engaged to review the adequacy and effectiveness of our actions.

In May 2023, Sonepar won the Duty of Care Award, presented by the International SOS Foundation, in the Environmental, Social, Governance (ESG) category.

In October 2023, the independent-analysis company EcoVadis awarded Sonepar the "Bronze" rating in sustainability. EcoVadis assesses organizations in four main areas: environment, labour and human rights, ethics and sustainable procurement. EcoVadis' mission is to provide the world's most-trusted sustainability

ratings, enabling all businesses to reduce risks, drive performance, and improve environmental and social outcomes.

Finally, Sonepar Canada holds a TRAC profile number which is issued to companies having completed a baseline due diligence review to demonstrate transparency and ethical business practices, including with respect to human rights.

### **Conclusion**

Sonepar Canada is committed to very high ethical and social standards and will continue to lead by example by doing what is right, making integrity and ethics the foundation of everything we do. We are not aware of any instances of forced or child labour in our supply chain and will continue to assess and monitor possible risks of modern slavery practices in accordance with our comprehensive Compliance Program.