



Report on the Fight Against Forced Labour in Supply Chains

JULY 1 - DECEMBER 31, 2024

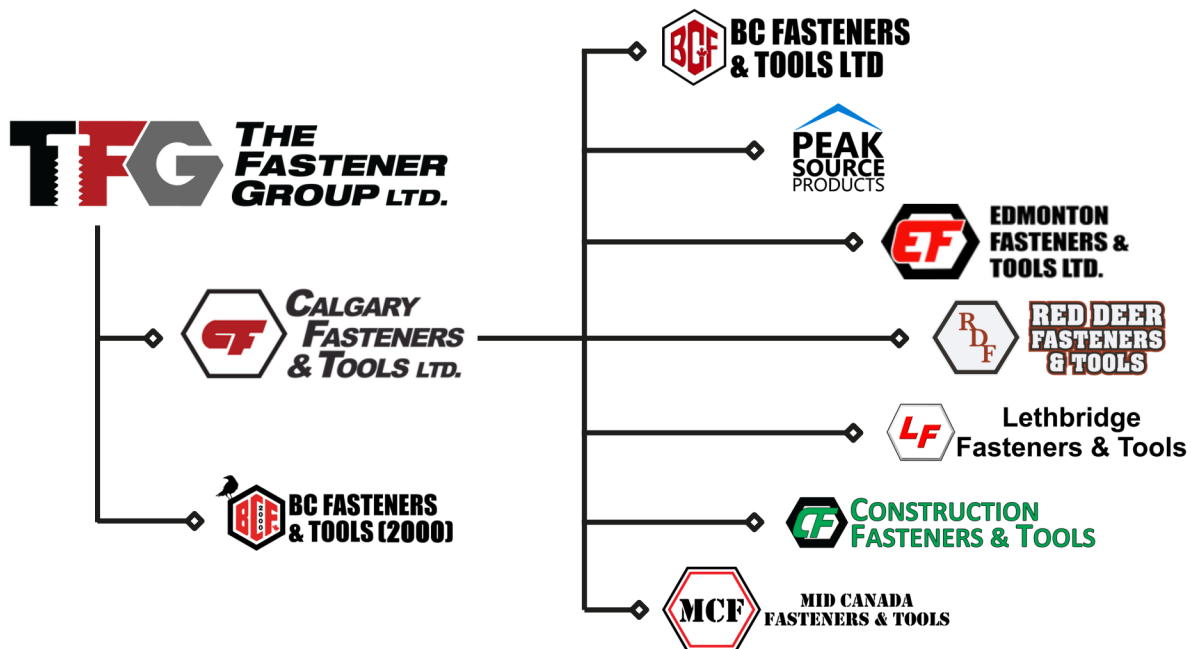
Employer Statement

The Fastener Group of Companies acknowledges and understands the critical importance of conducting thorough risk assessments, implementing preventative measures, and undertaking corrective and remedial actions to address forced labour and child labour within supply chains. We are committed to reducing these threats wherever we have the ability to influence outcomes, while continuously working to improve working conditions for all individuals throughout the supply chain to mitigate these perils.

We are committed to actively preventing all forms of forced labour within our global supply chains, in full compliance with Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act and other applicable international standards. We recognise that eradicating these serious human rights violations necessitates collaboration across industries, governments, and stakeholders throughout the supply chain.

Company Structure

The Fastener Group is a Canadian-owned market-leading seller of fasteners, tools, safety supplies, and other accessories and has been serving customers in the construction industry, oil and gas, government, and heavy industries since 1979. The Fastener Group operates in 16 branch locations across Western Canada, plus our new distribution center designed to support our growing operations and improve service levels across our network. The distribution center is located in Calgary, where our head office is also located. Adding the new center increases our ability to plan for future growth by providing flexibility to adapt to evolving business needs. Our unique strengths and expertise from across our network have kept us a trusted brand and industry leader committed to the highest level of customer service in our local communities.



Risk Assessment

As The Fastener Group is not a manufacturer itself, we rely on partner factories for our private label. As such, we recognize our responsibility to uphold ethical standards throughout our supply chain. With the introduction of Bill S-211, all businesses, regardless of their role in the supply chain, need to be vigilant and proactive in ensuring their suppliers adhere to human rights and labour standards. The Fastener Group has conducted a thorough review of its supply chain operations and identified several areas of concern.

Policy and Training Initiatives

No specific policies or training were implemented in the fiscal year of 2024 regarding the identification of forced labour risks. However, we are developing targeted measures to address these issues and are committed to implementing appropriate policies and procedures in the upcoming fiscal year. To support our commitment under Bill S-211, The Fastener Group is introducing a series of Core Compliance Measures including:

1 —◆

We will implement a Supplier Code of Conduct that outlines our expectations of all suppliers and their subcontractors throughout the supply chain. The Supplier Code of Conduct will address key areas, including the prohibition of forced labour, child labour, health and safety standards, fair employment practices, non-discrimination, proper documentation, and access to inspection. We endeavor to have all suppliers acknowledge and adhere to these standards as a condition of conducting business with our group. In addition, any vendor engaged in the manufacturing of private label products on our behalf will be required to provide a valid and current Social Compliance Audit demonstrating that their facilities operate in accordance with our Supplier Code of Conduct. We will monitor for ongoing compliance and seek continuous opportunities for improvement across our supplier network. The Supplier Code of Conduct will be provided to new and existing suppliers.

2 —◆

Provide mandatory awareness/training to employees so they can identify areas of concern regarding forced and child labour in the supply chain. Explain to employees the importance of reporting unethical practices and creating awareness for Bill S-211. Training will be provided to all current employees and included in the onboarding process for newly hired employees. The training will be reviewed and updated on an annual basis to cover any updates on the legislation relating to Bill S-211 and to reflect the latest best practices.

3 —◆

Create a confidential avenue to protect whistleblowers. Ensure that all complaints are managed with strict confidentiality and anonymity. Develop an anonymous online reporting platform to support the safe disclosure of concerns related to non-compliance or unethical practices within the supply chain.

Remediation

As we will implement a Supplier Code of Conduct this year and conduct audits of factories that provide our private label products, we will evaluate the need for remediation, and this will guide us in the appropriate response.



Head Office in Calgary, Alberta

Commitment to Transparency and Ethical Practices

We recognize that addressing these issues is an evolving process that requires continuous vigilance, transparency, and collaboration. Looking ahead, we are committed to implementing a comprehensive Supplier Code of Conduct, providing targeted training for employees, raising awareness across our organization, and establishing a clear reporting mechanism for concerns related to forced and child labour. These actions, along with posting this report on our company websites, reflect our continued dedication to responsible sourcing and compliance with the requirements under Bill S-211.

To ensure accountability, executive oversight will be maintained throughout the implementation of these initiatives, with regular review and reporting to monitor progress and drive ongoing improvement. Our organization remains fully committed to upholding the principles of ethical sourcing and human rights due diligence as outlined in Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act. Through the implementation of policies, ongoing monitoring, and engagement with our suppliers, we will continue to strengthen our practices and mitigate risks. We recognize that compliance is an ongoing responsibility and will continue to refine our approach in alignment with evolving standards and stakeholder expectations.



Leadership Team Visiting our Distribution Center in Calgary, Alberta

Approval

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 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 listed above.

Full Name: Chad Danard

Title: Chairman of the Board of Directors

Company: The Fastener Group of Companies

Date: May 27, 2025

Signature: _____

I have the authority to bind The Fastener Group of Companies.