

FORCED LABOUR IN CANADIAN SUPPLY CHAINS

Steps taken to prevent and reduce risks
of forced labour and child labour

STANDARD PRODUCTS INC.
Montréal, Qc, CANADA

5/30/2024

ENTITY ANNUAL REPORT
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STANDARD[®]

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Steps taken to prevent and reduce risks of forced labour and child labour, as per subsection 11(1)

a) Structure, activities, and supply chain

STANDARD PRODUCTS INC., headquartered in Montreal, Canada, stands as a prominent Canadian lighting manufacturer renowned for its comprehensive range of lighting solutions. Established in 1961, the corporation has solidified its position as a leading provider of emergency lighting, lighting fixtures, lamps, and controls across residential, commercial, and industrial sectors. The corporation currently employs over 250 people across Canada. STANDARD has a significant involvement with Electro-Federation Canada (EFC), a national association representing electrical manufacturers, distributors, and other industry stakeholders in Canada. As a member of EFC, it collaborates with other industry leaders to address common challenges, promote best practices, and drive innovation in the electrical and lighting sectors as well as contributing to industry-wide initiatives aimed at advancing technology, sustainability, and safety standards.

Our manufacturing plant and headquarters are located in Montreal, and we operate regional sales offices located in Quebec City, Dartmouth, Toronto, Winnipeg, and Vancouver. STANDARD has the widest presence in Canada, supplying large and medium sized distributors as well as specialized retailers from coast-to-coast from our distribution centers located in Montreal and Vancouver.

Products and components are sourced predominantly within North America and China. Smaller-scale quantities are imported into the country from Germany, Taiwan, and Japan. Whether it's finished products, semi-assembled parts, or components, all our procurement is conducted through direct partnerships with our suppliers.

All manufacturing processes, including design, engineering, assembly, and quality control, are carried out at our facilities in Montreal and Vancouver, Canada. We actively participate in the design of any purchased finished goods, ensuring all products undergo rigorous in-house testing to maintain quality standards. Our quality assurance processes, and certification verifications are highly stringent. We ensure that all products and services, such as lighting layouts or counseling, adhere to regulatory requirements, performance standards, and safety specifications.

Our inventories are distributed from our distribution center in Montreal or shipped to our distribution center in Vancouver for distribution across the western regions of the country.

We boast a dedicated team of engineers who provide robust after-sales service, including on-site evaluations, without the involvement of third-party service providers.

b) Policies and due diligence processes in relation to forced labour and child labour

We are dedicated to ensuring the highest standards of integrity and ethics throughout our supply chain. Our policies and processes aim at preventing forced labour and child labour in any part of our supply chain. All suppliers in affected regions have been required to review and sign our policy, and we maintain close monitoring remotely and through annual visits to their factories.

Our policy not only mandates compliance from our direct suppliers but also extends to their suppliers in high-risk regions, notably China. The geographical proximity of these suppliers enables us to monitor their activities during our visits if we deem it necessary. Furthermore, our suppliers are obligated to promptly notify us if they become aware of any instances of forced and child labour within their supply chains. Any breach of this policy or refusal to comply will result in the immediate termination of our partnership.

c) Parts of business and supply chains that carry a risk of forced labour or child labour being used and the steps taken to assess and manage that risk

As identified by Bill S-211, the electronics industry in China poses a risk of forced labour and child labour, which is a concern given that many of our electronics manufacturing partners operate within this sector. Following analysis, STANDARD has determined that this is what represents the primary risk for our organization. However, we maintain a direct supply chain with our partners, ensuring there are no intermediaries between our procurement team and these suppliers. Partner selection is based on the transparency of their operations, enabling us to exert a certain degree of control over potential risks.

This determination is reinforced by our annual plant visits to our key partners, during which we conduct internal assessments of forced labour or child labour risks. Visual inspections are conducted to validate the information provided verbally and in writing.

Furthermore, we mandate signed declarations from our partners affirming the absence of forced labour or child labour in their own facilities and those of their suppliers, before engaging in a business relationship with them.

d) Measures taken to remediate any forced labour or child labour

In the event of any misconduct detected within our supply chain, we will take the following actions:

If the issue arises with our direct supplier, we will immediately cease all business dealings with the concerned company and transition our operations to alternative suppliers that align with our stringent standards for ethics and integrity.

If misconduct is identified within our manufacturer's supply chain, they are required to promptly notify us and terminate their partnership with the involved supplier. We will cease business dealings with them to facilitate the rectification of the situation. Failure to address the issue within the specified timeframe will necessitate a change in suppliers.

e) Measures 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 activities and supply chain

Not applicable, we have not identified, to date, 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.

f) Training provided to employees on forced labour and child labour

The Human Resources Department has developed in-house training that will be offered to our employees. The content of this training will touch upon Forced Labour and Child Labour and their definitions, the company's internal processes as well as the company expectation regarding this matter.

The training is mandatory for employees of specific departments, including Purchasing, Engineering and Marketing, which have been targeted because of their involvement within the supply chain.

The training was created as a PowerPoint presentation, available in both French and English, and will be accessible through the company's Learning Management System platform. The document will also be available on the company's intranet for all employees.

For all new hires of departments listed above, the training will be part of their initial onboarding. For all actual employees the training will need to be completed within thirty (30) days following the launch of the training on the LMS.

Upon completion of the training session, the employees will receive a certificate as proof of accomplishment. The Human Resources Department will ensure that employees complete the new version of the training yearly.

The training and its content will be revised on a yearly basis to ensure the inclusion of all important updates.

g) Assessment of effectiveness in ensuring that forced labour and child labour are not being used in the business and supply chain

No actions have been taken to date to assess the effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chains.

Annex

Attestation

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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 listed above.

I have the authority to bind STANDARD PRODUCTS INC.



Rob Nadler

President

May 30, 2024

5/30/2024