

2023 Modern Slavery Report

1. Introduction

This report is produced by Avenue Industrial Supply Co. Ltd dba Global Industrial Canada (“**Global Industrial Canada**”, “**we**” or “**our**”) for the financial year ended December 31, 2023 (the “**Reporting Period**”). In accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”), this report outlines the measures taken by Global Industrial Canada during the Reporting Period to prevent and reduce the risk of forced labour and child labour in its activities and supply chains.

2. Structure, Activities and Supply Chain

Global Industrial Canada is ultimately owned by Global Industrial Company, a publicly traded company on the NYSE: GIC. For 75 years, Global Industrial Company has gone the extra mile for its customers, currently offering hundreds of thousands of industrial and maintenance, repair and operations (“**MRO**”) products needed to run businesses and facilities. Global Industrial has another United States subsidiary, Global Industrial Distribution Inc. (“**GID**”), that manages the procurement of products for the Global Industrial supply chain. GID and Global Industrial Canada are affiliates.

Global Industrial Company is Customs Trade Partnership Against Terrorism (“**CTPAT**”) certified and remains up do date with CTPAT requirements.

Global Industrial Canada has an office in Richmond Hill, ON, and also operates two distribution centres, one in each of Toronto, Ontario and Calgary, Alberta. Our supply chain that brings goods into North America consists of about 150 vendors globally (the “**Import Suppliers**”), with most vendors being concentrated in Asia, and some in Europe. We typically ship via ocean using a single freight forwarder and their agent network.

Global Industrial Canada is subject to and abides by the policies and procedures that are implemented by Global Industrial Company and its affiliates, including GID.

3. Policies, Procedures, and Due Diligence

Global Industrial Canada has taken a number of steps in order to prevent and reduce the risk of forced labour and child labour in its activities and supply chains by embedding responsible business conduct into its policies and management systems, including by developing policies that explicitly address forced labour and child labour (described below) and by auditing and implementing due diligence policies to monitor Import Supplier compliance with such policies. As noted above, these policies and systems are administered by GID, but apply to Global Industrial Canada’s activities.

Social Compliance Policy

Our Social Compliance Policy is provided to all of our Import Suppliers and outlines our commitment to ethical and responsible conduct in our operations, respect for the rights of all individuals and respect for the environment. Because we consider fair labour practices to be an important part of human rights, we are committed to the continuous improvement of labour standards in our operations.

Global Industrial Canada is committed to treating all associates with dignity and respect; and providing a workplace which is safe, healthy, and free of recognized safety hazards. Global Industrial Canada has systems and programs in place to ensure fair compensation for all its employees from all levels by providing wages, benefits, and reasonable work hours in compliance with applicable laws and regulations. In turn, Global Industrial Canada through its affiliates requires its Import Suppliers to adhere to our Vendor Code of Conduct, as discussed in further detail below, and will not knowingly work with any company that does not comply with, or remediate any issues to ensure compliance with, our ethical standards.

Failure to comply with the Social Compliance Policy may result in termination as our Import Supplier and possible legal action. Where appropriate, Global Industrial Canada through its affiliate GID will conduct a thorough investigation consistent with applicable law and, upon the advice and approval of our Corporate Legal Counsel, may be reported to the appropriate authorities.

Vendor Code of Conduct

The core of our supply chain ethics and compliance program is our Vendor Code of Conduct. Global Industrial Canada operates with integrity and is committed to creating a transparent supply chain. We are committed to ethical and responsible conduct in our operations; respect for the rights of all individuals and respect for the environment. Our commitment includes protecting human rights and ensuring the safe and ethical treatment of workers throughout our supply chain with fair labour practices.

Our Vendor Code of Conduct outlines the fundamental requirements to ensuring that Global Industrial's exclusive products are manufactured by our business partners and third parties that are free of abusive, exploitative, or unsafe working conditions; notably, it specifically states the following regarding forced labour and child labour:

a) **Forced Labour or Human Trafficking:**

We condemn forced labour and human trafficking and will not knowingly work with suppliers who engage in these practices and refuse to remediate appropriately. All workers have the right to engage in work willfully, without surrendering identification and without the payment of fees. Workers have the right to freedom of movement and our suppliers must ensure it is afforded to them. Suppliers must also procure their raw materials and/or components for our products solely from sources that do not utilize forced labour or engage in human trafficking.

b) **Child Labour:**

We do not tolerate the use of underage labour and will not knowingly work with suppliers that utilize underage workers. Suppliers must comply with all age-related working restrictions as set by local law and adhere to international standards as defined by the International Labour Organization regarding age-appropriate work.

GID requires that our Import Suppliers complete and execute the Acknowledgement of Receipt of the Global Industrial Social Compliance Policy and the Global Industrial Vendor Code of Conduct. Furthermore, if an Import Supplier becomes aware of a situation that may involve a violation of our Vendor Code of Conduct, the Import Supplier must report it to GID.

4. Risk of Forced Labour or Child Labour

In order to ensure that our Import Suppliers comply with our policies, we require our Import Suppliers to complete an Import Profile Questionnaire, with questions specifically regarding forced labour and child labour. Based in part on the responses to these questionnaires, GID conducts targeted and random in-person social ethical audits on its Import Suppliers performed by a third-party auditing agency (QIMA).

Based on these exercises, though Global Industrial Canada understands there are generally risks of forced labour or child labour in global trade, it has not yet identified any specific, material risks of forced labour or child labour in its own activities or its supply chains.

5. Remediation Measures, Training and Assessing Effectiveness

Global Industrial Canada has not identified any instances of forced labour or child labour in its import supply chain, nor has it identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains. We therefore have not taken any measures to remediate these issues during the Reporting Period.

During the Reporting Period, Global Industrial Canada did not provide specific topic training to its employee base in relation to forced labour or child labour. It also did not employ any measures to assess the effectiveness of its efforts to address the risk of forced labour or child labour in its supply chain.

6. Approval and Attestation

This report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Avenue Industrial Supply Co. Ltd.

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 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: Thomas Clark

Title: Director

Date: May 31, 2024

Signature: 

I have authority to bind Avenue Industrial Supply Co. Ltd.