

Graybar Canada: Annual Report on Forced Labour and Child Labour

This report has been prepared by Graybar Canada in accordance with our legislative obligations under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Forced Labour Act) to describe steps taken to reduce the risks of forced labour and child labour.

Reporting Year: May 31, 2025

Financial Year Covered: January 1, 2024 to December 31, 2024

Headquarters: Halifax, Nova Scotia, Canada

Sector: Electrical Product Distribution

Steps Taken to Reduce Forced Labour and Child Labour Risks

In 2024, Graybar Canada commenced several initiatives to assess, prevent, and mitigate the risk of forced labour and child labour within its operations and supply chains, including:

- Engaging a third-party consultant to conduct a targeted risk assessment focusing on outreach to suppliers who did not respond to prior-year inquiries.
- Mapping key elements of the supply chain, improving visibility into Tier 2 suppliers.
- Requiring major suppliers to demonstrate their own policies and due diligence mechanisms, including Supplier Codes of Conduct, Human Rights Policies, and Conflict Minerals Policies.
- Engaging with supply chain partners on the issue of addressing forced labour and/or child labour.
- Ensuring the delivery of training on forced and child labour in supply chains for all employees.

The following sections of this report provide further details on these initiatives, including their outcomes, ongoing efforts, and next steps in our continued commitment to reduce modern slavery risks in supply chains.

Organizational Profile, Activities and Supply Chain

Graybar Canada is a private corporation and subsidiary of Graybar Electric Inc. Headquartered in Halifax, Nova Scotia, the company employs nearly 650 people and operates more than 30 branches across the country. Graybar Canada's mandate is to go beyond the traditional role of an electrical product distributor by delivering innovative and sustainable solutions for our clients.

As a wholesale distributor, Graybar Canada works with key manufacturing partners to supply products across nine core verticals: automation, lighting, communications and data, electrical, wire and cable, energy, oil and gas, security and technology, utility, and broadband services. In addition to product distribution, Graybar Canada develops tailored solutions for clients in various sectors, including commercial, industrial, residential, renewable energy, and government and institutional markets.

Graybar Canada's primary suppliers are established industry leaders recognized for excellence in their respective fields. The majority of our direct (Tier 1) and indirect (Tier 2) suppliers are based in North America, with additional indirect suppliers primarily located across South Asia, East Asia, and Europe.

Policies and Due Diligence Processes

Below are descriptions of our current policies and due diligence processes that relate to forced labour and child labour. Addressed in these policies are legal compliance, ethical business practices, fair treatment of employees, and the thorough assessment of supplier quality and risk.

1. Code of Business Conduct and Ethics Policy

This policy sets ethical standards for employees, emphasizing honesty, integrity, respect, compliance with laws, and loyalty to the company. Employees are required to adhere to the highest ethical standards and comply with all applicable laws. The policy also addresses conflicts of interest, confidentiality, fair dealing, compliance, political activity, and procedures for reporting illegal or unethical behaviour. It has been adopted by the Board of Directors to promote honest and ethical conduct, protect company assets, and ensure proper disclosure of financial information.

2. Employment Policy

Workplace Conduct Policy: This policy sets the expectations for professional behavior, prohibits demeaning or exploitative material, and requires adherence to the company's standards. Work hours are flexible, subject to manager approval, and rest periods follow provincial standards.

Employment Diversity, Equity, and Inclusion Policy: This policy outlines Graybar Canada's commitment to fostering a diverse, inclusive, and equitable work environment. It acknowledges the importance of employment equity and aims to address historic disadvantages faced by designated groups.

Both policies aim to guarantee fair treatment for all employees, offering equal opportunities for employment and career advancement.

3. Supplier Qualification and Evaluation Process

Graybar Canada follows a structured process for qualifying and evaluating new suppliers. The onboarding process begins with a supplier addition request, which is reviewed by the National Product Manager. As part of this review, a Supplier Quality and Risk Questionnaire is collected and assessed. Upon approval, the request is forwarded to Enterprise Support, where the supplier is entered into the company database and relevant documentation—including the completed questionnaire and supporting materials—is made accessible for internal reference. This process supports Graybar Canada’s commitment to conducting business with suppliers that meet our standards for quality, integrity, and ethical conduct, including the prevention of forced and child labour.

Forced Labour and Child Labour Risks

Graybar recognizes that, like all global supply chains, there may be inherent risks related to forced and child labour across the supply network. To strengthen our understanding of these risks, we engaged a third-party consultancy to conduct a focused evaluation of potential exposure. As part of this assessment, particular attention was given to suppliers who had not responded to prior-year inquiries about their forced labour risk management practices. It is also important to note that the presence of suppliers operating in higher-risk regions does not, on its own, indicate the existence of modern slavery; rather, it highlights the ongoing need for due diligence across complex global supply chains.

Among those reviewed, about half acknowledged that segments of their supply chains operate in countries identified by the 2023 Global Slavery Index as facing elevated geographical risks such as weak labour enforcement, vulnerable migrant workforces, and limited supply chain oversight. In addition, some suppliers source materials like cobalt and copper—critical inputs in electrical and energy products—which are also associated with higher risks of child labour due to their origin in regions flagged for human rights concerns.

To mitigate these risks, nearly all suppliers have adopted comprehensive governance measures. These include Business Ethics Policies, Supplier Codes of Conduct, and Human Rights Policies that explicitly prohibit forced labour and human trafficking. Several suppliers also maintain Conflict Minerals Policies, targeting risks associated with mineral extraction in regions known for elevated forced labour concerns—particularly relevant for electrical products, machinery, and appliances. Oversight mechanisms such as third-party audits and regular site visits further support supplier compliance and accountability.

Ultimately, the overall risk of forced and child labour among Graybar’s direct (Tier 1) and indirect (Tier 2) suppliers is low. Graybar continues to strive for a deeper understanding of where the highest risk exposures lie, particularly for product categories and sourcing geographies that

intersect with known human rights concerns. This ongoing process informs the company's broader approach to supply chain risk management and responsible sourcing.

Remediation Measures

During the reporting period, Graybar Canada did not identify any confirmed instances of forced labour or child labour within its supply chains. As a result, no remediation measures were required, including measures related to potential loss of income for vulnerable families.

Training

In 2024, Graybar Canada implemented mandatory, company-wide training to strengthen internal awareness and support proactive management of supply chain risks related to forced and child labour. The training was developed and delivered by an external organization specializing in compliance standards for forced and child labour. As of the reporting period, 632 employees have completed the training. Several employees remain on leaves of absence and will be expected to complete this training upon their return to work.

Assessing Effectiveness

Currently, Graybar Canada partners with an external sustainability consultant to conduct an independent review of the effectiveness of our efforts to minimize the use of forced and child labour in our supply chains. This work includes direct engagement with suppliers to evaluate policies, procedures, and practices related to managing risks of forced labour and child labour. A broader analysis of potential risks to Graybar Canada was also conducted based on geographic region, industry sectors, and product components. Insights from this assessment are informing enhancements to our due diligence processes and guiding future actions to address residual risks within our supply chain, which includes exploring the development of monitoring mechanisms to evaluate improvements over time.

Approval

This Report was approved by the Board of Graybar Electric Inc.

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.

Matthew W. Geekie
Chairman, Vice President, and Assistant Secretary
Graybar Canada Limited

13 May 2025
Date

Matthew W. Geekie
Signature

I have the authority to bind Graybar Canada.