

Modern Slavery & Human-Trafficking Statement

Introduction

The aim of this statement is to set out Electrical Source Holdings' actions to understand the potential modern slavery risks related to our business and to implement measures that aim to ensure that there is no slavery or human trafficking in our own business and our supply chain.

We are committed to preventing slavery and human trafficking in our corporate activities, and to ensuring that our supply chains are free from slavery and human trafficking.

This statement relates to the actions and activities undertaken during the financial year 2024 to 2025, in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act in Canada and other related acts outlined below for countries where ESH operates.

Our Business

ESH International is a global leader in the supply of industrial automation, which includes the buying, selling, and repairing of used and obsolete automation parts. The ESH International Family consists of over 1,200 employees and is organised into branches across North America.

To ensure our customers receive the products and services they need, we maintain a vast network of suppliers. ESH has more than 300 suppliers situated around the globe and we recognize the potential for labour rights violations that could occur in our industry and our supply chain. However, we are committed to ensuring there is transparency in our business activities and in our approach to tackling modern slavery throughout our supply chains. ESH expects the same stance and standards from all of our contractors, suppliers, and other interested parties.

Core Values, Processes, and Code of Conduct

We expect all of our employees to demonstrate integrity, honesty, respect, and trustworthiness in all activities associated with us. When dealing with any interested party, we expect all employees to display ethical behaviour. ESH accepts ownership, and we accept the consequences of our actions and decisions.

ESH's code of conduct sets out our commitment to the value and importance that we place on honest, ethical and lawful conduct in all our business dealings. It outlines our obligation to comply with all laws applicable in the areas of the world in which we conduct business operations. This includes ensuring that human rights are preserved in all of our activities and zero tolerance of the use of forced labour, child labour and human trafficking.

Global Policy Against Human Trafficking, Modern Slavery and Child Labour

ESH, its subsidiaries and affiliates support the elimination of all forms of modern slavery, which can be described as a form of exploitation that constitutes serious violations to human rights.

ESH will not and does not enter business with any other entity, which knowingly supports or is found to involve itself in activities directly or indirectly associated with slavery, servitude, child labour, or compulsory/forced labour.

ESH has implemented a Global Corporate Responsibility document, which includes a robust policy on Human Trafficking, Modern Slavery and Child Labour. This policy affirms that ESH prohibits and has zero tolerance of human trafficking, modern slavery and child labour in its operations and supply chain. The policy also outlines procedures for employees and suppliers to report any suspicions of human trafficking-related activities.



Our Employees & Work Environment

To ensure our employees are treated with dignity and respect, ESH has robust human resources processes and procedures in place. ESH provides those who perform work on our behalf with reasonable and standard working hours, and fair wages. ESH International adheres to the payment of the National Living Wage, and all compulsory minimum wage rates as set by governments in the countries in which we operate.

Child labour, forced labour, and human trafficking practices violate the integrity of our business and are not condoned or tolerated by ESH. ESH encourages whistleblowing from all workers, customers, and other business partners to report any concerns related to the direct activities, or the supply chains, of our organisation.

The Senior Management and Global Leadership Team of ESH, as well as Training, has the overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it. The policy is reviewed and, if deemed necessary, updated, on an annual basis to ensure compliance with the current legal and regulatory regime.

Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it, as well as the issue of modern slavery in supply chains.

Modern Slavery and related laws recognized by country include:

UK:

- a. Modern Slavery Act 2015
- b. Trade Union Act 2015
- c. National Minimum Wage Act 1998
- d. Employment Rights Act 1996

US:

- a. The Trafficking Victims Protection Act 2000
- b. The Fair Labor Standards Act (FLSA)
- c. California's Transparency in Supply Chains Act

Canada:

- a. Fighting Against Forced Labour and Child Labour in Supply Chains Act

Germany:

- a. The Act to Improve Action Against Human Trafficking and to Amend the Federal Central Criminal Register Act and Book VII of the Social Code (Gesetz zur Verbesserung der Bekämpfung des Menschenhandels und zur Änderung des Bundeszentralregistergesetzes sowie des Achten Buches Sozialgesetzbuch)

Awareness

ESH provides training on various Corporate Responsibility aspects, including, but not limited to: Modern Slavery and Human Trafficking, Anti-Bribery and Corruption, Anti-Money Laundering, Equality & Diversity, and Whistleblowing in the UK and Canada. This training is mandatory for completion for all relevant employees. [Employees undertake refresher training on an annual basis in those countries with statutory/regulatory requirements.]

When recruiting new employees, 'right to work' checks and minimum employment age checks are always completed. Wage thresholds are continually monitored and updated to keep employee pay competitive. ESH makes all of its documented processes and policies available to all employees, and to interested parties on request.

Supply Chain Management

ESH is a leading supplier in industrial automation, whether new, surplus, or used. To ensure our customers receive the products and services they request, a vast network of suppliers must be maintained. ESH's business model and business activities do include



buying and selling products and services internationally, where its main risk to exposure would be through its supply chains.

ESH has more than 300 suppliers situated all around the world and we recognize the potential for human rights violations to occur in our industry and our supply chain. However, we are committed to ensuring there is transparency in our business activities and in our approach to tackling modern slavery throughout our supply chains, and we expect the same stance and standards from all our contractors, suppliers, and other interested parties.

ESH endeavours to select suppliers who demonstrate and adopt high ethical standards and share the beliefs and values of ESH International. We ask all new suppliers to complete a due diligence assessment, before being approved as a supplier. This assessment includes questions on corporate responsibility and compliance with laws, including those related to modern slavery, human-trafficking, and child labour. In addition, our standard supplier contracts contain compliance with law's provisions, which oblige the parties to comply with all laws applicable to their activities under the contract.

We regularly review our existing suppliers and now conduct risk assessment exercises [annually] to assess the nature and extent of exposure to modern slavery risks in our operations and supply chains and allow us to focus our efforts where required most.

Remediation Measures and Assessing Our Effectiveness

In the past fiscal year ESH did not identify any instances of forced labour or child labour in our supply chains and have therefore not taken any remediation measures. If we identify any forced or child labour, we will consider the appropriate remediation measures to take.

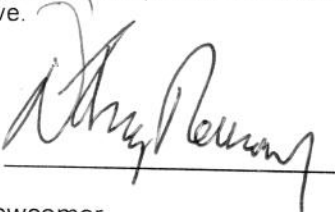
We have not yet taken any measures to assess the efficacy of our measures to reduce child and forced labour.

Attestation under Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") for Dealer Source Inc (a subsidiary of ESH)

As required by the Act, this statement (the "Report") was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Dealer Source Inc.

In my capacity as a Director of Dealer Source Inc, and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

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.

Signature: 

Date: April 25, 24

D'Arcy Newcomer
President, Dealer Source Inc. (a ESH Company)
Board Director, Dealer Source Inc.

I have authority to bind Dealer Source Inc