



Annual Compliance Report on Forced Labor and Child Labor in Supply Chains

Based upon the requirements of Canadian Legislative Bill S-211 for the most recently completed financial year ending on December 31, 2023.

ORIGINAL REPORT

May 31, 2024

SCP Distributors Canada, Inc.
373 Elgin Street
Brantford, Ontario
N3S 7P5
Canada
<https://www.scppool.com/>

This report is presented by SCP Distributors Canada, Inc. ("SCP Canada") to detail its commitment and efforts to prevent forced labor within its supply chain. SCP Canada is committed to fostering a strong culture with a deep respect for individuals and for human rights. At SCP Canada, we prohibit all forms of child or forced labor, slavery, or human trafficking in any of our operations and facilities, and we expect our suppliers and contractors with whom we do business to uphold the same standards.

In this report, we will share the measures we have implemented to identify, assess, and mitigate the risk of forced labor in our supply chain. Thank you for your interest in our commitment to preventing forced labor, and we look forward to your engagement and support in this critical endeavor.

Report Summary

This is a **single entity report** to align with requirements of the Canadian S-211 Forced Labor and Child Labor reporting initiative.

This report encompasses activities of SCP Canada for the most recent financial year beginning on January 1, 2023 and ending on December 31, 2023.

SCP Canada has identified that it aligns with at least two of the three criteria noted within the S-211 legislation in at least one of its two most recent completed financial years and is responsible to initiate the report for this Canadian regulation and initiative.

Adherence to similar regulations in other jurisdictions

SCP Canada adheres to laws and regulation as applicable based on its scope of operations.

Risk Prevention

SCP Canada has adopted a Supplier Code of Conduct and requires in its standard terms of purchase that its suppliers comply with applicable laws, rules, and regulations, including those pertaining to human trafficking and slavery.

All new suppliers must agree to these forms. These documents also allow SCP Canada to conduct audits (either itself or through third parties) to gauge suppliers' compliance with the applicable laws, including those related to slavery and human trafficking. Any such audits may be either announced or unannounced.

SCP Canada will not knowingly purchase products from any supplier which SCP Canada has confirmed utilizes slave labor or engages in human trafficking.

Respect for human rights is a fundamental building block for SCP Canada. Suppliers that choose to work with SCP Canada are expected to embody the same principles. This Supplier Code of Conduct was created to comply with the following guiding philosophies set forth by SCP Canada's Human Rights Policy:

- Respect for individuals regardless of nationality, race, sex, or anything that makes each human being unique.
- Compliance with all laws, including all employment laws and regulations, in every country and jurisdiction in which our suppliers operate.
- Respect for the environment, including the people within each jurisdiction in which our suppliers operate.
- Social consciousness and full awareness that the countries in which people are born in and/or the parents to whom they are born to sometimes do not provide individuals the opportunities that others are so fortunate to have.
- Awareness that safety is the most important aspect of all business practices and providing a safe workplace along with ongoing training and awareness is paramount.

In tandem with the SCP Canada Human Rights Policy, compliance with this Supplier Code of Conduct ensures that all workers involved with the manufacturing of products that SCP Canada sells adheres to

treaties, conventions, laws and regulations prohibiting human trafficking, slavery, bonded (including debt bondage) or indentured labor, forced labor, child labor, prison labor, non-payment of minimum wages, overtime pay, rest periods and holidays, and freedom of association. Suppliers shall adhere to the minimum employment age limit defined by national law or regulation and comply with relevant International Labor Organization standards.

Corporate Structure

SCP Canada is part of a distribution network of swimming pool supplies, equipment and related leisure products. Our inventory includes a diverse range of products, from construction materials, replacement parts and fencing to pool care products and spas.

SCP Canada is a corporation registered in Ontario, Canada under the applicable laws with a business address at:
373 Elgin St.
Brantford, Ontario
N3S 7P5
Canada

SCP Canada is a Canadian resident corporation using business number:
864278411RM0001.

SCP Canada is governed by a board of directors. Management operates day-to-day business functions and activities.

Employees

As of December 31, 2023, SCP Canada employed 163 employees, which included 161 full time employees and 2 seasonal employees.

Mission Statement

- To provide exceptional value to our customers and suppliers, creating exceptional return for our shareholders while providing exceptional opportunities for our employees.

Code of Conduct

The policy of SCP Canada is to comply with all applicable laws and to adhere to the highest ethical standards in the conduct of our business.

Our suppliers play an important role in our operations and as such, we expect our supply chain partners to share our values and commitment to ethics, safety and health and environmental stewardship. Importantly, we expect suppliers to uphold the human rights of workers, to treat them with dignity and respect, and to conduct responsible business with integrity, honesty, and transparency. Our Supplier Code of Conduct provides details on these requirements and outlines our compliance monitoring activities.

We conduct our business in an ethical and responsible manner that supports and respects the protection of human rights. We identify and do business with partners who aspire to conduct their business in a similar manner. Compliance to our Human Rights policy and applicable laws is the responsibility of every employee and contractor acting on our behalf and is a condition of their employment or contract.

While it is the duty of governments to protect the rights of their citizens, we recognize that businesses also have a critical role to play. As a distributor of swimming pool and outdoor living products, SCP Canada is committed to respecting human rights in our own operations and to complying with the laws of the countries in which we do business. Moreover, we believe we have an opportunity to positively impact the protection of human rights within our sphere of influence. As such, we encourage and support our suppliers and other business partners in their efforts to act in accordance with internationally recognized human rights standards.

Supply Chain Activities

SCP Canada globally sources chemicals, equipment, construction materials, and other categories of products to serve customers in the pool retail, service, and construction business.

Due Diligence

SCP Canada prohibits all forms of child or forced labor, slavery, or human trafficking in any of its operations and facilities.

We do not tolerate the exploitation of children or the trafficking, physical punishment, abuse, or involuntary servitude of any worker.

We prohibit the hiring of individuals that are under 18 years of age for positions in which hazardous work is required. We expect our suppliers and contractors with whom we do business to uphold the same standards.

Risk

SCP Canada acknowledges its responsibility to collaborate with vendors who share our values, and our team communicates regularly with our suppliers, conducting due diligence before and during our business relationship.

We expect our suppliers to respect internationally recognized human rights standards, and we require that our manufacturers produce our products under conditions that demonstrate respect for the people who make them while respecting the rights of people living in the communities around their facilities.

The SCP Canada Human Rights Policy operates in conjunction with our commitment to safety as our top operating priority, our regulatory compliance program, our Supplier Code of Conduct, and our endorsement of and commitment to these documents.

Across our operations and through our supply chain, our expectations of ethical practice with regard to labor conditions remain as stringent as ever. We operate in full compliance with wage, work hours, overtime, and benefits laws. However, our commitment to good labor practices is not limited to minimum standards as we strive to create an environment where the best people want to work.

Remediation and Measures for Assistance

SCP Canada is not aware of any form of child or forced labor, slavery, or human trafficking in any of its operations, facilities, or from vendor partners/suppliers.

Whether it is an event to support a local or global charity or assisting in the refurbishment of community swimming pools, our employees make our local communities better places to live, work and play. Our company's matching donation program amplifies the impact made by our employees and instills a sense of teamwork in all that we do.

Training

SCP Canada Code of Business Conduct and Ethics reflects our deep commitment to ethical behavior across the organization. To maintain awareness and ensure a robust culture focused on integrity, we require all of our employees to complete a mandatory ethics and compliance training annually.

We also encourage our employees to direct questions or report concerns or violations to their supervisor, any member of our senior management team, our human resources department or our legal department.

Employees may report concerns regarding unethical behavior or a possible violation of our Code of Business Conduct and Ethics anonymously through an independent third-party provider that offers 24/7 access via a toll-free hotline or online. These reports are reviewed by our human resources and legal teams and disclosed quarterly to our Board of Director's Audit Committee.

To help each of our employees achieve success, we emphasize continuous development opportunities and training that includes safety and security protocols, product and service updates, and technology skills enhancement.

Effectiveness

The SCP Canada Supplier Code of Conduct allows for audits (either itself or through third parties) to gauge suppliers' compliance with the applicable laws concerning slavery and human trafficking.

Internally, SCP Canada's Code of Business Conduct and Ethics governs SCP Canada employees and expectations.

At SCP Canada, we remain steadfast in our commitment to ethical sourcing and supply chain integrity. SCP Canada is committed to continuing taking steps in identifying risks and initiating actions to ensure compliance within our supply chain.

Attestation

This report has been reviewed and approved by the appropriate governing body of **SCP Distributors Canada, 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 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.

Brent Milburn

Brent Milburn
Director, SCP Distributors Canada, Inc.
May 31st, 2024

I have the authority to bind **SCP Distributors Canada, Inc.**