

## RONA

### 2024 REPORT UNDER *THE FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT*

#### 1 Introduction

This report (the “**Report**”) was prepared by RONA inc. (“**RONA**”) pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). The Report is for the 2024 financial year, which ended on January 31<sup>st</sup>, 2025 (the “**Reporting Period**”).

This Report relates to the steps taken by RONA to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada by RONA.

#### 2 Steps taken to prevent and reduce the risk of forced labour and child labour

In general terms, RONA took the following steps during the Reporting Period to prevent and reduce the risk of forced labour or child labour in its business and supply chains:

- updated the mapping of its tier 1 suppliers;
- until September 2024, continued the Responsible Sourcing Program, administered by Lowe’s Companies, Inc. (“**Lowe’s**”), based on an initial internal assessment of risks of forced labour and/or child labour in its supply chains, which relies on:
  - Lowe’s conducting several audits of tier 1 suppliers outside of Canada and the United States; and
  - Lowe’s action plan for addressing forced labour and/or child labour in the event that any instances of the same are found in its supply chains.
- starting in September 2024, developed the *RONA Quality Assurance Import Program*, based on an initial internal assessment of risks of forced labour and/or child labour in RONA’s supply chains, which relies on:
  - RONA requesting social accountability audit of tier 1 suppliers outside of Canada and the United States by an approved protocol; and
  - RONA’s action plan for addressing forced labour and/or child labour in the event that any instances of the same are found in its supply chains.
- provided training to all members of the merchandising team, which aims to increase awareness about the risks of forced labour and child labour in supply chains and to remind them of the confidential reporting mechanisms in place.

Details on the foregoing are set out in further detail in this Report.

### 3 Structure, activities, and supply chains

#### Structure

Founded in 1939 in Boucherville, Québec, RONA helps Canadians carry out their construction and home improvement projects by offering a wide selection of products and services. As of the end of the Reporting Period, RONA had a network of some 415 corporate and dealer-owned stores across Canada.

RONA is incorporated under the *Business Corporations Act* of Québec.

As of the end of the Reporting Period, RONA had a network of some 20,000 full- and part-time employees located in Canada.

#### Activities

RONA operates as a retailer and wholesaler of hardware, construction and home improvement products and services, and offers products online to customers in Canada.

During the Reporting Period, RONA operated under five distinctive banners to meet the needs of retail consumers and contractors in Canada:

- **Lowe's:** This home improvement retailer carries thousands of products covering every area of home improvement, from hardware to appliances, as well as seasonal and decor items. All of Lowe's big-box locations were converted to the RONA+ banner at the end of February 2024.
- **RONA+:** This new banner was launched during the summer of 2023 to offer DIYers and home decor enthusiasts, as well as Pro customers, thousands of low prices, amazing product designs, flexible payment options, as well as in-store expert advice.
- **RONA:** This banner provides Canadians with products and expert advice to help them carry out their home improvement projects since 1939. RONA sells a wide selection of building materials and hardware supplies.
- **Réno-Dépôt:** Founded in 1993, this banner offers the big-box home improvement store model in Québec. All Réno-Dépôt big-box locations were converted to RONA+ in October 2024.
- **Dick's Lumber:** These stores have been providing lumber and building materials to DIYers and contractors in British Columbia and Alberta since 1964.

In addition, RONA operates distribution centres in Alberta, Ontario and Québec that carry hardware, lumber and building materials. RONA distributes products from each of the distribution centres to RONA stores, clients and RONA's independent dealer-owned stores, all of which are located in Canada, with the exception of one dealer-owned store located in Saint-Pierre-et-Miquelon, France. While RONA supplies goods to dealer-owned stores, they are independently owned and operated, and can also conduct their own procurement activities.

RONA is the importer of record in Canada for a variety of goods that it imports for resale, including household appliances, building materials, seasonal and decorative items, flooring and electrical hardware, heating, lighting, plumbing and cooling equipment.

## Supply chains

RONA's supply chains are complex and global. RONA sources goods for both products for resale and goods and services not for resale from suppliers across various industries. During the Reporting Period, RONA offered approximately 350,000 different products in stores and online.

The primary categories of goods sold by RONA are:

- home hardware, appliances, furnishings and décor
- lumber, construction supplies and tools
- kitchen and bath products
- garden and patio tools and furnishings
- gardening and landscaping supplies
- seasonal, paint, flooring, cleaning and décor items

RONA sources the majority of these products from Canadian product suppliers, with about 90% of its purchases being from direct suppliers located within Canada and about 95% within Canada and the U.S. Other products are imported by RONA from various regions in Asia.

In addition to products, most stores in the RONA network offer home installation services. A selection of install service categories is offered, such as roofing, fashion plumbing, bathrooms, kitchens, countertops, flooring, woodwork, water heaters, heating, ventilation, air conditioning, as well as appliances.

To support its corporate and independent dealer-owned stores, RONA has goods and services suppliers in the following categories: professional services, office space management, information and communications technology, marketing, logistics, corporate travel and office supplies.

## **4 Policies and due diligence processes**

### **Policies<sup>1</sup>**

RONA aims to reduce the risk of forced labour and child labour in its activities and supply chains through a number of policies.

#### (a) Code of Ethics and Conduct

RONA's Code of Ethics and Conduct (the "**Code**") applies to all employees and directors of RONA and its subsidiaries.

The Code sets forth RONA's policies and procedures in areas of key legal and ethical importance. It sets out expectations for compliance with all laws, regulations and its own policies and procedures, at all times, and outlines RONA's commitment to workplace safety and to maintaining a violence-free work environment. Any violations of the Code must be reported to the legal compliance team by email.

The Code reiterates RONA's commitment to conducting business in an ethical and responsible manner. This commitment also extends to the companies that choose to partner with RONA. In accordance with the Code, when a company offers products subsequently sold by RONA, or services to help RONA achieve its goals, the Code sets out that the supplier is expected to always do so in a legal, ethical and responsible manner.

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<sup>1</sup> The below-listed policies apply to all RONA banners, except for Dick's Lumber, which, in addition to sharing suppliers with RONA, has its own vendors (who are located solely in Canada and the United States).

(b) [Vendor Code of Conduct](#)

RONA's Vendor Code of Conduct (the "**Vendor Code**") applies to all vendors who provide goods and services to RONA, or to any of its subsidiaries, affiliates, and allied businesses. The Vendor Code sets out RONA's expectations for vendors to commit to a high standard of ethical conduct in their business practices.

The Vendor Code sets out the following expectations for vendors when engaging in business dealings with RONA:

- to not use any form of forced, bonded, indentured, trafficked, slave, or prison labour;
- that all work must be voluntary, and workers shall be free to leave work or to terminate their employment;
- to not require workers to surrender any government-issued identification, passport, or work permit as a condition of employment;
- to strictly prohibit child labour;
- to hire workers who meet at least the legally specified minimum age for employment, or the minimum age for completing compulsory education in the country where any product is manufactured or where any service is rendered, whichever is higher, and that no worker under the age of 15 may be hired;
- to ensure that any of their subcontractors comply with the Vendor Code in connection with providing goods or services to RONA, and to not retain any subcontractor who fails to comply with the Vendor Code; and
- to implement management systems that facilitate compliance with the Vendor Code and any applicable laws and regulations, identify and mitigate risks relating to forced labour and child labour, and which facilitate continuous improvement.

Furthermore, the Vendor Code sets out the expectation that vendors create programs to ensure the protection of worker whistleblower confidentiality and to prohibit retaliation against workers who participate in such programs in good faith, or who refuse an order that violates the Vendor Code. It also sets out RONA's expectation that all vendors provide a complaint mechanism for workers to report any workplace grievances or Vendor Code violations in accordance with any applicable laws and regulations.

If a vendor does not comply with the expectations set out in the Vendor Code, RONA reserves the right to terminate its business relationship with the vendor.

(c) [Human Rights Policy](#)

The Human Rights Policy reiterates RONA's commitment to upholding and promoting human rights in all aspects of its business operations and creating a business that is free from discrimination, harassment, and any form of human rights violations towards employees, contractors, subcontractors, suppliers, customers, vendors, visitors, consultants, service providers, and other partners, in accordance with the laws, regulations, and guiding principles with respect to such matters.

The Human Rights Policy for Vendors, which is also incorporated in the Vendor Code and provided to vendors, sets out RONA's expectation that contractors, subcontractors, suppliers, vendors, and other partners treat workers throughout the supply chain with integrity and respect and adhere to the Vendor Code, which sets out the expectation that suppliers protect workers' human rights throughout the supply

chain. The Human Rights Policy for Vendors reiterates RONA's position that human trafficking, child labour, and forced labour are strictly prohibited.

Where any events may impact RONA's commitments to human rights, RONA will assess the risk and provide a solution or action for remediation.

RONA is committed to promptly and thoroughly investigating all complaints in a confidential and impartial manner. RONA expects its stakeholders to report and address any human rights concerns through email or telephone, as provided through its Human Rights Policy.

(d) Lowe's Responsible Sourcing Program

By virtue of an agreement with Lowe's and until September 2024, Lowe's performed certain due diligence activities for and on behalf of RONA for its tier 1 suppliers. These activities included continuous monitoring and auditing activities under the Responsible Sourcing Program ("RSP") and related supplier factory audits.

The RSP details the various expectations related to the prohibition of forced labour and child labour by suppliers in their operations.

Through the RSP's Retail Ethical Sourcing Assessment ("RESA"), all RONA tier 1 suppliers outside of Canada and the United States were audited. RESA audits focused on forced labour, child labour, employee benefits and compensation, human rights, health and safety, record-keeping, environmental compliance, and management systems.

The RESA process included onsite observations, interviews, and document reviews. Supplier factories were required to provide consistent, accurate and authentic records on a timely basis, and failure to comply with these requirements may result in delay of shipment, order cancellation or termination of the business relationship. Once the audit was complete, auditors sent a comprehensive assessment report to the Lowe's RSP team with the detailed findings identified during the assessment.

(e) RONA Quality Assurance Import Program

Starting in September 2024, RONA developed a new Quality Assurance Import Program to perform its due diligence activities. These activities include, for all RONA tier 1 suppliers outside of Canada and the United States:

- communication of detailed expectations, including the prohibition of forced labour and child labour;
- social accountability audits conducted by third-party partners;
- monitoring of the social accountability audit results.

Social accountability audits include onsite observations, interviews, and document reviews, with a focus on forced labour, child labour, employee benefits and compensation, human rights, health and safety, record-keeping, environmental compliance, and management systems.

Through these audits, supplier factories are required to provide consistent, accurate and authentic records on a timely basis, and failure to comply with these requirements may result in delay of shipment, order cancellation or termination of the business relationship.

## 5 Risks of forced labour and child labour in RONA's operations and supply chains

(a) Operations

Given that RONA's primary business operations are conducted in Canada, that the majority of its workforce is employed in Canada, that some RONA stores have unionized employees, and that RONA has policies and procedures in place to help ensure compliance with all applicable laws, the company considers the risk of forced labour and child labour occurring within its business operations to be low.

RONA employs contractual workers in Canada, the U.S. and other countries, including some who are located overseas and provide services such as accounting and information technology. While it recognizes that there are known risks for workers providing contracted services, particularly where recruitment agencies are used, RONA considers these areas of skilled work as carrying a low risk of forced labour and child labour.

(b) Supply chains

During the Reporting Period, RONA updated the mapping of its tier 1 suppliers. For its direct suppliers located in Canada and the United States, the company considers the risk of forced labour and child labour to be low. Certain manufacturing regions and materials carry a higher risk of forced labour due to its prevalence in specific countries. As some of RONA's direct suppliers are located outside Canada and the United States, the risk exists, specifically as it relates to the production of raw materials and product manufacturing.

RONA understands that many of its direct suppliers rely on global supply chains to provide goods and services. While the company has not mapped its supply chain beyond the first tier, RONA recognizes the value to do so as a next step of its assessment of risks.

## **6 Steps taken to assess and manage the risk of forced labour and child labour**

RONA is dedicated to fostering a safe work environment free of human rights violations. It has a comprehensive Code of Ethics and Conduct that outlines the expected behaviour of individuals doing work for the company.

During the Reporting Period, audits were conducted for all of RONA's tier 1 suppliers located outside of Canada and the U.S. to verify compliance with RONA's policies on human rights. Through Lowe's Responsible Sourcing Program or RONA's Quality Assurance Import Program, a risk-based approach is used to assess and manage the risk of forced labour and child labour. This approach helps to prioritize efforts and adjust actions accordingly.

While no instances of forced labour or child labour were identified during the Reporting Period, RONA has measures in place to mitigate against potential risks. For instance, pursuant to its Vendor Code, RONA sets out the expectation that vendors should ensure that their subcontractors comply with the Vendor Code in connection with providing goods or services to RONA and should not retain any subcontractor that fails to comply with the Vendor Code.

In terms of compliance monitoring, RONA monitors the social accountability audit results.

(a) Auditing suppliers

In accordance with the Vendor Code, RONA, whether acting by itself or through a third party, may take affirmative measures such as inspections and audits to ensure supplier compliance with the Vendor Code, which includes measures against the use of forced labour and child labour. The auditing process actively engages suppliers with respect to forced labour and child labour risks.

RONA engages with a third-party auditor to conduct audits of new suppliers outside of Canada and the U.S. and conducts follow-up audits on current suppliers.

(b) Contractual measures

RONA's standard form contracts set out the requirement that suppliers commit to adhering to the principles and standards in its Vendor Code and to requiring their own suppliers to commit to similar principles and standards as it relates to forced labour, child labour and human rights. In addition, through RONA's standard form vendor contracts, vendors are required to implement management systems that facilitate compliance with the Vendor Code and any applicable laws and regulations, identify and mitigate risks relating to forced labour and child labour, and which facilitate continuous improvement. The standard terms are not yet in place with all vendors.

RONA reserves the right to discontinue business relationships in cases of non-compliance with the Vendor Code.

Furthermore, the standard vendor contract sets out the requirement that suppliers are required to maintain all documentation to demonstrate compliance with the Vendor Code and must make such documentation available to RONA or an authorized third-party agent upon request.

## **7 Remediation measures**

During the Reporting Period, RONA did not identify nor receive any reports of actual or suspected instances of forced labour or child labour in its operations or supply chains. As a result, the company did not have to take any measures to remediate any forced labour or child labour or to remediate any loss of income to vulnerable families. However, if RONA identifies any instances where it has caused or contributed to any form of forced labour or child labour, it has an action plan in place to conduct a corrective action plan, conduct a follow-up assessment based on the individual case and, depending on those results, remediate accordingly.

Through grievance mechanisms set out in RONA's Code of Ethics, Vendor Code, Human Rights Policy, and Human Rights Policy for Vendors, the company is committed to providing access to remedies. Employees and suppliers may report ethical or legal violations, including real or suspected instances of child labour and forced labour. RONA's Vendor Code provides an anonymous complaint mechanism for workers to report any workplace grievances or Vendor Code violations in accordance with any applicable laws and regulations, which suppliers can use to raise concerns. In accordance with its Human Rights Policy, RONA expects any stakeholders of RONA's business to report and address any human rights concerns through email or telephone.

Furthermore, the Vendor Code sets out the requirement that suppliers create programs to ensure the protection of whistleblower confidentiality, and to prohibit retaliation against workers who participate in such programs in good faith or who refuse an order that violates the Vendor Code. Vendors are also required to provide a complaint mechanism for workers to report any workplace grievances or Vendor Code violations in accordance with any applicable laws and regulations.

## **8 Training**

During the Reporting Period, RONA's Sustainable Development team provided mandatory training to all members of the Merchandising team. This training aimed to increase awareness about the risks of forced labour and child labour in supply chains and to remind employees of the confidential reporting mechanisms that are in place. This training also presented RONA's policies, statistics related to modern slavery and regions of high prevalence.

## **9 Assessing the effectiveness of RONA's actions**

RONA has several measures in place to prevent and reduce the risk that forced labour or child labour is used in its activities and supply chains. During the Reporting Period, the company continued to assess the effectiveness of certain of its actions related to tier 1 suppliers outside of Canada and the US by tracking results from supplier audits. However, the company has not yet taken other actions to assess the effectiveness of its actions more broadly.

## 10 Approval and attestation

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the boards of directors of RONA 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 this report for the entity specified below. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects, for the purposes of the Act, for the Reporting Period.

I make the above attestation in my capacity as President of the board of directors of RONA inc. (the "**RONA Board**") for and on behalf of the RONA Board.

I have the authority to bind RONA inc.

Per: 

Full Name: Jean-Philippe Towner  
President and CEO  
Date: May 15, 2025