



Shively Bros Year 2023 Modern Slavery Report

Introduction

This Modern Slavery and Child Labor Report is a response to the *Fighting Against Force Labor and Child Labor in Supply Chain Act*. It relates to actions and activities for the year 2023.

Steps to Prevent and Reduce Risk

Shively Bros will take the following steps yearly to prevent and reduce the risk of forced labor and child labor in our supply chain:

1. Conduct annual assessment of suppliers to ascertain risk of forced and child labor in their supply chain
2. Suppliers are required to supply documentation confirming:
 - They do not employ minors and complies with applicable child labor laws including International Labor Organization conventions.
 - They have policies in place to avoid forced child labor within their organization.
 - They have policies in place within their own supply chain.



Shively Bros updated and deployed our supplier code of conduct to include statements on forced labor and child labor.

Our company is committed to creating awareness and training materials to enhance employees' understanding of the Act and their related responsibilities.

Structure and activities in Supply Chain

Shively Bros. Inc. is an industrial distributor founded in 1947. Shively Brothers is not a manufacturer or assembler of finished goods. Our team is on a mission to retain current valued customers and earn new business by providing exceptional value through effective product procurement, and outstanding services. Shively Bros is an ESOP company dedicated to being a diverse and inclusive company and assisting its employees in building wealth and assets equitably.



Mission Vision and Values

Our purpose is to elevate the significance and worth of Shively Bros. Inc. operations by:

Serving the public interest.

Assisting our members.

Aiding in economic and social progress.

Aspiration

The Shively Bros. Inc. is a well-recognized leader in the Industrial Supply community.

Principles

We build trust by adhering to our principles:

Uphold integrity.

Promote excellence.

Take responsibility.

Collaborate effectively.

Show respect to everyone.

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Code of Conduct

Shively Bros believes that the nature of our business requires that each of us maintain a high standard of personal conduct. Ethical behavior in the conduct of our business is important to our Future. Shively Bros has adopted the Employee Handbook Code of Conduct for company employees.

Risk Management

Shively Bros has implemented a Quality Management System (QMS) and how the company complies with the International Standard, as well as the company's and customer's requirements. This system is intended to provide evidence of how the company consistently provides products and services that meet customer requirements and applicable statutory and regulatory requirements and aims to enhance customer satisfaction through the effective application of the system.



Contractual Clauses

Shively Bros has developed a supplier code of conduct and terms and conditions to reduce the risk of modern slavery and child labor.

Going forward we intend to implement acknowledgement of such terms with our suppliers.

Suppliers will be required to produce evidence to support the Shively Brothers code of conduct as it pertains to modern slavery and child labor. Suppliers will be audited annually for compliance.

Supplier Code

Shively Bros Supplier Code of Conduct is intended to provide guidance to our suppliers regarding expectations and commitment to acting with integrity, always, and conducting business in an honest, transparent, and environmentally responsible manner.

Reporting Mechanism

SBI Fraud Policy specifies the channels available for any SBI employee or contractor to report suspected misconduct, fraudulent activities, questionable behavior, and/or breaches of our Code of Conduct. Reports can be submitted by mail or by calling our 24/7 hotline. Consequently, any suspected involvement of modern slavery within our supply chain can be reported via these methods.



Risk Assessment

Shively Bros operations are largely focused on services and distribution of products supplied by our supply chain.

We recognize the potential exists for forced or child labor in our supply chain, either with direct or indirect suppliers further down the supply chain. To perform our risk assessment, we considered research published by the US Department of Labor that examines which goods are at risk of being produced by forced labor and child labor.

Shively Bros will audit on an annual basis our suppliers to assess the risk of modern slavery and child labor within their supply chains. During this audit evidence must be provided to comply with the Shivel Brothers terms of conditions and supplier conduct.

Shively Bros will continue to be diligent in assessing our suppliers to have minimal exposure to modern slavery in our supply chain.



Recognitions Gifts

SBI presents tokens of appreciation to acknowledge the efforts of our employees. These tokens are sourced from businesses whose operations and supply chains are primarily vetted suppliers of SBI.

Remedial Measures

Shively Brothers Inc. is unaware of any instance of force labor or child labor in our supply chain. As a result, we did not take any measures to remediate and adverse impacts or the loss of income to families that could have resulted from measures taken to address modern slavery.

If we become aware of any potential or confirmed instance, we will investigate and take appropriate remedial measures.

Training

SBI employees participate in ongoing training on regulatory standards, ethical practices, and internal policies. New hires must complete a mandatory onboarding package that includes a review and acknowledgment of our Code of Conduct. Furthermore, all employees must annually review, endorse, and comply with the Code of Conduct. Moving forward, SBI will incorporate training on modern slavery into all employee onboarding packages and provide an annual refresher course for those directly responsible for procurement matters.



Approval and Attestation

In accordance with the requirements of the Act, and in particular section 11 (4) (a) thereof, I hereby attest that I have reviewed the information contained in the report. Based on my knowledge, and having exercised due 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 year listed above.

Alison Shively

Alison Shively Wolgast

Vice President Shively Bros.