

ABC Supply International Holdings, Inc. 2023 Modern Slavery Report

May 31, 2024

About this Report

This Modern Slavery Report (the “**Report**”) addresses the period from January 1, 2023, to December 31, 2023, and has been prepared pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“*the Act*”). This Report is made on behalf of ABC Supply International Holdings, Inc., and its two subsidiaries (collectively, “ABC Supply” or the “Company”).

ABC Supply is committed to conducting our business operations in a manner that complies with applicable laws and regulations and achieves the highest standards of business ethics. This includes respecting human rights and requiring our suppliers to do the same. ABC Supply is committed to improving practices to combat modern slavery and human trafficking and will not tolerate any such practices in its supply chain.

1. Our Business

i. Structure

ABC Supply International Holdings, Inc. based in the United States, began operations in Canada by making two strategic acquisitions of existing companies in November 2022 (five locations) and August 2023 (seven locations). The acquisitions resulted in two subsidiary entities registered in Alberta: Canadian Builders & Contractors Supply Holdings ULC (Alberta), and Canadian Builders & Contractors Supply ULC (Alberta). Canadian Builders & Contractors Supply ULC (Alberta) is the operating company.



ii. Activities

ABC Supply is a wholesale building products distributor primarily serving professional contractors and builders from twelve locations across the provinces of British Columbia and Alberta with approximately one hundred and eighty associates as of December 31, 2023. As a wholesale distributor, ABC Supply's activities consist of facilitating the purchasing relationships between materials manufacturers and contractors by maintaining localized inventories, extending trade credit, providing product advice, and providing delivery and logistics services. ABC Supply carries nearly 5,000 exterior building products such as roofing, siding, windows, and doors, tools and equipment used for installation of those products as well as deploys a delivery fleet.

iii. Supply Chain

The Company imports substantially all of its products for sale from North American sources. These products include roofing for both commercial buildings and residential housing, siding, windows, doors, and ancillary installation tools. Our purchasing decisions are decentralized and coordinated individually by each location. We employ an integrated ERP system that provides visibility to all inventory products at our locations while maintaining a discrete supplier listing.

2. Policies and due diligence processes addressing slavery and human trafficking risk

i. Internal

ABC Supply is committed to doing business in an ethical manner and will not tolerate any form of human trafficking or modern slavery in our operations. ABC Supply is an equal opportunity employer and is committed to maintaining a workplace free of unlawful discrimination, harassment, and retaliation. The Company is committed to adhering to applicable laws prohibiting discrimination in employment. Additionally, we are committed to having all associates work in an environment free of discrimination and harassment based on race, religious creed, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, military status, sex, gender, gender identity, transgender, gender expression, age sexual orientation, or any other bases prohibited by law.

ABC Supply requires that all associates observe the highest standards of business integrity and ethical business conduct. The Company also maintains certain policies to guide our associates with respect to our standards of business conduct. Our goal is excellence in the workplace and creating an environment that supports honesty, integrity, respect, trust, and responsibility. These high ethical standards go hand in hand with our core values, and living by them is essential to fulfilling our mission and core purpose.

Our Hiring Process

ABC Supply will not tolerate any forced labour or child labour in our operations. To ensure we are in compliance with legal age requirements, there is a verification process for all new hires to validate identification and age. For those associates that have a visa, the Company also requires documentation of the permit. Additionally in May 2024, the Company began a secondary employment verification process for minors in the province of British Columbia, requiring the parent to provide written permission for their minor to work for the Company per the established regulations.

Whistleblower Process

At ABC Supply, we encourage open communication with our associates. Our philosophy is that we are an “Employee First” company. We have a responsibility to provide a great place to work. It is everyone’s responsibility to help make ABC Supply a great place to work. Associates at all levels have direct access to the Human Resources support line and may make a complaint, report any improper act/practice, or express any concerns. There are additional internal and external legal resources available for additional inquiries.

ii. Our Supply Chain

ABC Supply expects its associates, contractors, manufacturers, and vendors to abide by all applicable regulations and laws based on their country, state or province, and local authorities.

We are committed to working with supply chain vendors and other business partners who abide by all applicable laws in the jurisdiction(s) in which they operate.

All ABC Supply Vendors are required to sign a Vendor Agreement. The Company’s purchase of products and related services from Vendors is expressly conditioned upon Vendor’s acceptance of the terms and conditions of the Vendor Agreement, which includes a mandatory Vendor’s Supply Certification.

The certification contains the following statements.

- (1) Vendor warrants that the products supplied to the Company have been produced in compliance with the laws regarding slavery, child labour, or other human trafficking in the countries where those products were produced or originated, and that none of the products were produced using slavery or human trafficking. This warranty applies both to the products supplied to the Company and the materials incorporated into those products.
- (2) Vendor certifies that none of the products that Vendor sells to the Company, or that are private labeled, or toll manufactured at the request of the Company contain tin, tungsten, tantalum or gold.

3. Forced labour and child labour risks

As previously noted, the Company imports substantially all of its products for sale from North American sources. As a result, ABC Supply does not believe there is a significant risk that its suppliers utilize forced labour or are involved in human trafficking from a country risk perspective.

According to The Global Slavery Index 2023 produced by the Walk Free Foundation, our present direct (Tier 1) supply chain represents a relatively minimal risk of forced labour and child labour due to both its geographic location as well as the high levels of governmental oversight and laws applicable to human rights in these jurisdictions. However, the Company acknowledges that the risk of forced labour or child labour may increase further down its supply chain as the Company has less visibility over Tier 2+ suppliers.

In 2023, ABC Supply did not conduct a formal supplier assessment related to the risk of forced labour or child labour. In 2024, the Company plans to perform an analysis of its supply base and assess risk for modern slavery.

4. Remediation measures including remediation of loss of income

As of the date of this report, the Company has not identified any instances of forced or child labour in our activities and supply chains and has not been subject to any investigation related to these matters within the year ended December 31, 2023, and therefore, no remediation measures have been taken.

5. Training

ABC Supply associates that are designated as Branch Managers, District Managers, or Region Managers are required to attend a mandatory five-week training class that includes both operational instructions and classes pursuant to human resource topics including but not limited to: fair and safe work practices, employment standards, employee classifications, Provincial Labour Laws, The Canada Human Rights Act, and other employment standards. The training curriculum for 2023 did not specifically address training in the areas of forced labour or child labour.

6. Progress and Effectiveness

To date we have not had any significant concerns or complaints identified related to Modern Slavery in our operations or supply chain requiring remediation actions. As such, no actions were taken in 2023 to assess the Company's effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chains. ABC Supply is committed to continuous improvement for all compliance and regulatory procedures with respect to its operations and supply chain, as such, the Company will continue to monitor its risks in the future to determine whether further measures are necessary.

8. Approval

This statement has been approved by the Board of Directors of Canadian Builders & Contractors Supply ULC (Alberta).

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.



James Anderson
Director

I have the authority to bind ABC Supply International Holdings Inc., Canadian Builders & Contractors Supply Holdings ULC (Alberta), and Canadian Builders & Contractors Supply ULC (Alberta).

This presentation contains certain statements and projections that are estimates, projections, and or "forward looking statements", which involve significant elements of subjective analysis and judgment which may or may not be correct. No representations or warranties are made by the Company or any of its affiliates as to the accuracy or completeness of any such statements, estimates, or projections. Although the Company believes that its expectations reflected in the estimates, projections, and forward-looking statements are reasonable in light of currently known circumstances, it cannot and does not give any assurance that such expectations will be or will prove to be correct or attained. Many aspects of the Company's operations are subject to influences and factors outside its control. Any one of these factors or any combination of these factors could materially and detrimentally affect the results of the Company's operations and cause actual results to differ materially and detrimentally from the Company's expectations. The Company disclaims any obligation to publicly update or revise any of its projections estimates, or forward-looking statements.