

Report on Fighting Against Forced Labour and Child Labour in Supply Chains Act

ICT Industrial Holdings Inc.
Modern Slavery Act Reporting

April 9, 2024

INTRODUCTION

Operating our group of companies with clear values and business ethics that reflect our beliefs ensures we are a responsible employer and partner. While safety is a priority, our values also include accountability and integrity. This means that among other concerns, we take a firm stand against human rights abuses and work actively in our beliefs against forced labour, child labour and human trafficking. This joint report is first in compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act and it summarized the steps we have taken to prevent and reduce the risk of these activities in our supply chain.

REPORT AS REQUIRED BY THE ACT

This joint report is the first issued by ICT Industrial Holdings Inc. (ICT) and certain of its subsidiaries pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) and covers the reporting period of January 1, 2023 to December 31, 2023. The report provides details of the actions ICT has taken to address modern slavery, which included forced labour, child labour within ICT’s operations and supply chains.

The report covers each of the following entities which also meet the reporting requirements set out in the Act: ICT Industrial Holdings Inc., International Cooling Tower Inc., ICT Industrial Inc., and ICT Leasing Inc. (together with ICT, “ICTGroup”), each of which is directly owned by ICT.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Business Structure

The ICTGroup first began operations in 1958, incorporating as B. Guthrie Engineering Company LTD July 16, 1962, and on October 28, 1983 amalgamated various companies renaming the new group International Cooling Tower Inc. On Sept 1 2022, all subsidiaries were reorganized under ICT.

Starting as a small company focused on optimizing facilities cooling tower capabilities, ICTGroup has grown into a North American market leader in industrial cooling tower design, manufacturing and field services. We are a privately held company.

ICTGroup employee counts fluctuate considerably throughout the year as temperatures and project demands change from month to month.

Activities and Supply Chain

ICTGroup works with various vendors, suppliers and contractors primarily in Canada and the United States. We are committed to conducting business in a way that is respectful of human rights and strive to do business with organizations that conduct themselves in the same way. ICTGroup suppliers must:

- Agree to Suppliers Code of Conduct
- Take steps to assess risks of forced and child labour practices in the supply chain used in any goods or services to ICTGroup.
- Comply with the Fighting Against Forced Labour and Child Labour in Supply Chains Act

Procurement

While the procurement of goods and services is primarily conducted in Canada and the United States, the procurement of certain goods may take place overseas.

Procurement of goods and services is centralized from our corporate office that also administers the approved/prequalified vendors with operational procurement being conducted at local office and project sites from the list of preapproved vendors.

Use of Subcontractors

Goods and Services may also be indirectly procured by ICTGroup by its subcontractors. When the delivery of a project involves the use of subcontractors, it may also include the supply of goods and the subcontractors labour. The types of goods and services depend on the scope of work of the trade. Subcontractors are prequalified and must agree to the same code of conduct requirements as vendors.

POLICIES AND DUE DILIGENCE

Over the years ICTGroup has developed a number of policies and operating procedures to help ensure the business conducted by ICTGroup and including our vendors and suppliers are carried out in a responsible manner. Policies are developed with use of subject matter experts and updated as required.

As part of our ICTGroup mitigating risks of modern slavery we have reviewed our policies to address our position against modern slavery. Of note, we have updated our Employee Code of Ethics and our Employee HR Policy Manual, and are in the process of updating our Supplier Code of Conduct Policy and contracting documents, which included updating our vendor prequalification process.

Terms and Conditions for Vendors – Our standard terms and conditions of purchase govern where no other terms or conditions have been formally agreed to. These terms and conditions, which were most recently updated as of January 2024, require, among other things, compliance with relevant laws and ICTGroups Supplier Code of Conduct.

Contract Templates – Our contract templates have been updated, most recently in January 2024, to include standard contractual terms highlighting and addressing modern slavery issues and concerns, as well as to require those we do business with to take reasonable steps to identify and address risks of forced- and child-labour practices in their operations and supply chains.

FORCED LABOUR AND CHILD LABOUR RISK MANAGEMENT

Our Canadian operations are at a low risk for forced labour and child labour due to the legal frameworks mandates at both federal and provincial levels and a commitment to implementing those laws. In addition, we have utilized the Global Slavery Indexes 2023 to take into consideration the rankings of different countries we consider doing business in and with. As over 98% of ICTGroups costs during the reported year occur within Canada or USA, the index confirms a “low” prevalence. When ICTGroup prequalified our vendors in India, which ranks with a more moderate ranking, ICTGroup representatives visited the vendors on site for many days and assessed the vendor as compliant with the Act.

STEPS TAKEN IN THE PREVIOUS YEAR

As confirmed in this report, in the 2023 year ICT has taken a number of steps to prevent and reduces the risk that forced labour or child labour is used at any step of the production of the goods and services in Canada or elsewhere by ICTGroup. In the coming year ICTGroup will take steps to increase employee awareness around forced labour and child labour.

REMEDIATION MEASURES

At this time, ICT and ICTGroup have not identified any instances of forced labour or child labour in its activities or supply chains. As such, no remediation measures have been taken to date. ICT will continue to assess its activities and supply chains and implement new processes as required.

ICT is not currently aware of any instance where its efforts to prevent or reduce the risks of forced labour or child labour in its activities of supply chain have contributed to a loss of income in vulnerable families. ICT currently does not have a formal process to measure the effectiveness of the mitigation and prevention of forced labour or child labour but will periodically review its process.

APPROVAL AND ATTESTATION

This report was approved by the Directors of ICT Industrial Holdings Inc. on April 9, 2024 pursuant to section 11(4)(b)(ii) of the Act.

In accordance with the Act, and section 11, I attest that I have reviewed the information contained in the report for the entities listed. Based on my knowledge, exercising reasonable diligence, I attest that the information in the report is true and accurate and complete in material aspects for the purposes of the Act and the reporting year in the report.

For clarity, I am attesting on behalf of my capacity as a director and officer of the company, and not my personal capacity.



Brent Middleton,

Chief Executive Officer, Director

I have the authority to Bind the Corporation.

April 9, 2024