



530 Manitou Drive  
Kitchener, ON N2C 1L3  
Phone: 519-748-0848  
www.imtcorporation.com

***IMT Group  
Canada's Modern Slavery Act Report  
For the year ended December 31, 2023***

**Introduction**

IMT Group is comprised of six integrated businesses: IMT Precision, IMT Elemental, IMT Elite Finish, IMT Standen's, IMT PC Forge & IMT CJ Forge (collectively "IMT", "IMT Group", "we" or "us"). IMT Group is passionate about engineering, forging, machining, and finishing superior quality metal components that keep the world's transportation, oil and gas, aerospace, mining, and defence industries moving.

IMT Group is committed to respecting human rights across our business operations in accordance with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. Without limiting the foregoing, we do not utilize or knowingly permit in our supply chains child labor, forced labor or other abusive or unsafe working conditions.

The following information represents a **joint report** of the operating divisions and affiliated entities as outlined below.

**1. History, Structure, Activities and Supply Chains**

In 1914, Ingersoll Machine & Tool was founded in a small factory originally intended for soap production. This marked the beginning of a journey marked by passion, commitment, innovation, integrity, and growth that has spanned over a century.

Initially, Ingersoll Machine & Tool focused on manufacturing steering gear assemblies for boats and cars. By the 1930s, the company had become the sole producer of steering gear assemblies for several Canadian-built cars, including models by Ford, Mercury, Dodge, Chrysler, DeSoto, Plymouth, Hudson, and Nash.

Driven by a passion for excellence and fueled by the success it generated, the company expanded rapidly. In 1947, IMT became a publicly listed company on the Toronto Stock Exchange, marking a significant turning point in its growth trajectory.

In 1970, Ivaco acquired a majority stake in IMT, providing the company with the resources for major expansion. In 1981, IMT was awarded a 10-year, \$100 million federal contract to produce large caliber ammunition shells, which allowed the company to acquire PC Forge and build a large new manufacturing complex in collaboration with the City of Ingersoll the following year. In 2020 IMT was fully acquired by a Canadian family.



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IMT's continued growth was characterized by innovation and diversification, enabling the company to meet the needs of customers in the transportation, OEM, and Defence industries worldwide. IMT's history is one of success and achievements, and the company is committed to continuing this legacy in the years to come.

Today, the legal entities, including ownership vehicles, broadly included as part of the IMT Group include the following:

IMT Standen's GP Inc.	IHT Limited Partnership	Flannery Holdings Inc.
IMT Standen's Sideco LP Inc.	IMT Partnership	Hacking Investments Ltd.
IMT Standen's LP	IMT Defence Corp.	Flannery Investments Inc.
Standen's Technologies Inc.	Port Wilder Landco Inc.	IHT GP Inc.
G&J Capital Inc.	IMT H&S Landcorp	IMT NMT LP Holdings Inc.
JEH-TAH Holdings Ltd.	CJ US Holdings Corp.	2117640 Ontario Inc.
Julmarche Holdings Ltd.	2184219 Ontario Inc.	2148432 Ontario Inc.
Clifford Jacobs Forging Co.	Niagara Jewel Land Corp.	2871282 Ontario Inc.
Hoyson Holdings America	Welland Forge Land Corp.	Port Wilder Land Inc.

Currently, the combined operations of the IMT Group focus their manufacturing capabilities on helping produce products for the following industries (among others):

- Defense
- Automotive
- Agriculture
- Transportation
- Mining
- Oil and Gas

Head office for group administrative and leadership operations is located at 530 Manitou Drive Kitchener, ON, N2C 1L3. In total, the business employs approximately 950 people working on a full-time equivalent basis.

From an operational perspective, all staff are located in Canada or the USA, countries considered to be at low risk of forced labour incidences and vulnerability.



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Engaged personnel are typically experienced in highly skilled industries and IMT Group management is well informed on market rates and compensates accordingly to remain competitive. An individual's compensation and performance are reviewed annually by management to ensure people are retained and that IMT Group businesses continue to be viewed in the marketplace as a fair and desirable employer.

Supplies, equipment, and materials utilized in the various production processes are sourced from a large group of domestic and international vendors, whom manufacturer or source their resale products from a variety of domestic and international vendors. Key production inputs include manufacturing equipment and materials, including steel and other metal products, chemicals and finishing products.

IMT Group portfolio companies typically negotiate mutually acceptable terms with its suppliers, however there are many instances where our negotiating ability is limited. Once agreements are established, generally based on the strength of past relationships, IMT Group does not typically enact a high level of influence over suppliers of key materials or equipment. During the reporting period, IMT's combined supply chain was comprised of over 1,000 first-tier suppliers of goods and services, of which the top 180 represented over 90% of the fiscal 2023 expenditure. Direct vendors are global in nature, however, a significant number of the Tier 1 vendors for certain of the IMT Group divisions are located in Canada.

## **2. Policies and its due diligence processes in relation to forced labour and child labour.**

Modern Slavery is identified by the International Labour Organization (ILO) as an umbrella term covering practices such as forced labour, debt bondage, forced marriage, and human trafficking. Essentially, it refers to situations of exploitation that a person cannot refuse or leave employment because of threats, violence, coercion, deception, and/or abuse of power.

While certain of the IMT companies have incorporated prohibition of modern slavery in the terms of their purchase orders, to date diligence and follow up procedures have not been fully developed. Due to the nature of activities, with significant operations related to manufacturing with metals, IMT Group is aware that modern slavery risks may possibly exist within our combined supply chain and have recently commenced the implementation of improved due diligence processes to identify and address these risks through mitigation procedures. Our due diligence process is generally based on the principles as outlined in the OECD Due Diligence Guidance for Responsible Business Conduct and includes the following:

- a. We have committed to understanding and mitigating the risks on modern slavery within our combined supply chain.
- b. Risk Assessment: We conduct a risk assessment of our new and existing suppliers to identify potential modern slavery risks or other human rights violations. This includes reviewing internet articles and reference materials and any modern slavery act statements submitted in Canada or other jurisdictions (e.g. Australia, the UK, California). Reference sources include information from authorities such as the U.S. government, NGOs and industry partners such as ILO (International Labor

Organization) Better Work, and The Institute for Human Rights and Business or industry bodies.

- c. Supplier Engagement: We will engage with our suppliers to communicate our expectations and requirements regarding modern slavery risks.
- d. Remediation: We will work with our suppliers to address any identified risks and, to the extent possible, support them in developing remediation plans to improve their compliance with our policies. If we are unsatisfied with the results of remediation efforts, we will terminate the vendor relationship.
- e. Monitoring: We monitor our suppliers' compliance with our policies on an ongoing basis to ensure they maintain their commitment to respect human rights.
- f. Disclosure and Communication: Annually, we will report on our findings and activities regarding modern slavery risks, obtain acknowledgement and approval from our Board of Directors on this work, and seek to implement continuous improvement diligence policies and processes.

We will tolerate no use of forced/child labour in our supply chain and where instances are identified, will monitor the remediation actions of our vendors to ensure they are eliminated promptly.

Pertaining directly to point b. above, supplier risk assessment is conducted based on consideration of four parameters:

- Risk relating to the nature of the supplier's activity
- Risk relating to the country in which the supplier carries out its main activities (as evidenced by our risk mapping work)
- IMT Group's current and anticipated spend with the supplier; and
- IMT Group's dependency on the supplier.

The combination of the four selected criteria leads to the identification of the most critical suppliers to which IMT is exposed in its supply chain, who are prioritised in the implementation of further assessment and monitoring measures.

### **3. The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.**

IMT Group conducts its manufacturing operations strictly within the North America, sourcing most of its manufacturing inputs directly from continental providers. Canada and the USA have both been rated by the Walk-Free Global Slavery Index at low risk for incidences and vulnerability related to forced labour (source: Global Slavery Index 2023).

Some of the equipment or production materials the company sources, however, originate from international suppliers, notably from suppliers conducting operations in higher risk countries. To better identify and understand the exposure to risks of modern slavery, IMT Group has, to the extent possible, mapped the operational areas of its key tier 1 suppliers, as well as the operational locations of the suppliers to those suppliers (i.e. tier 2 suppliers).

IMT Group understands that supply chains reaching back to the resources extraction sector as related to mining for the components of steel and other metals, may be broadly considered a high-risk industry due the risks relating to the geographies in which such businesses or their supply chains operate. Risks, for example, relate to:

- the presence of militias, criminal organisations and corrupt governments in countries that are conflict affected or prone to instability
- the demand for base-skill workers in construction of infrastructure
- frequent outsourcing of labour to third party contractors
- low visibility over multi-tiered supply chains; and
- chartering and contracting sea transport, which is a known high-risk sector.

(Source: Resources, Energy and Modern Slavery, author the Australian Human Rights Commission)

For this reason, IMT will develop its diligence processes as outlined in the previous section and develop remediation processes and monitoring mechanisms. These steps will include improved communication lines with Tier 1 vendors and an effort to investigate deeper into the supply chain.

Additionally, as noted in Section 2. IMT reviews publicly available information regarding the risks noted above. In particular, IMT can review and assess modern slavery statements from a subset of its tier 1 and 2 supply chain organizations. This ability is anticipated to improve in the future as Canada and additional countries enact modern slavery reporting requirements.

Finally, IMT Group is able to review related policies and actions that arise out of those vendors' assessments of the risks of child and forced labour as noted in those reports. A couple examples of these actions include the development of responsible sourcing policies and the implementation of human rights policies and vendor codes of conduct by certain key suppliers.

Canada is in its infancy in addressing the risks of modern slavery, having just enacted its Modern Slavery Act reporting requirements at the start of 2024. We recognise that addressing modern slavery risks will require a greater focus in coming years on extending our influence through deeper levels of our supply chain, including gaining such information as our second-tier suppliers, their contractor terms of employment and codes of conduct, and their use of recruitment agencies. We are therefore planning a phased approach, establishing our policies and procedures with first-tier suppliers, along with sound performance measures, as a foundation from which to engage in the collaboration and consultation that is appropriate and necessary to extend into deeper levels of the supply chain. We also anticipate the positive effects of the Act.

As companies throughout Canada and other jurisdictions focus their resources on this important issue, supply chain transparency will likely continue to improve in the coming years, increasing both awareness and performance.

#### **4. Measures taken to remediate any forced labour or child labour.**

Historically, aside from monitoring for information that may be available in the general press and assessing what actions, if any, should be taken in recognition of adverse events, IMT Group has not undertaken measures to remediate forced or child labour. It must be highlighted however, after significant diligence in completing this report, that IMT Group is currently not aware of any such transgressions. Moving forward, IMT Group will develop response policies to ensure we are ready to react and remediate should incidences of forced or child labour be identified.

Policies and practices to identify and remediate forced labour incidents may include the following:

- the institution of grievance mechanisms
- directed communications and actions to remediate transgression practices.
- strict policies intended to prevent recurrence.

#### **5. Measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.**

To date, the IMT Group, collectively is not aware of instances of child labour or forced labour in its supply chain. It thus follows that IMT Group's operating companies have not been able to identify any instances of loss income of vulnerable families that result from measures taken to eliminate the use of forced or child labour in its supply chains.

Practically, however, due to its small size and lack of market influence, there is little IMT Group will be able to do outside pointed discussions with vendors in such instances. IMT Group intends to continue monitoring its vendors for the potential of these types of risks and hold discussions with vendors as appropriate.

#### **6. Training provided to employees on forced labour and child labour.**

Training sessions for key leadership personnel and procurement teams from our various entities will be conducted to heighten their awareness of modern slavery, our anti-slavery policy and to enhance their awareness of how to mitigate modern slavery risks, as well as to promote their understanding of our newly developed internal due diligence processes.



The IMT Group believes in the importance of robust risk mapping processes, compliance with the anti-slavery policy and due diligence processes in order to drive continuous improvements. Team members will be trained specifically on how to perform these tasks. Additionally, procurement team members will be trained to measure company performance against the indicators as outlined below.

#### **7. Effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.**

Given that IMT Group's individual operating companies and divisions are relatively small in nature and lack resources to effectively materially influence components of its combined global supply chain, in addition to its own codes of conduct to govern domestic employee operations, it relies on the efforts of its large suppliers to ensure its adherence to company labour policies and ensure effectiveness. This approach will be evident in our development of performance indicators as outlined below.

##### ***Performance Indicators***

We are in the process of designing our program by which to measure our effectiveness in making progress in our efforts to combat modern slavery. We intend to track a range of key performance indicators, potentially to include:

- The number of key suppliers who have instituted their own Supplier Codes of Conduct
- The number of reported incidents of modern slavery by our tier 1 vendors submitting modern slavery act reports.
- The number of workers trained on our policies and procedures as related to modern slavery.

We will use these performance indicators to identify areas where we need to improve and to measure our progress over time.

Additionally, we will annually review our organization's policies and procedures related to forced labour and child labour and ensure we work with select suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators.

#### **Conclusion and Attestation**

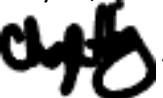
We recognize that addressing modern slavery risks in our supply chain is an ongoing journey and that diligence is always required. Therefore, we intend to regularly assess our progress and impact to identify areas for improvement and ensure we are meeting our commitments. We have identified a number of key measures that will receive focus in coming years as we seek to reinforce a policy of continuous improvement in our fight against modern slavery. Among other measures, these may include lowering the materiality level in relation to supplier mapping processes and measuring the performance of our key suppliers by their supply chain auditing activities.



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This report has been approved pursuant to Section 11 (4)(b)(ii) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

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.

- Cheryl Hacking
- CEO
- May 31, 2024
-  , I have the authority to bind [IMT Group]