

## Fighting Against Modern Slavery Report

### Introduction

Independent Mechanical Supply Inc. (“IMS”, “Us”, “We”, or “Our”) is committed to upholding the highest standards of ethics and social responsibility. IMS has zero tolerance for forced labour in any form and recognizes our duty to ensure that our operations, as well as those of our suppliers and partners, do not contribute to or benefit from such practices. This report has been prepared and published in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act, S.C. 2023, c. 9 (the “Act”)*; and it describes our commitment to combatting forced and child labour in our operations and actions we have taken in the Fiscal Year 2024 and will take going forward.

### Overview

Independent Mechanical Supply Inc. is a Corporation, with approximately 165 employees, all located in Ontario, Canada, owned and operated by David Walker, CFO, Paul Blaik, Vice President, and Greg Tester, President. The head office is located in Rexdale, Ontario, Canada, with another administrative office in Mississauga, Ontario, Canada, a branch in Scarborough, Ontario Canada, and Oakville, Ontario Canada, and with storage facilities in Rexdale, Scarborough, and Oakville.

IMS is a wholesaler of mechanical plumbing and heating materials, related to plumbing, hydronics, HVAC, adhesives, sealants, tapes, electrical, fasteners and hardware, irrigation, pipes, tubes and fittings, tools and instruments, valves, waterworks, pumps and motors; primarily serving customers in the GTA. IMS is a wholesale supplier and does not manufacture products. IMS stores and ships materials in and from all of the locations mentioned above except for the Mississauga office.

Our supply chain is structured to support the efficient procurement and distribution of a wide range of mechanical supplies and components. It encompasses multiple stages, from purchasing materials to selling and shipping to customers; the large majority of whom are in Southwestern Ontario.

We have approximately 517 active suppliers, 480 based in Canada, 35 in the United States of America, one in Taiwan and one in the UK, with 96% of our spend put towards the suppliers in Canada and 3% of the spend put towards the suppliers in the United States.

Our long-term partnerships are built on mutual trust and adherence to high standards of quality and ethical practices.

We are committed to sustainability and ethical sourcing. Our initiatives include partnering with suppliers who share our values and adhere to recognized standards.

We are dedicated to continuous improvement in our supply chain management.

### **Actions Taken**

In Fiscal Year 2024, our efforts were primarily focused on identifying and mitigating the risks of child and forced labour within our recruitment processes. Although we were already in compliance with Canadian and Ontario employment legislation and law, we updated the language in our employment contracts and enhanced our age verification procedures.

As of May 2024, we have established and communicated a specific policy on Combatting Child Labour and Forced Labour. We have trained key staff on this policy, with plans to extend this training to a broader audience throughout the fiscal year. Additionally, we collaborated with our Senior Leadership Team to draft a policy statement, which is now displayed on our website, and we conducted a comprehensive Risk Assessment related to Child Labour and Forced Labour, which was part of the foundation for some of the further actions planned this year.

### **Policies and Due Diligence Processes**

#### Code of Conduct

IMS's Code of Ethics and Conduct is the foundation of our culture and is outlined in the policies found in our Employee Handbook. It applies to all persons employed by IMS and is designed to create awareness of our legal and ethical expectations and to guide teammates to "do the right thing" in all aspects of our business. IMS does not tolerate forced labour or child labour in our operations or supply chain and takes active steps to ensure that our suppliers share this commitment.

### **Hiring and Employment Practices**

IMS has implemented controls in relation to recruitment and hiring. Prior to employment, all candidates must participate in an interview with their proposed manager, with certain positions requiring multiple interviews. As a condition of employment, all candidates must be legally entitled to work in Canada. Successful candidates receive a written offer of employment and are entered into IMS's centralized human resources system. Payroll is administered in accordance with applicable legislation.



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## **Compliance and Monitoring**

IMS does not employ individuals who are underage or forced to work against their will. Monitoring is conducted through age verification at the time of employment and verification that employees accept positions under their own free will. All employees and suppliers are expected to comply with our policy on Fighting Forced Labour and Child Labour, with violations resulting in disciplinary action, including termination of employment or contracts.

## **Training**

IMS provides training on compliance, monitoring, and reporting procedures related to forced and child labour.

## **Reporting Procedure**

IMS has established multiple confidential and secure channels for reporting concerns or violations related to forced and child labour. These include speaking to a direct manager, an executive, the Controller, Head of Sourcing, or Head of People and Culture, leaving an anonymous comment in one of the comment boxes in any of our locations, or emailing [peopleandculture@imechsupply.com](mailto:peopleandculture@imechsupply.com). Our policy strictly prohibits retaliation against anyone who, in good faith, reports a suspected violation or cooperates in the investigation of forced and child labour allegations.

## **Risk Assessment and Management**

IMS conducted its first internal risk assessment in 2024. The process involved the Executive, Controller, and heads of Sourcing, People and Culture (HR), Business Development, Marketing, and Data/Technology. The assessment focused on risk likelihood and impact and supported the creation of the Actions Roadmap.

As part of the Actions Roadmap, In the next twelve months we are committed to:

- Engaging in deeper dialogue with our suppliers to understand their sourcing practices, including requesting information about their supply chains and measures to prevent forced and child labour.
- Revising documentation to include clauses that prohibit the use of forced or child labour. Suppliers are required to comply with these clauses.
- Providing training and resources to our entire procurement team to help identify potential risks of forced and child labour.

More broadly, IMS is committed to continuous improvement in its efforts to combat forced and child labour. We will regularly review and update our policies and procedures to reflect changes in laws, regulations, and best practices.



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**Attestation**

In accordance with the requirements of the Modern Slavery Act, and in particular Section 11 thereof, I attest that I have reviewed the information contained in this report. 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 on Fiscal Year 2024.

I have the authority to bind Independent Mechanical Supply Inc.

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Paul Blaik, Vice President

May 30, 2024

Date