



Introduction

Prepared by Tube-Mac Piping Technologies Ltd. ("Tube-Mac") (Business Number:105417406) in accordance with Section 11 of Bill S-211, this report pertains to the financial year ending on May 31st, 2024. Tube-Mac qualifies as an entity under the Act, maintaining operations and meeting prescribed thresholds for revenue, assets, and import and distribution activities within Canada.

Committed to upholding ethical standards and integrity across its operations Tube-Mac outlines specific actions taken to address risks during the financial year from June 1st, 2023, to May 31st, 2024.

Section A - Structure, Activities, and Supply Chains

Specializing in non-welding piping systems and components, Tube-Mac is a manufacturing enterprise that is wholly owned by a non-operating holding company, Mackay Holdings Ltd. With a worldwide reach, Tube-Mac has positioned itself as a prominent non-welding piping company engaging with customers both in Canada and globally. Our operations and expansive supply chain revolve around the distribution of premium non-welded piping systems acquired from reputable, large-scale manufacturers.

Our supply chain is comprised of carefully chosen top-tier manufacturers across the globe, including Germany, Italy, and Spain. Tube-Mac emphasizes fostering close ties with international suppliers. This sourcing approach empowers us to uphold control over the quality and availability of the piping systems we offer.

Section B - Policies and Due Diligence Processes

During the past fiscal year, Tube-Mac did not have a formal due diligence policy addressing the management and mitigation of forced or child labor risks within its supply chain. Conducting business in an ethical way is highly important to us as an organization and despite not having specific policies and processes to mitigate forced and child labour, we strive to source materials from reliable suppliers. Tube-Mac partners with top-tier suppliers, a strategic choice that reduces exposure to unethical labor practices. Our supplier selection process prioritizes product quality, reliability, and the ethical standards upheld by manufacturers. Although we do source a small portion of our products from countries with a higher risk profile for forced and child labour, we attempt to source primarily from lower-risk countries in North America and Europe.

As part of our ongoing commitment to improving policies and due diligence processes, Tube-Mac is working on a vendor qualification document. This document will include questions regarding labour practices be distributed to all our suppliers by the end of the current year. Starting next financial year, we will utilize this document to steer vendor management, reinforcing our commitment to supply chain standards. This initiative will act as an additional measure to mitigate the risks associated with forced and child labor in our supply chain.



Section C - Forced Labour and Child Labour Risks

In the previous fiscal year, a full risk assessment was not conducted. However, we have recently launched a process to identify potential risks related to forced or child labor within our supply chain. This initiative draws upon insights from various sources including the Walk Free Global Slavery Index, the OECD Due Diligence Guidance for Responsible Business Conduct, and the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor. Through our analysis, we have identified potential risk factors associated with specific goods and countries.

It is crucial to emphasize that the identification of these risks does not imply the actual presence of forced or child labor within our supply chain. Rather, our aim is to proactively recognize and address potential scenarios where such risks might arise, enabling us to proactively implement effective preventive measures. We recognize that no industry is entirely immune to the risks of forced and child labor, especially in sectors and regions where regulatory frameworks and enforcement mechanisms may be lacking.

Our risk assessment strategy involved a geographic analysis based on the Walk Free Global Slavery Index to identify regions at higher risk of forced and child labor practices. This geographical focus was complemented by an evaluation of product categories vulnerable to such risks, facilitating a more targeted and informed approach to risk management.

Risk Assessment Findings

During the examination of primary risk areas, Tube-Mac identified two countries (constituting less than 10% of our total supply chain) where certain suppliers operate, as having heightened risks of forced or child labor. The Walk Free Global Slavery Index highlights a heightened risk of modern slavery in these regions, and we take these findings seriously. Tube-Mac also referenced data from the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor to assess potential risks within our import portfolio. Our analysis confirmed the absence of any high-risk goods listed among our imports. While these findings indicate a low exposure to forced and child labor risks, we maintain our dedication to monitoring such risks within our supply chain.

We remain committed to enhancing our management of forced and child labor risks. It is a standard practice at Tube-Mac to conduct site assessments of our key vendors to understand their practices and will continue to visit these sites as needed in the future.

Section D - Remediation Measures

Throughout our assessments, no instances of forced or child labor have been identified within our supply chains, thus remediation measures have not been necessary. In line with the United Nations Guiding Principles on Business and Human Rights, we acknowledge the pivotal significance of having robust remediation strategies in place. If we were to identify forced or child labour in our supply chain, we would act quickly to address this and ensure we have taken all measures necessary to address this.



Section E - Remediation of Loss of Income

No instances of child or forced labor have been detected within Tube-Mac's supply chains, thus no measures have been required to address any resulting income loss for those affected. Nonetheless, we acknowledge the vital importance of readiness to promptly address any identified issues in the future.

Section F - Training

Currently, Tube-Mac has not administered specialized training to our staff concerning forced or child labor within our supply chain. We have a small and dedicated procurement team that works closely with our suppliers. As no instance of forced or child labour has been identified, we have not required training to address these issues. If the risk of forced and child labour were to increase in our supply chain, we would consider implementing a training program with our procurement team.

Section G - Assessing Effectiveness

While Tube-Mac has not yet adopted distinct policies and protocols to assess our efficacy in deterring the utilization of forced labor and child labor in our supply chains, we remain dedicated to enhancing our monitoring procedures. This could entail potential collaboration with an external entity for an independent assessment or audit of our practices in the future.

Additionally, we are contemplating the implementation of mechanisms to monitor pertinent performance metrics. These might encompass metrics such as the frequency of site visits, the number of vendors who have participated in the vendor qualification process, or the responsiveness of suppliers to necessary corrective measures.



Attestation

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.

Geoff Mackay

Full Name

VP-Finance

Title

May 23, 2024

Date

Geoff Mackay

Signature*

I have the authority to bind Tube-Mac Piping Technologies Ltd.