



INDEPENDENT
MECHANICAL SUPPLY INC.
Obsessed with Exceeding Expectations

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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 2025 and will take going forward.

Overview

Independent Mechanical Supply Inc. is a Corporation, with approximately 170 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 548 active suppliers, 509 based in Canada, 37 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 2025, our efforts focused on evaluating the effectiveness of the practices implemented in 2024, including amendments to our recruitment process, employee training, and policy revisions. Modifications to our recruitment process included the collection of photo identification after an offer is accepted to confirm the candidate's age, as well as updates to the employment contract that required candidates to confirm that they are entering into employment voluntarily. In addition to updating our policies, we reviewed our suppliers and engaged with the partner identified as presenting the highest risk to ensure their practices align with our policy.

Building on the efforts initiated in 2024, where key staff received training, we expanded the training to include all employees throughout the fiscal year. Additionally, we reviewed and updated our policy statement developed last year to ensure it remains current and effective. We also conducted a comprehensive Risk Assessment related to Child Labour and Forced Labour, which enabled us to evaluate the impact of our previous efforts and inform the planning of further actions for the current 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.

Additionally, IMS requires suppliers to comply with the requirements under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. This is stated on the Purchase Order form and a supplier's acceptance of a Purchase Order from IMS is considered confirmation of their alignment with these expectations.

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. 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. In 2025, IMS conducted its second internal risk assessment with the aforementioned parties and processes.

Based on the results of this assessment, in the next twelve months we are committed to:

- Continuously monitoring for relevant legislative updates and revising our training materials as needed to ensure compliance and accuracy.
- Reinforcing awareness among current employees and ensuring new employees are informed of the available training and resources to help recognize and mitigate potential risks related to forced and child labour.
- Conducting a Risk Assessment related to Child Labour and Forced Labour risks in our operations and supply chain in fiscal year 2025-2026.



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- Conducting an annual review of our Company Policy related to Child Labour and Forced Labour for fiscal year 2025-2026.

In a broader context, IMS remains dedicated to continuous efforts in addressing the risks of forced and child labour. We are committed to routinely reviewing and refining our policies and procedures to stay aligned with evolving legislation, regulatory requirements, and industry best practices.

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 2025.

I have the authority to bind Independent Mechanical Supply Inc.

Paul Blaik, Vice President

May 23, 2025

Date