



2024 Modern Slavery Report

By Innovative Automation Inc.

About this Statement

This Statement constitutes Innovative Automation’s Statement Regarding Modern Slavery (Statement), covering our fiscal year of October 1st, 2023, to September 30th, 2024. This Statement is made on behalf of Innovative Automation pursuant to section 6(2) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Canadian “Act”). This Report constitutes the first report prepared by Innovative Automation pursuant to Canada’s new Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”).

1. Introduction

This Report is produced by Innovative Automation Inc. (“Innovative” or the “Corporation” or “our” or “we”) for the financial year ending September 30, 2024 (the “Reporting Period”) and sets out the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere or of goods imported into Canada by the Corporation.

Located in Barrie, Ontario, Canada and founded in 1989, Innovative Automation Inc maintains manufacturing space for the design, fabrication, assembly and development of Custom industrial automation systems and production machines. In December 2021 Innovative purchased a subsidiary, Mecsmart Systems Inc adding manufacturing space and additional Team members. This report covers both Innovative Automation Inc. and Mecsmart Systems Inc., for the fiscal year ending September 30, 2024.

Privately owned, Innovative is committed upholding the highest standards of ethical conduct in all aspects of its operations, including the protection of employees from child labour, forced labour, and other forms of exploitation. This policy outlines our commitment to ensuring that all employees are treated with dignity, respect, and fairness, and are not subjected to any form of exploitation.

Prohibition of Child Labor: Innovative Automation strictly prohibits the employment of individuals below the legal minimum age for work according to applicable laws and regulations. We recognize the vulnerability of children and are committed to ensuring that no child is subjected to exploitation in any form. All employees must be of legal working age as determined by Ontario legislation.

Prohibition of Forced Labor: Innovative Automation prohibits the use of any form of forced, compulsory, or bonded labour in any aspect of its operations. Employees must enter employment voluntarily and without coercion of any kind. We do not tolerate any practices that deprive individuals of their freedom or subject them to conditions of servitude.



2. Steps to prevent and reduce risks of forced labour and child labour.

Most Innovative Automation purchases are made through well-known and respected leaders in the automation components sector. These suppliers have policies and procedures in place to assess and mitigate the risk of forced or child labor in their supply chains. Based on this, Innovative Automation did not consider the risks high enough to warrant further action.

3. Structure, activities and supply chains

Innovative Automation is incorporated and has its lead facility in Barrie, Ontario. The owners are actively involved in the management and decision making process which gives Innovative the ability to pivot quickly to respond to Customer requirements. Innovative has built its reputation upon forging strong relationships with both Customers and Suppliers. Certified to ISO9001 standards, we are committed to the continuous improvement of our processes and Quality Management System. We champion these measures in our subsidiary, Mecsmart Systems Inc, to ensure a deeply embraced and consistent approach across all levels of the organization.

4. Policies, Governance and Due Diligence processes

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Fair Wages and Benefits: Innovative Automation is committed to providing employees with fair and competitive wages and benefits that meet or exceed legal requirements. All employees are entitled to receive compensation that is commensurate with their skills, experience, and the nature of the work performed. Annual wage benchmarking ensures that this process is done fairly. Deductions from wages shall not be made for disciplinary purposes.

Working Hours and Overtime: Employees of Innovative Automation shall be provided with reasonable working hours and overtime compensation in accordance with applicable laws and regulations. Overtime work shall be voluntary, and employees shall not be required to work excessive hours that may compromise their health, safety, or well-being.



Health and Safety: Innovative Automation is committed to providing a safe and healthy working environment for all employees. We adhere to all relevant health and safety regulations and strive to identify and mitigate any hazards or risks that may pose a threat to employee well-being. Employees are encouraged to report any health or safety concerns to management.

Non-Discrimination and Equal Treatment: Innovative Automation prohibits discrimination of any kind in its employment practices, including discrimination based on race, ethnicity, gender, religion, age, disability, sexual orientation, or any other protected characteristic. All employees shall be treated with dignity, respect, and fairness, and shall have equal opportunities for employment and advancement.

Compliance and Monitoring: Innovative Automation shall regularly monitor compliance with this policy through audits, assessments, and other appropriate measures. Any instances of child labour, forced labour, or other violations of this policy shall be promptly investigated, and corrective action shall be taken as necessary. Employees are encouraged to report any concerns or violations to management.

Conclusion: Innovative Automation is committed to fostering a work environment that is free from child labour, forced labour, and other forms of exploitation. We recognize our responsibility to uphold the rights and dignity of all employees and are dedicated to ensuring their protection and well-being. This policy reflects our commitment to ethical labour practices and serves as a foundation for promoting a culture of integrity, fairness, and respect within our organization.

5. Assessing and managing our risk

Innovative uses a risk-based approach to assess and manage the risk of forced labour or child labour within our supply chains. Buyers are required to identify their top suppliers based on expenditure and gather the following information:

- i) **Corporate Policy on Labour Practices:** Determine if the supplier has a corporate policy or statement that explicitly states they do not knowingly accept products made with forced or child labour.
- ii) **Risk in Product Lines:** Ask if any of the supplier's product lines have an elevated risk of involving forced labour or child labour (for example, country of origin).
- iii) **Awareness and Knowledge:** Ascertain the supplier's level of awareness and knowledge about forced or child labour. It is important to know if the supplier is unaware of the issue.

Our methodology for identifying risks is based on whether the supplier's manufacturing sites are located in countries with low scores on the Corruption Perception Index or are identified as high-risk according to the Global Slavery Index, depending on the products supplied or whether the products/services come from or are delivered to one of the countries identified above.

6. Remediation measures

Our Reporting and Non-Retaliation Policy, Code of Conduct and Supplier Code offer a reporting mechanism for our employees and suppliers to report ethical or legal violations, among other concerns.



In accordance with our policies, if a situation of non-compliance is identified, Innovative will work to develop and implement a corrective action plan to improve and remedy the situation.

7. Training

All members of the Innovative Team must complete orientation training upon joining, along with core Health & Safety and other legislatively mandated training subjects. Additionally, role-specific training is provided and required to ensure team members can meet expectations for quality, performance, and corporate social responsibility.

8. Assessing effectiveness

Since the reporting date, Innovative has developed several measures to prevent and reduce the risk of forced or child labor in our activities and supply chains, though these measures have not yet been implemented. We have not yet assessed the effectiveness of our current approach or these new measures, but we plan to evaluate their impact in reducing these risks at a later stage.

9. Approval and Attestation

This report was approved by the Owners of Innovative Automation Inc.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Innovative Automation Inc.

Per: 

Full Name: Michael Lalonde

Title: CEO & President

Date: May 15, 2025