

May 25th, 2026

## **Fighting Against Forced Labour and Child Labour in Supply Chains Statement**

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This statement has been updated by Independent Mechanical Supply Inc., in 2026 pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act. This statement describes our commitment and actions we are taking to fight against forced labour and child labour in our supply chain. Independent Mechanical Supply Inc. is opposed to all forms of forced labour and child labour and is committed to working to prevent the risk of any occurrence in our operations and supply chains.

### **Ethics and Compliance**

Independent Mechanical Supply Inc. is committed to ethics and integrity in all we do. Independent Mechanical Supply Inc. is committed to ensuring in the long term that its management, employees, and suppliers take appropriate steps to mitigate the risk of forced labour and child labour from occurring in all aspects of our supply chain. We continue to review and assess the need for enhancements to our various supply chains as well as to determine the types of training and awareness we will provide to our employees and suppliers in the long term, to ensure continued relevancy and effectiveness.

### **Internal Accountability**

Independent Mechanical Supply Inc. ensures that employees understand our policies which include prevention of forced labour and child labour, at the time of hire and on an ongoing basis. New employees must certify they understand and will adhere to these policies. Employees found to be in violation of these policies are subject to discipline, up to and including termination.

### **Supplier Due Diligence and Compliance**

Independent Mechanical Supply Inc. requires suppliers to comply with the requirements under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. We are committed to engaging with suppliers to confirm that forced labour and child labour are not used in the performance of work and to adhere to regulations prohibiting modern slavery. We may terminate a contract or other agreement with a third party if we discover or suspect any misconduct contrary to this.

### **Staffing Vendors**

To ensure that our staffing vendors adhere to the highest standards of ethical practices and compliance with labour laws, protecting the rights and well-being of all workers involved, we partner exclusively with recruitment and placement agencies that are licensed by the Ontario government.

### **Reporting of Potential Violations**

We expect and ask our employees and business partners to raise concerns regarding potential violations of our policies or law, including forced labour and child labour or other modern slavery practices. We encourage reporting of concerns without fear of retaliation. We investigate allegations of misconduct and take appropriate steps, including corrective action when allegations are substantiated.

### **Continuous Improvement/Looking Forward**

We strive to constantly improve as a company and citizen of the communities and industries in which we operate and are actively working to fortify our supplier due diligence policies in accordance with the evolving social and legal landscape where we do business.

For the purposes of compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act., this statement has been approved by the owners of Independent Mechanical Supply Inc. and signed by the undersigned in their capacity as owners of that entity.



**Greg Tester**  
President



**Paul Blaik**  
Vice President



**Dave Walker**  
Chief Financial Offer

## 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 2026 and will take going forward.

### Overview

Independent Mechanical Supply Inc. is a Corporation, with approximately 193 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 Etobicoke, 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 Etobicoke, 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 483 active suppliers, with 453 based in Canada, 29 in the United States, and one in Taiwan. Our supplier spend is distributed as follows: 92% in Canada, 5.4% in the United States, and 2.5% with the supplier based in Taiwan.

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 2026, our efforts focused on evaluating the effectiveness and continuing the efforts of the practices implemented in previous years including amendments to our recruitment process, employee training, policy revisions, and engagement with our suppliers.

Building on our efforts initiated in 2024 to train key staff and expanded in 2025 to include the procurement team and all current employees, we further enhanced training in 2026 by making training electronically available to all employees, including new hires. This approach reinforced awareness among existing staff while ensuring new employees had immediate access to training resources.

Additionally, in previous years we revised our recruitment procedures by updating our employment contract language and enhancing our age verification processes. This year, we continued these efforts by implementing a new HRIS system that allows employees to access and complete employment documents electronically from a mobile device. Previously, some staff without computer access required managerial assistance to complete offer contracts and age verification documentation. By enabling employees to review and complete these documents independently, the new process reduces the risk of undue influence or perceived coercion during the recruitment process, while also improving accessibility.

Moreover, we reviewed and updated our policy statement to ensure it remains current and effective year over year. We also engaged with our suppliers identified as presenting the highest risk to ensure their practices continue to align with our policies. Lastly, we conducted our annual department wide 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.

### **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](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 and again in 2025. 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 2026, IMS conducted its third 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 by assigning training to all current and new employees. Incomplete training will be monitored and tracked through our HRIS to verify that training is completed. Training will be set up to be renewed on an annual basis.
- Increasing electronic accessibility to our policies and practices related to forced and child labour through our HRIS, Cloud Document Storage systems, and Internal Chatbot.

- Conducting a Risk Assessment related to Child Labour and Forced Labour risks in our operations and supply chain in fiscal year 2026-2027.
- Conducting an annual review of our Company Policy related to Child Labour and Forced Labour for fiscal year 2026-2027.

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 2026.

I have the authority to bind Independent Mechanical Supply Inc.



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Paul Blaik, Vice President

May 25, 2026

Date