



MODERN SLAVERY REPORT 2024 – METALWORKS CORPORATION

Introduction

Founded in 2004, Metalworks Corporation (“Metalworks”) is a wholesaler and manufacturer based in Vaughan, Ontario, serving the HVAC and Hydronics sector. We supply construction materials and equipment to contractor trade customers.

Metalworks has prepared and published this report in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act, S.C. 2023, c. 9 (the “Act”). This report outlines the steps we have taken during our financial year ending **September 30th, 2024** (the “Reporting Period”) to identify, assess, and address modern slavery risks in our operations and supply chain.

ORGANIZATION

Structure

Metalworks is incorporated under the laws of Ontario, Canada. We currently operate through five branch locations, distribution warehouses, and manufacturing facilities (collectively referred to as “locations”) within Ontario. Our head office and distribution center, located in Vaughan, provides centralized business support services to the other locations in our network.

Metalworks has one Operations Manager overseeing all locations and operations. Branch and Plant Managers at individual locations report directly to the Operations Manager, who reports directly to the owner. Metalworks employs approximately 100 employees, all of whom are based in Ontario, Canada.

Activities

Metalworks primarily operates in wholesale distribution within the HVAC, Hydronics, and construction industry. We also manufacture sheet metal and ductwork, with these activities performed exclusively within Ontario. Retail trade constitutes a small portion of Metalworks' business, primarily at branch locations where consumable goods may be sold to homeowners and non-trade customers under limited circumstances.

Supply Chain

Metalworks sources products from suppliers located both in Canada and abroad, selling primarily within Canada. During the Reporting Period, we had approximately 1,100 inventory suppliers, with most based in Canada. Our top three countries of supply, based on total annual spend, were Canada, the United States, and Mexico. Over 95% of products, based on total annual spend, were sourced from suppliers in Canada and the U.S.

Metalworks imports some products from outside Canada. The top five countries of origin for products, based on total annual spend, where Metalworks was the Importer of Record, were Mexico, Japan, and China.

POLICIES AND DUE DILIGENCE PROCESSES

Metalworks has implemented various processes to address the risk of human rights violations and modern slavery within our operations and supply chain.

Code of Conduct

The Metalworks Code of Conduct (“Code”) is the cornerstone of our business culture. It applies to all Metalworks employees and serves to create awareness of legal and ethical expectations, guiding teammates in all aspects of our business.

The Code explicitly states the following:

“Metalworks 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. Annually, we ask our suppliers to certify that they do not use forced labour or child labour and that they are not aware of such practices in their own supply chains. We also rely on each of our teammates to conduct ongoing due diligence of our suppliers (new and existing) and to report any suspected instances of forced or child labour immediately.”

Teammates must acknowledge in writing that they have read and will comply with the Code annually. Violations of the Code will result in corrective actions.

Hiring and Employment Practices

Metalworks has established controls in our recruitment and hiring processes to ensure that no individuals are underage or forced to work against their will. Monitoring is conducted through age verification and free will verification at the time of employment. All employees and suppliers must comply with our Fighting Forced Labour and Child Labour policy, with violations leading to disciplinary actions, including termination of employment or contracts.

Candidates must be legally entitled to work in Canada, complete a criminal background check, and receive a written offer of employment prior to their start date. Payroll is managed by the head office in accordance with applicable laws.

Health & Safety

Metalworks is committed to promoting the health, safety, and wellness of our teammates at all times and locations. We have a written Health and Safety Policy to ensure safe working conditions and comply with provincial Occupational Health and Safety laws. All teammates receive training on safe working conditions and are required to report any unsafe working conditions, accidents, or any attempts of violence, bullying, or harassment.

Ethics and Compliance Reporting

We have an Ethics Reporting Process for parties who believe someone at Metalworks has violated our Code. We encourage reporting of any violations via email, mail, text, or phone. Ethical and compliance concerns are promptly reviewed by Metalworks' management team.

Supplier Due Diligence

During the Reporting Period, we implemented a due diligence process where all inventory suppliers received a compliance document outlining Metalworks' modern slavery requirements. This document ensures that suppliers do not use child or forced labour and have policies to prevent such practices in their operations and supply chains. Suppliers must maintain documentation proving compliance, which must be made available to Metalworks upon request.

Supplier Contracting

During the Reporting Period, we began incorporating modern slavery requirements into supplier, distribution, and reseller agreements for all new relationships going forward.

RISK ASSESSMENT AND MANAGEMENT

During the Reporting Period, the primary area of risk identified was the supply chain for products purchased for resale, especially those originating outside Canada and the U.S. To mitigate this risk, we implemented the supplier due diligence process mentioned above.

A secondary risk area involves goods and services used within our business, such as property management services and IT goods. We recognize this as requiring further examination and potential corrective action.

As part of our ongoing risk assessment, we are committed to:

- Engaging in deeper dialogue with suppliers to understand their sourcing practices.
- Revising internal and external documentation to include clauses prohibiting forced and child labour.
- Providing training and resources to our procurement team to help identify potential risks of forced and child labour.

REMEDIATION MEASURES

During the Reporting Period, we did not identify any instances of forced labour or child labour in our operations or supply chain. As a result, no remediation activities have been necessary at this time.

TRAINING

In addition to incorporating modern slavery into our Code, Metalworks began developing a specific training program focused on forced labour and child labour. The training, available to all teammates, provides an overview of Canada's legislative approach to modern slavery and Metalworks' risk mitigation efforts. The training will be mandatory for all employees, including leadership, management, and those involved in vendor selection or purchasing.

ASSESSING EFFECTIVENESS

During the Reporting Period, there were no reports of forced or child labour within Metalworks' operations or supply chain. If such reports were received, our management team would investigate immediately and take appropriate action.


In 2024, Metalworks' priorities regarding modern slavery include:

- Continuing due diligence on existing and prospective suppliers.
- Creating a standard practice instruction on forced labour and child labour.
- Incorporating modern slavery risk identification into supplier onboarding processes.
- Launching our internal training module and tracking teammate completion.

ATTESTATION

In accordance with the **Modern Slavery Act**, Section 11, I attest that I have reviewed the information contained in this report for the entity or entities listed above. Based on my knowledge and having exercised reasonable diligence, I affirm 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.

This report has been approved by the **Board of Directors** of Metalworks Corporation on **March 25, 2025**.



SIGNATURE / TITLE

I have the authority to bind Metalworks Corporation

March 25, 2025

DATE