

FORCED LABOUR IN CANADIAN SUPPLY CHAINS

2025 Report

Imperial Manufacturing Group

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Manufacturing Group®

Forced Labour in the Canadian Supply Chains - 2025 Report

Introduction

In May 2023, the Parliament of Canada passed Bill S-211, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”). The Act came into effect on January 1, 2024, and requires certain entities and government institutions to report annually on the actions they have taken during the previous financial year to prevent and reduce the risk of forced labour or child labour occurring within their operations or supply chains.

The purpose of this joint report is to outline Imperial Manufacturing Group and applicable affiliate companies’¹ (“IMG” or the “Corporation” or “company” or “organization” or “our” or “we”) approach to minimizing the risk that forced labour or child labour is used at any step of our Canadian production or production elsewhere internally or in our supply chains.

This report refers to the 2025 fiscal year and has been prepared by the Corporation in compliance with the Act.

¹ Entities required to publish a report under the Act and therefore covered by this group report are: Imperial Manufacturing Group Inc., Don Park Manufacturing Inc., and Dundas Jafine Inc. Imperial Metal Services Inc., also a member of the Imperial Manufacturing Group of Companies and having reporting obligations under the Act, has published a separate report and is not covered by this group report.

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

IMG's success must be governed by a strong commitment to the highest standards of respect and integrity in all our internal and external business relationships and activities. We recognize human rights as an essential corporate responsibility and a value guiding our activities. Therefore, we expect our business partners to do the same.

IMG has taken the following steps during 2025 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 by the Corporation or of goods imported into Canada by the Corporation.

INTERNAL AND EXTERNAL ASSESSMENTS

IMG conducts internal and external assessments of forced labour and child labour risks in the organization's activities and supply chains. Along with inquiring about financial stability, legal compliance, quality management, capacity constraints, and reputation, we assess safe work practices and ethical and social responsibilities, including forced labour and child labour. This is mainly done when searching for new suppliers or when operational or activity changes have occurred at existing suppliers. IMG also engages additional resources to support external assessments of new foreign suppliers.

INFORMATION ON WORKER RECRUITMENT

Our human resources department gathers information on worker recruitment and maintains internal controls to ensure all workers are recruited legally and voluntarily.

AUDITING SUPPLIERS

In 2025, our procurement department has equally directed and administered random site visits at several new and existing suppliers in Canada and worldwide. The audits included assessments regarding health and safety, working conditions, compliance with environmental regulations, and other relevant supplier information. It also included auditing compliance with child labour regulations and general labour protection regulations, including forced labour.

TRAINING AND AWARENESS

IMG has developed and implemented training and awareness material on forced labour and child labour. This formal awareness training is mandatory for employees who make contracting or purchasing decisions, as well as for senior management and executive-level employees.

Structure, activities, and supply chains

STRUCTURE

Founded in 1979, Imperial Manufacturing Group (IMG) is a privately owned group of companies primarily focused on manufacturing products for the construction industry, with our head office located in Richibucto, New Brunswick. We are incorporated under the *Canada Business Corporation Act*.

Imperial Manufacturing Group Inc., Don Park Manufacturing Inc., and Dundas Jafine Inc. are members² of the Imperial Manufacturing Group of Companies, which have reporting obligations under the Act.

² Imperial Metal Services Inc., also a member of the Imperial Manufacturing Group of Companies and having reporting obligations under the Act, has published a separate report and is not covered by this group report.

ACTIVITIES

IMG includes several affiliated companies and operates out of 13 facilities in both Canada and the United States. For more than 45 years, IMG has become a leading business-to-business heating, ventilation, and air conditioning (HVAC) and Building Products manufacturer offering a wide variety of quality products to contractors, wholesalers, and retailers, primarily located in Canada and the United States. We also have diversified operations, including steel service centres, an air filtration distribution centre, and a commercial real estate business.

The product categories that are manufactured and distributed by IMG and its affiliated companies are:

- Galvanized Duct, Pipe, and Fittings
- Registers and Grilles
- Venting and Flexible Duct
- Stove and Fireplace Maintenance Products
- Aluminum Railing, Fencing, and Columns
- Flat-Rolled Carbon Steel
- Air Filtration Products

SUPPLY CHAINS

IMG's global supply chains include businesses that supply goods and services to our organization, primarily materials for the production and packaging of products manufactured, sold, and distributed to our customers. IMG imports raw materials and finished goods, both directly and indirectly, from premium suppliers worldwide. Many of these suppliers have long-standing, strong relationships with IMG. Most goods purchased are sourced from North America, Europe, and Asia, and include mostly steel, metal components and products, and chemicals.

Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour

IMG is committed to and has embedded responsible business conduct into its policies and management systems. Our Code of Business Conduct requires us to respect human rights in all our business activities, both internal and external. We expect all employees, as well as our business partners, to act accordingly.

The Code of Business Conduct recognizes human rights and the fact that it is governed by law. We have an obligation to comply with all applicable laws and regulations governing our business conduct worldwide. IMG also operates in respect to the *Canadian Human Rights Act* and the *Civil Rights Act*.

Our Corporate Core Values include topics such as Teamwork, Work Ethic, and Integrity, which, in turn, support our commitment to upholding human rights. Respect, honesty, trust, and doing what's right are expected from all IMG team members. These values and belief fundamentals guide our behaviours and are reflected in our day-to-day operations.

IMG applies responsible purchasing and ethical practices in our supply chains and is working to formalize policies regarding Supplier Codes of Conduct and Compliance Standards, including references prohibiting forced labour and child labour. We continue to consult international and industry-leading standards to develop robust policies and procedures. We aim to uphold the rights of customers, employees, and workers across our supply chains.

Assessing Our Risk

Supply chain risk management encompasses assessing, analyzing, and evaluating all types of risks associated with outsourcing goods and services. Risks can be identified as financial, operational, legal, environmental, social, and ethical, including risks of forced and child labour.

Importing raw materials and finished goods, no matter the sector or industry, cannot be presumed to be completely free of forced labour and child labour risks. Considering some of IMG's supply chains are in the manufacturing industry and involve regions that are known to have participated in forced and/or child labour, it is important that we conduct risk assessments before and while engaging with suppliers.

Some of the steps taken by IMG to identify forced labour and child labour risks include researching the Global Modern Slavery Index data and child labour data for risk by country, sector, and/or industry. We also conduct supplier factory audits. Fortunately, we have not identified any instances of forced or child labour in our current supply chains.

Remediation

MEASURES TO REMEDIATE FORCED LABOUR OR CHILD LABOUR

To date, IMG has not identified any instances of forced or child labour in our activities or supply chains.

MEASURES TO REMEDIATE THE LOSS OF INCOME TO VULNERABLE FAMILIES

As we have not identified any instances of forced or child labour in our activities or supply chains, no measures have been taken in this area.

Training

The Corporation's Code of Business Conduct, presented to employees during onboarding, includes a detailed description of our position on human rights, indicates the requirement to comply with all applicable laws and regulations governing our business conduct worldwide, and establishes reporting responsibilities when policy violations are observed and identified.

IMG has developed and implemented training and awareness materials on forced labour and child labour. Formal mandatory awareness training has and will continue to be provided to employees who make contracting and purchasing decisions, as well as to senior management and executive-level employees.

Measuring Our Effectiveness

While IMG has some measures in place and is building more robust processes, no action has been taken to assess our effectiveness in preventing and reducing the risks of forced labour and child labour in our activities and supply chains.

Approval and Attestation

This report was approved by IMG's governing body, which controls each applicable entity included in the report.

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I, in the capacity of Chief Financial Officer, attest that I have reviewed the information contained in the report on behalf of the governing body of the 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.

André Stever

André Stever

Chief Financial Officer

Imperial Manufacturing Group

May 25, 2026

I have the authority to bind Imperial Manufacturing Group