



MODERN SLAVERY REPORT 2025 – METALWORKS CORPORATION

INTRODUCTION

Founded in 2004, METALWORKS CORPORATION (“Metalworks”) is a wholesaler and manufacturer based in Vaughan, Ontario, serving the HVAC and Hydronics sector, supplying 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 describes the steps we have taken during our financial year ending September 30th, 2025 (the “Reporting Period”) to identify, assess, and address modern slavery risks in our operations and supply chain.

ORGANIZATION

Structure

Metalworks is an incorporated company under the laws of Ontario, Canada. Metalworks currently operates through a total network of five branch locations, distribution warehouses, and manufacturing facilities (collectively referred to as “locations”) within Ontario. Our head office and distribution center, located in Vaughan, Ontario, provides centralized business support services to the other locations in our distribution network. Metalworks employs approximately 100 employees, all of whom are based in Ontario, Canada.

Activities

Metalworks’ primary business is wholesale distribution within the HVAC, Hydronics and construction industry. Metalworks also performs sheet metal and ductwork manufacturing, which activities are performed solely within Ontario, Canada. Retail trade accounts for a very small portion of Metalworks’ business, primarily within the branch locations, where in limited circumstances, certain consumable goods may be sold directly to homeowners and non-trade customers.

Supply Chain

Metalworks sources products from suppliers located in and outside Canada for sale primarily within Canada. During the Reporting Period, Metalworks had approximately 1,100 inventory suppliers, with the majority of those suppliers being based in Canada. During the Reporting Period, our top 3 countries of supply, based on total annual spend, were Canada, the United States, and Mexico. In excess of 95% of the products, based on total annual spend, are sourced from suppliers in Canada and the United States. As part of its operations, Metalworks imports some products from outside Canada for resale. During the Reporting Period, the top 5 countries of origin of products for which Metalworks was Importer of Record, based on total annual spend, were Mexico, Japan and China.

POLICIES AND DUE DILIGENCE PROCESSES

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

Code of Conduct

Metalworks’ Code of Conduct (the “Code”) is the cornerstone of our business culture. Our Code applies to all teammates employed by Metalworks and is designed to create awareness of our legal and ethical expectations and to guide teammates actions in all aspects of our business.

The Code contains the following statement in relation to forced labour and child labour:



"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. On an annual basis, 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. In addition, we 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 to their reporting manager. If you suspect the presence of forced labour or child labour in a supplier's operations or supply chain, contact Metalworks' management and/or Human Resources department.

We require all teammates to acknowledge in writing that they have read and will comply with the Code on an annual basis. Violations of the Code will result in appropriate corrective action.

Hiring and Employment Practices

Metalworks has implemented a number of controls in our processes in relation to recruitment and hiring. Metalworks 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. Prior to commencing employment with Metalworks, 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 and must successfully complete a criminal background check. All successful candidates receive a written offer of employment and are entered into Metalworks' centralized Human Resources system prior to their start date. Payroll is administered by our head office Payroll department in accordance with applicable legislation.

Health & Safety

Metalworks is committed to promoting and ensuring the health, safety and wellness of our teammates at all times, in all locations.

Metalworks has implemented this initiative through a written and posted Health and Safety Policy which outlines controls and requirements to maintain teammate, customer, and visitor safety and to comply with all applicable laws, including provincial Occupational Health and Safety legislation, regulations, rules and standards. Metalworks teammates receive training on safe working conditions and are required to report workplace accidents, unsafe working conditions, unsafe practices, violence in the workplace, or any attempt, threat or suspicion of violence, bullying or harassment.

Ethics and Compliance Reporting

Metalworks also has an Ethics reporting process for any parties who believe that anyone at Metalworks has violated our Code. Metalworks encourages the reporting of any known or suspected violations of our Code by email, mail, text, or phone call, the contact details for which are provided on our website. All ethical and compliance concerns are promptly reviewed by Metalworks' management team.

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Supplier Due Diligence

During the Reporting Period, Metalworks implemented a due diligence process in which all inventory suppliers received a compliance document setting out Metalworks' requirements with respect to modern slavery, including that the supplier not use child labour or forced in their own operations, that the supplier take reasonable steps to ensure that there are no activities, practices, or conduct that

constitute child labour or forced labour in their own operations or supply chain, and that the supplier maintain and enforce their own policies and procedures to ensure that there is no child labour or forced labour in their operations or supply chain. The compliance document also requires that suppliers maintain documentation necessary to prove compliance with these requirements and to make such documentation available to Metalworks upon request. This due diligence process is carried out by representatives from Metalworks' Procurement and Management teams.

Supplier Contracting

During the Reporting Period, Metalworks began incorporating the modern slavery requirements described above directly into our supplier, distribution, and reseller agreements for all new relationships going forward.

RISK ASSESSMENT AND MANAGEMENT

During the Reporting Period, the main area of risk identified was the supply chain for products that Metalworks purchases for resale, particularly goods originating outside Canada and the United States. To mitigate this risk, Metalworks implemented the supplier due diligence process outlined above.

A secondary area of risk is Metalworks' supply chain for goods and services that are used within our business and for which we contract with third parties, including property management services (waste removal, pest control, security, facility cleaning etc), IT goods and services (hardware, software, services), office goods and services, and financial services. We have identified this as an area requiring further examination and, if necessary, corrective action.

As part of our ongoing risk assessment process, in the next twelve months we are committed to:

- Engaging in deeper dialogue with our suppliers to understand their sourcing practices, including requesting information about their supply chains and measures to prevent forced and child labour going forward.
- Revising internal and external documentation to include clauses that prohibit the use of forced or child labour. All suppliers are required to comply with these clauses.
- Providing training and resources to our procurement team to help identify potential risks of forced and child labour within our supply chain.

REMEDIAL MEASURES

During the Reporting Period, we did not identify the existence of forced labour or child labour in our operations or supply chain. As a result, we have not undertaken any remediation activities or activities aimed at addressing the losses suffered by those who have lost their income as a result of actions taken by Metalworks to eliminate forced labour or child labour from our supply chain at this time.

TRAINING

In addition to incorporating the topic of modern slavery into our Code, during the Reporting Period, Metalworks began developing a specific teammate training module pertaining to forced labour and child labour. The training provides an overview of Canada's legislative approach to modern slavery, including the key elements of the Act, describes Metalworks' risk mitigation efforts, and provides recommendations on how our teammates can assist in identifying and mitigating forced labour and child labour within our business. The training was developed internally and will take the form of an interactive online course with assessments incorporated at various sections to evaluate the participant's understanding of the material. The training will be available to all Metalworks teammates and will be

mandatory for all employees, including leadership, management, and teammates involved in vendor selection and/or purchasing.

ASSESSING EFFECTIVENESS

During the Reporting Period, there were no reported instances of forced labour or child labour within Metalworks' operations. If Metalworks were to receive a report of forced labour or child labour within its operations, our management team would immediately investigate the matter with the assistance of the Legal team, as appropriate. If forced labour or child labour were found to have occurred, Metalworks' management would act swiftly to remove the teammate from harm, provide the teammate with assistance, and take disciplinary action against any teammate(s) determined to have employed or contributed to forced labour or child labour practices in that situation.

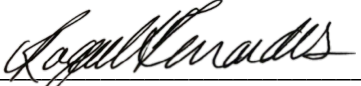
During the Reporting Period, Metalworks did not identify any instances of forced labour or child labour within its supply chain. If such instances were found to exist, we would take immediate action to address the situation with the supplier, confirm that corrective measures have been taken to prevent the continuation of forced labour or child labour and, if the supplier failed to take such corrective measures, cease doing business with the supplier immediately. Metalworks is committed to expanding and improving its approach to identifying and mitigating the risk of forced labour and child labour within its operations and supply chain. In 2024, Metalworks' priorities in relation to modern slavery include:

- Continuing to conduct due diligence on existing and prospective suppliers;
- Creating a standard practice instruction on forced labour and child labour, including actions to be taken when evaluating prospective suppliers;
- Incorporating modern slavery risk identification mechanisms into our supplier onboarding processes;
- Launching our internal training module and tracking teammate completion

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 the report for the entity or 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.

This report has been approved by the Board of Directors of Metalworks Corporation on May 27, 2026.



Raquel Fernandes, Operations Manager
I have the authority to bind Metalworks Corporation

May 28, 2026

Date