

ABC Supply International Holdings, Inc. 2024 Modern Slavery Report

May 31, 2025

About this Report

This Modern Slavery Report (the “**Report**”) addresses the period from January 1, 2024, to December 31, 2024, and has been prepared pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“*the Act*”). This Report is made on behalf of ABC Supply International Holdings, Inc., and its two subsidiaries (collectively, “ABC Supply” or the “Company”).

ABC Supply is committed to conducting our business operations in a manner that complies with applicable laws and regulations and achieves the highest standards of business ethics. This includes respecting human rights and requiring our suppliers to do the same. ABC Supply is committed to improving practices to combat modern slavery and human trafficking and will not tolerate any such practices in its supply chain.

1. Our Business

i. Structure

ABC Supply International Holdings, Inc. is based in the United States and began operations in Canada by making two strategic acquisitions of existing companies in 2022 and 2023. The acquisitions resulted in two subsidiary entities registered in Alberta: Canadian Builders & Contractors Supply Holdings ULC (Alberta) and Canadian Builders & Contractors Supply ULC (Alberta). Canadian Builders & Contractors Supply ULC (Alberta) is the operating company. At the end of 2024, our location count has grown to twenty-four as we expanded into the province of Ontario via a stock acquisition in April 2024 that was amalgamated into Canadian Builders & Contractors Supply ULC (Alberta).



ii. Activities

ABC Supply is a wholesale building products distributor primarily serving professional contractors and builders. The Company currently has locations in the provinces of British Columbia, Alberta, and Ontario and operates with approximately three hundred and ten associates as of December 31, 2024. As a wholesale distributor, ABC Supply's activities consist of facilitating the purchasing relationships between materials manufacturers and contractors by maintaining localized inventories, extending trade credit, providing product advice, and providing delivery and logistics services. ABC Supply carries nearly 5,000 exterior building product items in categories such as roofing, siding, windows, doors, and tools and equipment used for installation of those products as well as deploys a delivery fleet.

iii. Supply Chain

The Company imports substantially all of its products for sale from North American sources. These products include roofing for both commercial buildings and residential housing, siding, windows, doors, and ancillary installation tools. Our purchasing decisions are decentralized and conducted separately by each location. We employ an integrated ERP system that maintains a discrete master supplier list and provides visibility to inventory transactions and balances across all locations.

2. Policies and due diligence processes addressing slavery and human trafficking risk

i. Internal

ABC Supply is committed to doing business in an ethical manner and will not tolerate any form of human trafficking or modern slavery in our operations. ABC Supply is an equal opportunity employer and is committed to maintaining a workplace free of unlawful discrimination, harassment, and retaliation. The Company is committed to adhering to applicable laws prohibiting discrimination in employment. Additionally, we are committed to having all associates work in an environment free of discrimination and harassment based on race, religious creed, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, military status, sex, gender, gender identity, transgender, gender expression, age, sexual orientation, or any other bases prohibited by law.

ABC Supply requires that all associates observe the highest standards of business integrity and ethical business conduct. The Company also maintains certain policies to guide our associates with respect to our standards of business conduct. Our goal is excellence in the workplace and creating an environment that supports honesty, integrity, respect, trust, and responsibility. These high ethical standards go hand in hand with our core values, and living by them is essential to fulfilling our mission and core purpose.

Our Hiring Process

ABC Supply will not tolerate any forced labour or child labour in our operations. To ensure that we are in compliance with legal age requirements, there is a verification process for all new hires to validate identification and age. For those associates that have a visa, the Company also requires documentation of the permit. Additionally in May 2024, the Company began a secondary employment verification process for minors in the province of British Columbia, requiring the parent to provide written

permission for their minor to work for the Company per the established regulations.

In late 2024, a company handbook was created, including specific language addressing forced labour and child labour per Canadian Regulation S-211. This handbook is planned to be printed and distributed in 2025 and will require an acknowledgement from every current associate as well as all new hires in the future that will be tracked in Workday, the company's human capital management software. These acknowledgements will be stored in each individual's employee file and remain in effect until a new handbook is published and a new acknowledgement is required. The employee handbook statement reads as follows:

Forced Child/Labour Policy All ABC companies, subsidiaries, and affiliates do NOT engage in or condone the unlawful employment or exploitation of children in the workplace or the use of forced labour.

Whistleblower Process

At ABC Supply, we encourage open communication with our associates. Our philosophy is that we are an "Employee First" company. We believe we have a responsibility to provide a great place to work. It is everyone's responsibility to help make ABC Supply a great place to work. Associates at all levels have direct access to the Human Resources support line and may make a complaint, report any improper act/practice, or express any concerns. There are additional internal and external legal resources available for inquiries.

During the fourth quarter of 2024, an associate AlertLine was implemented for Canada. The AlertLine is a toll free 24/7 option where associates can call and report any concerns to an independent third-party service provider. Associates can remain anonymous, and to the extent possible, these reports will be kept confidential. ABC policy prohibits retaliation against associates who report their concerns.

The AlertLine was rolled out to all locations in January of 2025. As part of the roll out, the following educational items were included for all associates:

- Information brochures for every associate, with a wallet card for easy reference
- A poster for each location to be placed in associate common areas
- Fact sheets for each associate to provide an explanation of the alert line and its intended use

Additionally, the new employee handbook provides information on various internal avenues to report concerns and possible violations, as well as detailed instructions for using the AlertLine.

ii. Our Supply Chain

ABC Supply expects its associates, contractors, manufacturers, and vendors to abide by all applicable regulations and laws based on their country, state or province, and local authorities.

We are committed to working with supply chain vendors and other business partners who abide by all applicable laws in the jurisdiction(s) in which they operate. To further educate our associates on the potential impact of forced child/labour in the supply chain, the new associate handbook includes the following in the section for Forced Child/Labour Policy.

Forced Child/Labour Policy

ABC works proactively with our suppliers to ensure they are taking appropriate measures to ensure their commitment to not using of forced labour. If any supplier is implicated in labour offenses or criminal activity, they must report specific and satisfactory details and steps taken to help prevent and reduce forced labour in our supply chain in order to continue working with the ABC companies, subsidiaries, and affiliates.

To further adhere to the S-211 requirements, new vendor agreements were created in late 2024 to explicitly address this provision. The updated vendor agreements are being used as we onboard new suppliers. As of December 31, 2024, vendors representing 62% of overall inventory purchases have returned acknowledgements of compliance.

The certification contains the following statements.

- (1) **Prohibition Against Forced Labour and Child Labour:** Vendor warrants that it is in compliance with, and requires its employees, permitted subcontractors, vendors and any person under its control to comply with, all applicable laws relating to ethical and responsible standards of behavior, including, without limitation, the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (also known as S-211) if transactions will be offered for sale or delivered in Canada, and those dealing with human rights (including, without limitation, human trafficking and slavery), environmental protection, sustainable development and bribery and corruption.
- (2) **Conflict Minerals:** Vendor certifies that all of the products Vendor sells to ABC meet current and future OSHA Packaging Standards of Globally Harmonized System (GHS) for Classification and Labeling of Chemicals in accordance with OSHA's effective dates. Product material shipped to ABC locations out of compliance of OSHA GHS standards and effective dates listed above may be subject to fine for which the Vendor will be solely responsible.

3. Forced labour and child labour risks

As previously noted, the Company imports substantially all of its products for sale from North American sources. As a result, ABC Supply does not believe there is a significant risk that its suppliers utilize forced labour or are involved in human trafficking from a country risk perspective.

According to The Global Slavery Index 2024 produced by the Walk Free Foundation, our present direct (Tier 1) supply chain represents a relatively minimal risk of forced labour and child labour due to both its geographic location as well as the high levels of governmental oversight and laws applicable to human rights in these jurisdictions. However, the Company acknowledges the risk of forced labour or child labour may increase further down its supply chain as the Company has limited visibility beyond its direct suppliers.

In 2024, the Company completed a high-level internal review of its supply base by reviewing three vendors representing 33% of its total purchases. Using the modern slavery index, along with visiting select

manufacturing plants, the practices that our team viewed indicated that these vendors were following S-211.

4. Remediation measures including remediation of loss of income

As of the date of this report, the Company has not identified any instances of forced or child labour in our activities and supply chains and has not been subject to any investigation related to these matters within the year ended December 31, 2024, and therefore, no remediation measures have been taken.

5. Training

ABC Supply associates designated as Branch Managers, District Managers, or Region Managers are required to attend a mandatory five-week training class that includes operating procedure instructions and classes pursuant to human resource topics including but not limited to: fair and safe work practices, employment standards, employee classifications, Provincial Labour Laws, The Canada Human Rights Act, and other employment standards.

During 2024, research was completed by the Human Resources department regarding regulation S-211. As a result of this research, training curriculum was created to specifically address the areas of forced labour and or child labour in late 2024. The new curriculum is planned to be implemented in 2025 and covered in two sessions of the mandatory manager training class.

6. Progress and Effectiveness

ABC Supply made progress with efforts to assess its supplier risk profile, update purchase agreement language and implement employee training as it relates to Modern Slavery. To date we have not had significant concerns or complaints identified related to Modern Slavery in our operations or supply chain requiring remediation actions. Based on the processes and actions implemented to date, we are confident in the company's effectiveness in preventing and reducing risk of forced labour and child labour in our activities and supply chains, however a formal assessment has not been performed. ABC Supply is committed to continuous improvement for all compliance and regulatory procedures with respect to its operations and supply chain, as such, the Company will continue to monitor its risks in the future to determine whether further measures are necessary.

8. Approval

This statement has been approved by the Board of Directors of Canadian Builders & Contractors Supply ULC (Alberta).

In accordance with the requirements of the 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.



James Anderson
Director

I have the authority to bind ABC Supply International Holdings Inc., Canadian Builders & Contractors Supply Holdings ULC (Alberta), and Canadian Builders & Contractors Supply ULC (Alberta).

This presentation contains certain statements and projections that are estimates, projections, and or “forward looking statements”, which involve significant elements of subjective analysis and judgment which may or may not be correct. No representations or warranties are made by the Company or any of its affiliates as to the accuracy or completeness of any such statements, estimates, or projections. Although the Company believes that its expectations reflected in the estimates, projections, and forward-looking statements are reasonable in light of currently known circumstances, it cannot and does not give any assurance that such expectations will be or will prove to be correct or attained. Many aspects of the Company’s operations are subject to influences and factors outside its control. Any one of these factors or any combination of these factors could materially and detrimentally affect the results of the Company’s operations and cause actual results to differ materially and detrimentally from the Company’s expectations. The Company disclaims any obligation to publicly update or revise any of its projections estimates, or forward-looking statements.