

Forced Labour and Child Labour Report 2023

1. INTRODUCTION

This report covers the fiscal year ending January 31, 2024. It is published by Groupe Intermat Inc., in compliance with the Act to Combat Forced Labour and Child Labour in Supply Chains (the “**Act**”) in force in Canada.

References in this report to “Intermat”, “Company”, “we”, “our” and similar terms mean Intermat Group Inc.

This report describes our approach to preventing and mitigating risks related to the use of forced or child labour in our operations and supply chains and provides an overview of some of the initiatives we are considering in this area, with the understanding that these are evolving.

2. PREVENTION AND MITIGATION OF RISKS OF FORCED LABOUR AND CHILD LABOUR

At Intermat, we believe in the importance of adopting robust practices to combat forced and child labour in our company and within our supply chains, including by promoting fair, ethical and moral working conditions among all our business partners.

During our last fiscal year, no new measures were put in place to prevent and mitigate risks related to the use of forced or child labour in our supply chains. However, in our direct operations, we continued to adhere to sound practices regarding working conditions and hiring, including the collection of data regarding worker recruitment, which involves verifying the age and criminal records of our employees.

Following the end of the 2024 fiscal year and following the entry into force of the Act, we have begun to contact our overseas suppliers to ask them to sign a commitment to respect human rights and combat forced and child labour. We intend to extend this initiative to all our suppliers in both Canada and the United States.

We are committed to continuing to strengthen our actions to keep our own operations free from forced and child labor, while requiring the same level of firmness from our suppliers.

3. OUR BUSINESS ACTIVITIES AND SUPPLY CHAINS

Intermat is a major distributor of doors, stairs, woodwork, and hardware in Quebec. With our 375 employees, our three manufacturing plants, our three project offices located in Quebec and Ontario, and our service points in Terrebonne, Saint-Rémi and Gatineau in Quebec, we are able to serve a vast territory.

In business for over 40 years, we have carved out a place of choice in the different types of construction in Quebec and Ontario by offering a global solution for construction contractors, real estate developers, architects, designers, professional renovators as well as consumers.

3.1. Our supply chain

We source our merchandise from suppliers located primarily in North America. During our last fiscal year, almost all of our products were purchased in Canada (96%) and the United States (1%), while the remainder of our imports came from France and China.

We recognize, however, that our direct suppliers have their own supply chains, which can be complex and may extend into foreign countries that may have a higher prevalence of worker rights abuses, including some countries in Asia, Europe and South America. That is why we select suppliers with a strong history and reputation, and we have recently initiated steps with our overseas suppliers to confirm their adherence to our values regarding human and worker rights.

We believe that managing social risks in our supply chains is a shared responsibility between us and our suppliers. Indeed, respecting human rights is a collective responsibility that involves all companies, regardless of where they operate.

4. DUE DILIGENCE POLICIES AND PROCESSES

Intermat has zero tolerance for forced and child labor. While we do not currently have any due diligence policies or processes directly related to forced and child labor, we have recently initiated a compliance process with our overseas suppliers, specifically in China and France. At the end of this process, all these suppliers have agreed to sign a letter in which they affirm that they respect applicable laws, provide adequate working conditions and fair wages to their employees and encourage their own suppliers to be compliant with applicable laws, including the strict prohibition of using forced labor, child labor or any other form of modern slavery. Over the next year, we plan to ask our Canadian and American suppliers to sign this same commitment.

With respect to our direct operations, we remain committed to maintaining best practices regarding working conditions and the recruitment process, including paying particular attention to the collection of data related to employee recruitment. As such, we systematically verify the age and criminal background of our employees, while providing them with an Employee Handbook, which includes:

Our policies and regulations, which our members must comply with. This manual covers all our company regulations and policies, including those relating to health and safety and workplace conduct. Consequences for any behaviour that deviates from the company rules and policies may include severe and appropriate administrative or disciplinary measures.

Our staff benefit from a multitude of training courses relating to health and safety at work, but to date we have not provided specific training on human rights issues.

Over the next year, we plan to amend our Employee Handbook to reflect our commitment to combating forced and child labour. We also aim to conduct a prioritization exercise to focus our due diligence efforts on the most significant risks we may identify in our supply chains related to forced and child labour.

5. RISK EVALUATION

Given that our workforce consists primarily of unionized workers and office staff, we believe that the risk of human rights abuses in our direct operations is very low.

As for our supply chain, we have begun a risk determination process, which remains preliminary to this day. During our evaluation, we identified certain potential issues related to our overseas suppliers, which led us to take steps to confirm that they comply with applicable laws, particularly with respect to human rights. At the end of our process, each of these suppliers confirmed that they were compliant. We are continuing our assessment process to better identify issues in this area.

6. MANAGEMENT OF IDENTIFIED RISKS AND CORRECTIVE MEASURES TO REMEDY ANY USE OF FORCED LABOUR

To date, no corrective action has been taken by Intermat regarding the use of forced labour, child labour or loss of income of vulnerable families, as no specific cases of such violations have been brought to our attention.

7. EVALUATION OF THE EFFECTIVENESS OF OUR APPROACH

We are committed to continuing to improve and address any gaps in our operations related to the protection of human rights. Our ongoing commitment is to ensure that forced and child labor practices do not find their way into our business and supply chain.

Intermat's goals for the future include developing effective practices to prevent forced labor and child labor at all stages of our business operations, including amending our Employee Handbook and continuing our assessment process of risks as well as our prioritization exercise aimed at focusing our efforts on the most significant risks in order to establish appropriate due diligence measures, where applicable.

This report was approved by the Board of Directors of Groupe Intermat Inc. on May 31, 2024, in accordance with paragraph 11(4)(a) for the financial year ending January 31, 2024.

In accordance with the requirements of the Act, and in particular section 11, I certify that I have reviewed the information contained in the report for the entity or entities listed above. To the best of my knowledge and belief, and after exercising due diligence, I confirm that the information contained in the report is true, accurate and complete in all material respects for the purposes of the application of the Act, for the above-mentioned reporting year.

I have the power to bind Groupe Intermat Inc.



Full name: Matthieu Duhaime
Title: Chef de la direction
Date: June 5th, 2024
