

Infra Pipe Solutions Ltd.'s Supply Chains Act Report (2023)

ABOUT THIS REPORT

Infra Pipe Solutions Ltd. ("**IPS**", "**we**", "**us**", or "**our**") and Infra Pipe Solutions Holding LP ("**IPS Holding**") have prepared this joint report (the "**Report**") pursuant to the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") for the financial year ended December 31, 2023 (the "**Reporting Period**").

This Report describes IPS's policies and processes in place that assist with preventing and reducing the risk that forced labour or child labour ("**Modern Slavery**") is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada. This has been done in accordance with the mandatory reporting criteria outlined in Sections 11(1) and 11(3) of the Act.

IPS does not currently report under similar legislation in any other jurisdiction.

INTRODUCTION

IPS is committed to carrying out business ethically and in accordance with all applicable laws. This includes a prohibition on the use of corrupt and illegal practices, and any conduct that violates the applicable human rights laws. Employees at IPS are expected to act with integrity, comply with laws and company policies, and maintain their professionalism by conducting themselves in a manner that includes showing respect and consideration for others, being committed to delivering high-quality work, and acting with personal integrity.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Structure

IPS is a privately held corporation, incorporated under the *Business Corporations Act* (British Columbia) and is headquartered in Mississauga, Ontario. IPS is a wholly owned subsidiary of IPS Holding, a limited partnership formed under the *Limited Partnerships Act* (Ontario). IPS Holding's reporting obligations arise only by operation of section 9(c) of the Act.

In 2023, IPS employed approximately 300 full-time people across operations in Canada and the United States. The majority of these employees are engaged in Operations and the rest are in Support functions.

Activities and Operations

IPS is a leading supplier of high-density polyethylene ("**HDPE**") pipe for industrial, municipal and mining applications. IPS offers the largest pipe size range in the industry. Our extensive capabilities and multiple manufacturing facilities help us deliver great customer service through our quality products and customer support.

Our Huntsville, ON facility has been producing HDPE pipe for over 50 years which has enabled our team to gain industry leading technical knowledge. Over the years, this has allowed us to offer Sclairpipe for pressure applications in sizes ranging from 3" to 63".

We also manufacture the world leading profile wall Weholite pipe. Weholite is the ideal product for gravity feed and low-pressure applications. We offer the largest HDPE pipe in North America

from 18" to 132" ID. The knowledge and expertise of our dedicated team allows us to create unique fabrication offerings with Weholite. IPS is the North American licensee for Weholite from Uponor Infra Oy.

Our Supply Chains

Our supply chains consist of three tiers of suppliers:

- **Tier I:** These suppliers provide direct materials used in the production of products. This includes but is not limited to base resin, master batch, colorants, processing agents, critical parts or components for finished products, as well as wires, cables, plates, flanges, backup rings, fittings, pipes, and welding rods.
- **Tier II:** these suppliers provide other materials used in all operations that supports the production of finished products, including but not limited to packaging, material handling, tools, equipment, equipment parts, and components.
- **Tier III:** These suppliers supply all other supplies, goods, and services that do not directly affect product quality and are not categorized under either Tier I or Tier II.

In respect of our Tier I suppliers, we maintain an approved supplier list. An approved Tier I supplier is a supplier that provides Tier I products and meets specific specifications and expectations. IPS has an annual evaluation process for our suppliers to validate the appropriateness of our Tier I suppliers.

In 2023, 85 percent of our Tier I suppliers were based in the United States. Our remaining suppliers in Tier I and II are based in various other jurisdictions in North America and the European Union.

POLICIES AND DUE DILIGENCE

IPS has a number of controls and processes in place including:

- **Terms and Conditions of Employment:** To promote compliance with federal legislation, new employees, if requested, and as a condition of employment, must present documentation establishing their identity and their eligibility to legally work in Canada.
- **Employment Principles:** This policy expresses those principles which are expected to be observed by employees in all aspects of the employment relationship.
- **Recruitment and Selection:** This policy and procedure outlines the process to be followed during the recruitment and selection of staff and to promote compliance with all legislative requirements.
- **Whistleblower Protection:** This policy outlines our commitment to maintaining high ethical standards and legitimate business practices and provides a process that seeks to encourage the identification and prevention of any misconduct that may affect this commitment.
- **Control of External Suppliers:** This policy sets out the procedure to control external suppliers to seek conformity with particular specifications.
- **Tier I or Tier II Supplier Evaluation Summary:** This document provides a summary of the results from the supplier review and includes a scoring system that dictates specific steps based on the score.

POTENTIAL RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAINS

Potential Risks in Our Operations

IPS considers the risk of Modern Slavery occurring within our operations to be low. Our workforce operates primarily within Canada and the United States, both of which have comprehensive and strict labour, employment, and human rights laws. In addition, both [Canada](#) and the [United States](#) have been categorized as "low risk" jurisdictions as it relates to the risk of Modern Slavery according to [Walk Free](#), an international human rights group focussed on the eradication of modern slavery, in all its forms.

Potential Risks in Our Supply Chains

We recognize that there is a risk of Modern Slavery occurring within supply chains. We understand that geographic considerations, the nature of raw materials and particular industries can carry a higher risk of Modern Slavery. There are also risks linked to certain industries even in countries considered to have lower risks of Modern Slavery. However, as a whole, we view the risks of Modern Slavery in our supply chains as low to moderate given that our procurement activities are largely based in North America and the European Union and the products we procure.

Based on the above information about our supply chains and our internal review of our supply chains, we recognized that there are potential risks of Modern Slavery that may exist in respect of our procurement activities, based on our industry, nature of the products we procure, and the country of origin of our procurement. However, we believe that any inherent risks in our supply chains are reasonably mitigated by the policies and due diligence processes set out above.

As of the date of this Report, IPS has not identified or been made aware of any instances or allegations of Modern Slavery within its own workforce or its supply chains. Accordingly, no steps were required to remediate Modern Slavery or the loss of income associated with remediation efforts.

TRAINING

As we continue to evaluate our compliance measures in place that are designed to prevent and reduce the risk of Modern Slavery, we intend to consider, where appropriate, the need to implement more focused training on these issues.

ASSESSING EFFECTIVENESS

As IPS continues the development of its compliance measures that are designed to prevent and reduce the risks of child and forced labour in its supply chains and operations, it will consider the need to implement measures to assess the effectiveness of these processes.

APPROVAL & ATTESTATION

This Report was approved by the Board of Directors of 1173701 B.C. Ltd. as the general partner of IPS Holding on behalf of IPS Holding and by the Board of Directors for IPS on May 31, 2024, pursuant to section 11(4)(b)(i) of the Act.

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.

/s/ Brian Crumbaugh

I have the authority to bind Infra Pipe Solutions Holding LP
Brian Crumbaugh
Vice President and Director of 1173701 B.C. Ltd.
May 31, 2024

/s/ Bill Donaldson

I have the authority to bind Infra Pipe Solutions Ltd.
Bill Donaldson
Chief Executive Officer and Director of Infra Pipe Solutions Ltd.
May 31, 2024