

ANDREW SHERET LIMITED™



EST 1892

Re: Modern Slavery Report

Introduction

This document constitutes Andrew Sheret Limited's Forced Labour and Child Labour Report (the "Report") pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada) (the "Act") for the fiscal year February 1, 2025, to January 31, 2026. This Report is made on behalf of Andrew Sheret Limited and its subsidiary Andrew Sheret Purchasing Limited.

Andrew Sheret Limited, as a plumbing and heating wholesale distributor, is dedicated to combatting modern slavery in all its forms. This report outlines our efforts to identify and address risks related to modern slavery within our operations and supply chain. We are committed to the continuous improvement of our policies, training, and due diligence efforts to help ensure our supply chains remain free of exploitative practices.

Commitment to Human Rights

Andrew Sheret Limited takes the risk of forced labour and child labour seriously and is committed to preventing these practices in its operations and supply chains. We recognize that forced labour and child labour risks may exist across global supply chains and may be heightened in certain product categories, industries, and geographic regions. Accordingly, we consider these factors in our supplier selection, procurement and risk assessment processes.

We are committed to respecting human rights, complying with applicable employment and labour laws, and promoting ethical business conduct throughout our operations and business relationships.

Company Overview

Andrew Sheret Limited is a Western Canadian-owned and operated company that has been in existence since 1892. The company is employee- and family-owned and operates 32 locations across British Columbia, Alberta, and Saskatchewan, with its head office located in Victoria, British Columbia.

Andrew Sheret Limited is a wholesale distributor of plumbing, heating, air conditioning, fireplaces, irrigation, pumps, water filtration, waterworks and fire protection products. These products are supplied to the mechanical trade, cities, municipalities, and retail consumers. The company's retail division, Splashes Bath & Kitchen, operates showroom locations across Western Canada and serves both homeowners and trade customers.

Operations are managed through a branch network with centralized oversight from executive management. Procurement and sourcing activities involve relationships with both North American and international suppliers. Andrew Sheret Purchasing Limited supports procurement-related activities within the corporate group.



Goods Procured and Supply Chain Operations

The organization procures both goods for resale and goods and services that support its internal operations. These include:

- **Finished Products for Resale:** Plumbing, HVAC, hydronics, waterworks, irrigation and fire prevention components from over 600 global and North American suppliers. These goods are typically sourced through long-standing relationships with manufacturers and master distributors.
- **Operational Support Goods and Services:** Office equipment and supplies, marketing materials, IT infrastructure, warehouse and handling equipment (e.g., forklifts), and facilities management services.
- **Professional Services:** Legal, accounting, insurance, and investment services sourced from Canadian service providers.

Supply chain operations are managed via an integrated network of wholesale branches and showrooms. Logistics, transportation, and warehousing are essential components of our operational backbone, and many of these services are delivered by third-party providers.

Goods for resale are primarily sourced from manufacturers based in North America, with some global sourcing from Asia and Europe.

All suppliers are expected to comply with applicable legal requirements and with the company's Supplier Code of Conduct, which sets out expectations relating to ethical business practices, labour standards, and responsible sourcing.

Supply Chain Risk Profile

Our supply chains include the procurement of goods for resale as well as indirect goods and services used to support operations, such as information technology, office supplies, transportation, warehousing, and facilities-related services. The diversity of our supplier base and the geographic reach of certain supply chains expose the organization to varying levels of potential risk.

We recognize that heightened risks of forced labour or child labour may arise in supply chains involving overseas manufacturing, complex upstream sourcing, product categories associated with higher labour exploitation risk, and jurisdictions with weaker labour protections or documented human rights concerns.

When assessing supplier risk, we may consider factors such as:

- geographic location and country-of-origin risk;
- product category or industry sector;
- the nature of the supplier's workforce, including the potential use of temporary, seasonal, low-skilled or migrant labour;
- the complexity and transparency of the supply chain; and
- the extent to which the supplier has policies, standards or controls relating to human rights and labour practices.

Suppliers may be assessed on a risk-informed basis, and where elevated risks are identified, additional due diligence or follow-up may be undertaken.



Policies and Procedures

Andrew Sheret Limited has established, and continues to enhance, policies and processes designed to prevent and address forced labour and child labour risks in its operations and supply chains. These include the following:

Supplier Code of Conduct: We have established a Supplier Code of Conduct that outlines our expectations regarding human rights, labour standards, and ethical business practices. Suppliers are required to adhere to these standards as a condition of doing business with us.

Due Diligence Process: We conduct risk-based due diligence in relation to certain suppliers and supply chain relationships. Depending on the nature of the supplier and the level of identified risk, this process may include review of supplier policies or standards, discussions with suppliers, and additional follow-up where appropriate.

Employee Training: We provide training and awareness support to relevant employees to help them understand forced labour and child labour risks, identify potential warning signs, and escalate concerns through appropriate internal channels.

Risk Assessment

During the reporting year, Andrew Sheret Limited continued to assess areas of potential risk related to forced labour and child labour within its operations and supply chains. This assessment considered factors such as sourcing geography, product category, industry sector, supplier relationships, and supply chain complexity.

Based on this assessment, the company considers the highest potential risks to arise in connection with internationally sourced goods and supply chains with limited upstream visibility. The company also recognizes that certain service categories involving third-party labour may present additional risks to labour rights depending on the nature and location of the services provided.

The company uses this assessment to help inform supplier oversight, procurement practices, and ongoing review of its policies and procedures.

Steps Taken During the Reporting Year:

Code of Ethics

Andrew Sheret Limited is committed to conducting our business in a lawful and ethical manner. Our Company Policies set out our Code of Conduct and Code of Ethics, which guide our employees to act ethically, lawfully, and in the best interest of Andrew Sheret Limited. All employees are required to complete mandatory compliance training courses on Andrew Sheret Limited's Code of Ethics and Respectful Workplace Policy.

Employees may raise questions or report violations to our HR Manager via email or phone. Our HR Manager tracks cases and investigates potential violations of the Code of Ethics.

Supplier Standards

Andrew Sheret Limited expects our suppliers to follow all applicable legal requirements, and we consistently monitor our supply chain.



Based on our supplier risk assessment, Andrew Sheret Limited has taken the following actions to address modern slavery risks:

Training and Awareness: Training is provided to all employees involved in supplier selection and procurement. The training covers:

- Identifying signs of forced or child labour
- Understanding applicable Canadian and international legislation, and
- Procedures for escalating concerns and reporting violations

The company intends to continue enhancing training content and delivery over time as part of its broader compliance efforts.

Supplier Engagement: The company engages with suppliers to communicate expectations regarding ethical business practices and responsible sourcing. This may include communicating supplier standards, discussing compliance expectations in the context of procurement relationships, and following up with suppliers where additional information or clarification is considered appropriate.

Remediation: During the reporting year, Andrew Sheret Limited did not identify any instances of forced labour or child labour in its operations or supply chains requiring remediation.

If the company were to identify a potential instance of forced labour or child labour, it would consider appropriate responsive actions depending on the circumstances, which may include:

- investigating the reported concern;
- engaging with the supplier or relevant party to obtain additional information;
- developing a corrective action plan, where appropriate;
- suspending or terminating the business relationship where warranted; and
- considering steps to mitigate adverse impacts on affected individuals or vulnerable families, where appropriate.

Monitoring and Review

Andrew Sheret Limited is committed to ongoing review of its efforts to prevent and reduce the risk of forced labour and child labour in its operations and supply chains. During and following the reporting year, the company continued to assess its policies, supplier oversight practices, training, and internal processes to identify opportunities for improvement.

The company's effectiveness assessment may include consideration of matters such as:

- review of relevant policies and procedures;
- monitoring of supplier-related concerns identified through procurement or internal reporting channels;
- ongoing review of training and awareness efforts; and
- consideration of emerging risks, regulatory developments and industry practices.

The company intends to continue strengthening its approach to measuring effectiveness over time.



Conclusion

Andrew Sheret Limited remains committed to conducting business in a lawful, ethical, and responsible manner and to preventing forced labour and child labour in its operations and supply chains. The company will continue to review and strengthen its policies, processes, and training in support of that commitment.

This report has been reviewed and approved by the Board of Directors in accordance with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

We attest, based on reasonable diligence, that the information provided herein is true, accurate and complete in all material respects for the applicable reporting year.

ANDREW SHERET LIMITED

Board of Directors