

Modern Slavery Report

OLYMPIC INTERNATIONAL SALES LTD.

Reporting Period
Jan 1 to Dec 31, 2023

Foreword

I am pleased to present the 2023 Modern Slavery Report for Olympic International Sales Ltd. (“Olympic”), underscoring our steadfast commitment to ethical practices and human rights within our supply chain. This report details the proactive steps we took throughout 2023 to prevent and mitigate the risks of modern slavery in our import operations.

At Olympic, our purpose, "Having buildings work," is deeply rooted in integrity. We strive to uphold this principle at every level of our business and expect the same from our partners. We prioritize the well-being of the people working for us and demand that our supply chain partners share this commitment. Our Code of Conduct explicitly supports providing an environment where human rights are respected. We actively seek out business partners who align with our core values and recognize the significance of our purpose.

In 2023, the Federal Government enacted Bill S-211, mandating that Canadian companies importing goods into Canada must scrutinize their supply chains and implement measures to disclose efforts to eradicate forced and child labour. Olympic International Sales Ltd. staunchly opposes engaging with companies that utilize child, forced, bonded, indentured, or slave labour.

To ensure compliance, we will annually survey a representative sample of our top 80% direct material suppliers to verify their adherence to our Supplier Code of Conduct. This survey will specifically request information regarding their workforce, human rights policies, and codes of conduct. Additionally, we will train our team to ask pertinent questions and make critical observations during visits to our manufacturers' sites.

We are committed to educating our personnel to identify and report any concerns. Any issues identified can be reported to grievances@olympicinternational.com.

May 15, 2024

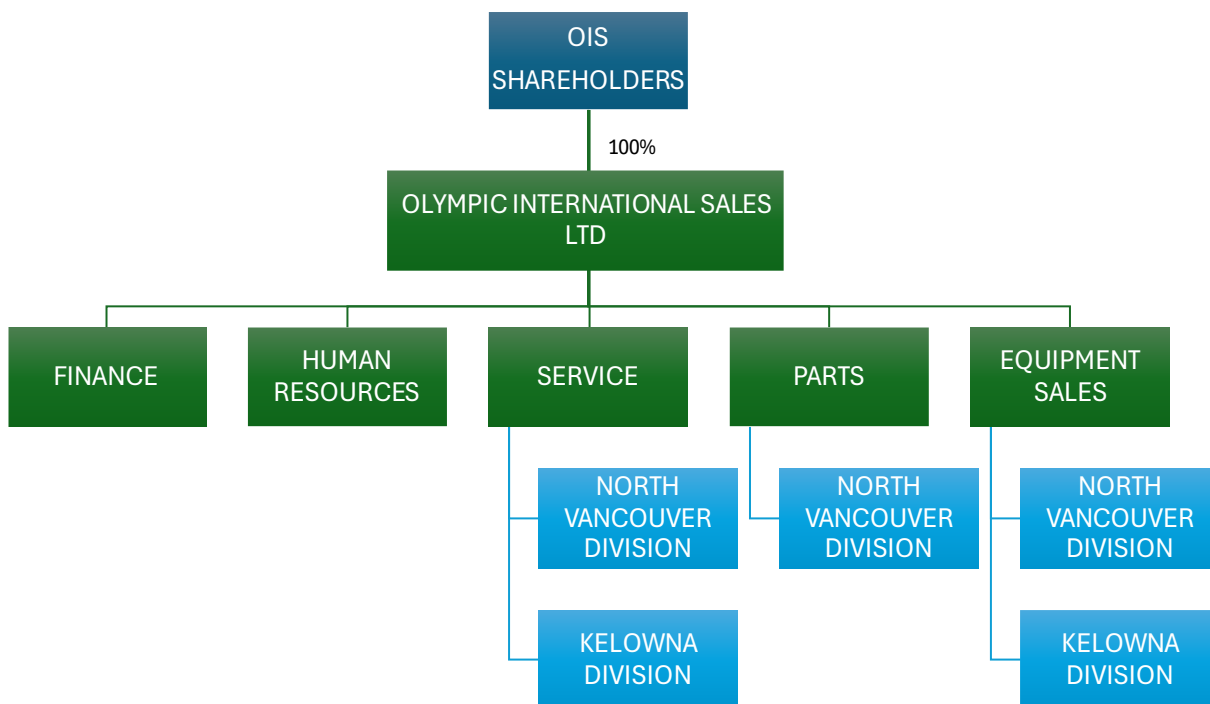


Dana Merritt
CEO, Olympic International Sales Ltd.

1. Structure, Activities and Supply Chains

Founded in 1963, Olympic operates as a manufacturer's representative of HVAC equipment within British Columbia and the Yukon. Our company comprises three main divisions: Equipment Sales, Service, and Parts. We are a privately held Canadian corporation with five shareholders who are actively involved in the business. Our team consists of approximately 85 employees working out of our North Vancouver and Kelowna offices.

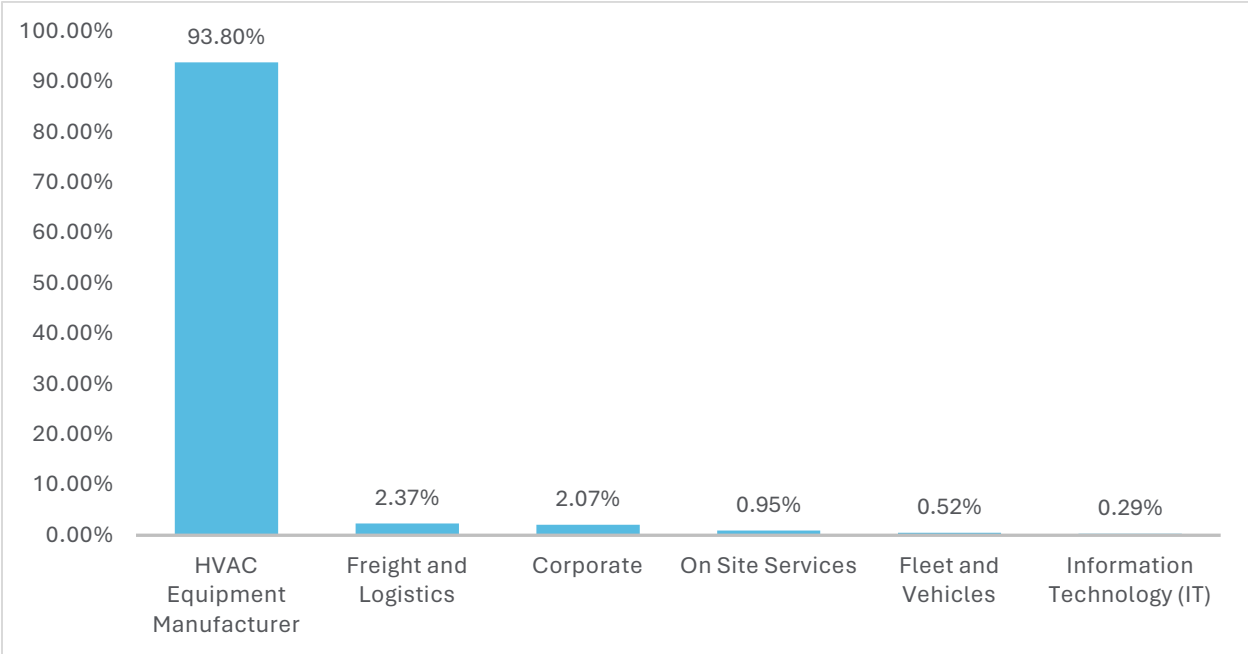
Figure 1: Olympic Organizational Structure



Our company focuses on sourcing manufacturers and products used in heating, ventilation and air conditioning (“HVAC”) systems, and domestic hot water (“DHW”) heating, specifically targeting products that support Canada's goals for electrification and reducing greenhouse gas emissions. We specialize in heat pump technology to enhance efficiency and electrify buildings. Consequently, we source products from countries with advanced innovations in this equipment. Our represented manufacturers are located in Canada, the US, Mexico, Europe, and Asia. In total, we represent and sell HVAC equipment from over 40 manufacturers.

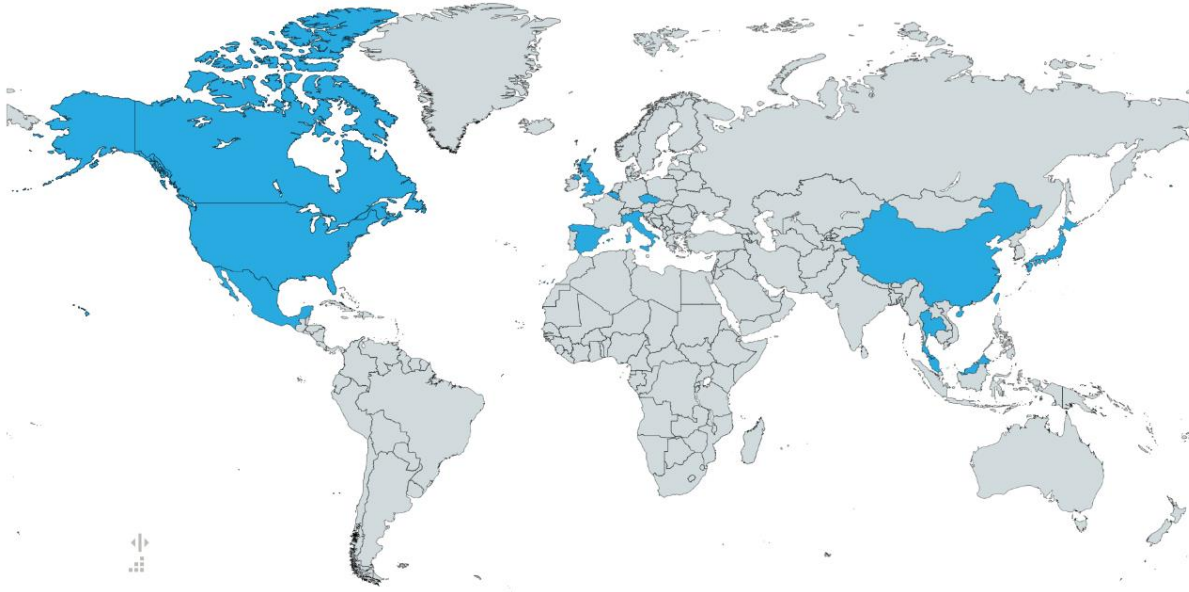
Olympic's supply chain is vital for delivering high-quality HVAC solutions to our customers. Our network includes a diverse range of trusted vendors, such as HVAC equipment manufacturers, freight and logistics providers, on-site, corporate and IT services. In 2023, HVAC equipment manufacturers represented 93.8% of our total vendor spend, reflecting our focus on sourcing advanced heating, ventilation, and air conditioning products to support our strategic objectives.

Figure 2: Olympic 2023 Spend by Vendor Category



Given that our company does not manufacture the products we sell, our connection with suppliers and their manufacturing operations is critical for this reporting. As a first step, we have identified our Tier 1 manufacturing sites to understand the geographical risk within our supply chain. We are committed to continuously identifying emerging risks and further investigating our supply chain to ensure compliance and ethical practices.

Figure 3: Current Tier 1 Supplier Operations



2. Policies and Due Diligence Processes

Olympic has implemented key policies and due diligence procedures to understand and mitigate the risks of forced and child labour within our supply chain. Recognizing the necessity for a solid foundation, the initial step involved creating a baseline assessment that considered the locations, conditions, demographics of employees, indicators of forced and child labour, and the most vulnerable populations. We employed a multi-faceted, risk-based approach that evaluated supplier data, geographical context, and potential business impact.

Policies:

In 2023, Olympic implemented the following policies to address the requirements in relation to Modern Slavery risks within its operations. The policies are summarized below:

a) Supplier Code of Conduct

Olympic partners with suppliers that share our commitment to innovation, continuous improvement, and high standards in social and environmental responsibility. Developed in accordance with International Labour Organization standards, our Supplier Code of Conduct requires suppliers to meet stringent criteria, including legal compliance, prohibition of forced and child labour, non-discrimination, respect for freedom of association, and providing safe working conditions. Suppliers must also ensure fair compensation, reasonable working hours, environmental sustainability and transparency. This Code defines the minimum standards for ethical practices and accountability expected from our suppliers.

b) Responsible Sourcing Policy

Olympic is dedicated to enhancing procurement practices in our supply chain. This policy guides our operations to ensure human rights and environmental standards are met. Aligned with International Labour Organization standards and global environmental benchmarks, the policy ensures we are continuously striving for best practice. This policy outlines how we embed human rights due diligence into our business operations, through ongoing risk assessments and on-site visits, while establishing accountability and oversight of the program.

These policies formalize our commitment to mitigating risks and align our operations with our goals and values.

Due Diligence:

In 2023, Olympic undertook comprehensive due diligence measures to assess and address the risks of modern slavery within our supply chain. Our approach emphasized transparency, collaboration, and continuous improvement, aligning with our commitment to ethical business practices.

As part of our regular operations, Olympic conducted a high volume of on-site visits and training sessions with suppliers for key employees. Specifically, 70% of our Tier 1 manufacturing sites were visited by Olympic employees, with 40% of these sites receiving monthly or bi-monthly visits. These visits are integral to our partnership-based approach and will continue to be a priority in our 2024 action plan.

To further enhance our due diligence efforts, Olympic performed ongoing risk assessments of supplier operations and annual evaluations related to human rights abuses, environmental impacts, and potential supply chain disruptions. Our due diligence process in 2023 included:

- **Disclosure:** Continuous efforts toward transparency of Tier 1 and Tier 2 manufacturing sites and the country of origin for raw materials.
- **Risk Assessment:** Utilizing tools to evaluate geographical and commodity-specific risks within the supply chain.
- **Monitoring:** Conducting continuous on-site visits and assessments of manufacturing sites.

Olympic completed an initial baseline risk assessment covering over 70% of supplier manufacturing sites by spend. This assessment was conducted by an external consultant, focusing on forced and child labour risks. The sites were categorized as Low, Medium, High, or requiring more data based on multiple factors. Approximately 7% of the assessed sites, by spend, were identified as high risk, mainly due to their locations in high-risk geographical areas. Sites with data gaps were conservatively labeled as "requires more data" to ensure thorough investigation.

Figure 4: Olympic Suppliers Geographical Risk Rating by Number of Manufacturing Sites

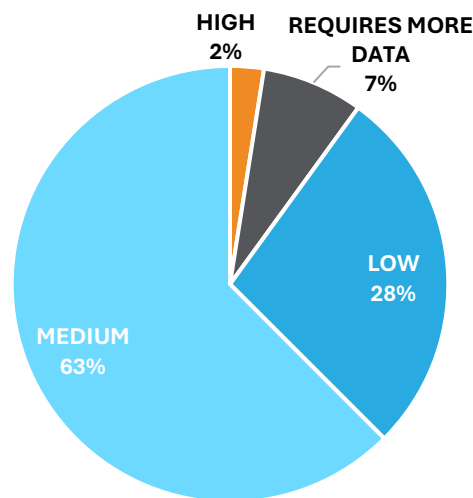
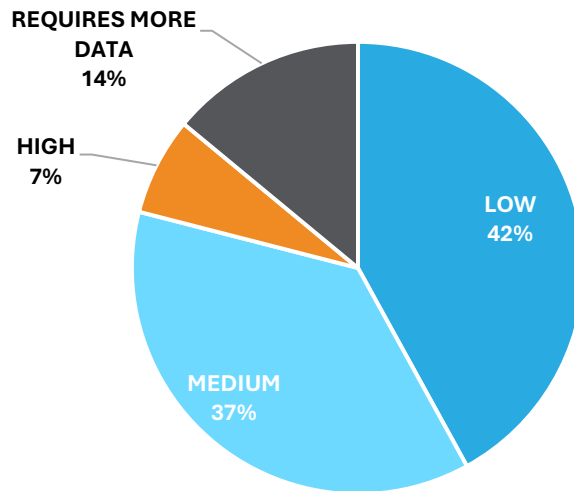


Figure 5: Olympic Suppliers Geographical Risk Rating by Spend



Geographical Risk Level	No. of Sites	Spend (%)
Low	11	42%
Medium	25	37%
High	1	7%
Requires more data	3	14%

To categorize country risk, we assessed specific factors such as:

- **Prevalence:** The likelihood of occurrence in a specific country.
- **Vulnerability:** Increased presence of vulnerable groups, such as migrant workers, displaced people, minority groups, and students.
- **Government Response:** The robustness of government actions to combat forced or child labour.

Moving forward, Olympic plans to enhance visibility through increased data collection, more intentional site visits, and third-party monitoring where appropriate. These efforts aim to improve our understanding of supplier working conditions and ensures human rights in our supply chain are upheld.

3. Remediation Measures

Direct Operations

Olympic's direct operations in Canada carry a low risk of forced or child labour. In 2023, there were no instances of forced or child labour identified within Olympic's business activities.

Supply Chain

In 2023, Olympic prioritized establishing a baseline of its supply chain locations, conducting a comprehensive risk assessment, and developing policies to ensure program sustainability. Based on these efforts, Olympic plans to enhance due diligence and monitoring of high-risk suppliers. No instances of forced or child labour were identified in Olympic's activities or supply chains in 2023. As further investigations are conducted upstream in the supply chain, Olympic will address any identified instances as needed.

Grievance Channel

To proactively support our suppliers and any vulnerable workers in the supply chain, Olympic has established a grievance channel. This grievance channel will be introduced to upstream activities in 2024.

Remediation of Loss of Income

The risk of forced and child labour in Canada is low compared to other countries. Olympic does not anticipate a loss of income for vulnerable families in Canada due to measures taken to eliminate forced or child labour. As due diligence efforts increase, remediation may be required. If this occurs, Olympic's priority will be to work collaboratively with suppliers to find solutions that positively impact workers, rather than distancing from the issue.

4. Training

Olympic conducted mandatory training to educate staff on the risks of forced and child labour within the supply chain. This training is part of our commitment to annual training for all staff and ongoing training for specific stakeholders. All employees are required to be familiar with Olympic's Responsible Sourcing Policy and Supplier Code of Conduct.

The Forced Labour and Child Labour Training covered key aspects of identifying and mitigating these risks. The training included information on the global prevalence of forced and child labour, indicators as outlined by the International Labour Organization, industry examples, the legal landscape, and findings from Olympic's risk assessment.

Additionally, specialized training will be provided to Sales and Leadership teams on the Visual Inspection Program. This program equips those who regularly visit suppliers and manufacturing sites with the necessary tools to conduct assessments and support due diligence efforts.

5. Assessing effectiveness

To assess the effectiveness of our efforts in mitigating the risks of forced and child labour, Olympic International Sales Ltd. plans to track key performance indicators (KPIs) throughout the year. These KPIs include:

- Employee Training: Monitoring the number of trainings conducted for Olympic employees.
- Grievance Awareness and Cases: Tracking the awareness of the grievance channel and the number of grievance cases reported.
- Supplier Risk: Evaluating supplier compliance with forced and child labour agreements and conducting audit assessments to verify information based on risk and oversight.

These metrics, combined with Olympic's risk assessment, will help identify areas where the program requires more investment and evaluate its overall effectiveness in reducing the risk of forced and child labour in our supply chain.

6. Attestation Pursuant to Section 11 of the Canadian Act

In accordance with the requirements of the Canadian Act, particularly section 11, I attest that I have reviewed the information contained in this report for the entity subject to the Canadian Act. 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.

Signed by:



Dana Merritt
President and CEO
Olympic International Sales Ltd