



Forced Labour and Child Labour Compliance Report 2024 Arista Homes Limited and Affiliated Companies

Executive Summary

This report outlines Arista Homes Limited's compliance with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act. As a leader in the home building industry in Southern Ontario, we are committed to promoting ethical business practices and ensuring human rights are respected throughout our operations and supply chain. Our strategy and operations are centred on core principles of corporate and social responsibility, respect, trust, and the highest standards of integrity, professional ethics and accountability. Comprehensive governance oversight by the company's senior management team and ownership, and in certain instances by external agencies, occurs through regular internal policy reviews, and as such, Arista Homes Limited and all affiliated companies adhere to all relevant provincial and federal laws and regulations as the baseline standard for its operations, mitigating against Forced Labour and Child Labour in Supply Chains as outlined in Bill S-211.

1. Corporate Structure, Activities, and Supply Chain

- **Company Overview:** Arista Homes Limited and its affiliated companies are privately owned and engaged in purchasing and developing on land and building and selling new residential homes within mixed-use communities. Arista Homes Limited generally operates as a management company and as a General Contractor to facilitate the building of new homes across the Greater Toronto Area.
- **Operations:** We operate exclusively in Southern Ontario, utilizing professional service companies and trades for supplying and installing products to complete the construction of new homes in each community.
- **Labour:** We employ unionized labour and trades, ensuring that our subcontractors also use unionized trades where necessary.
- **Material Sourcing:** Materials are primarily sourced by our subcontractors from various domestic suppliers, with some sourced internationally.

2. Governance and Responsibilities

- **Direct Sourcing Evaluation:** We are assessing our exposure to risks of child and forced labour in direct sourcing. Most direct sourcing of materials comes from local hardware stores and all Arista Homes limited employed labour is compliant with governing provincial and federal laws.

- **Supply Chain Compliance:** Given our reliance on external companies for labour subcontracting and materials supply, we are developing processes to ensure our extended supply chain complies with the Act.
 - **Domestic Labour/Trades:** We depend on the integrity of our unionized suppliers and representatives to comply with forced labour laws.
 - **Products:** Our globally sourced products, though contracted locally, place a heavy compliance burden on our suppliers. We negotiate supply and install agreements without maintaining inventory, and we rely on suppliers to ensure compliance.

3. Policies and Due Diligence Processes

- **Policy Review:** Arista Homes limited maintains a templated employee handbook which set out office conduct and employment standards. Furthermore, all our sub-contract agreements set out standard terms and conditions required by a sub-contractor. We are currently reviewing and updating our policies and documents to meet all Bill S-211 requirements, identifying any internal and external exposures, devising new policies as required.

4. Risk of Forced Labour and Child Labour, and Mitigation Measures

- **Internal Risk:** Given our adherence to laws and robust policies, we are confident there is no forced or child labour within our organization. All employees acting on behalf of Arista Homes Limited are expected to comply with relevant provincial and federal laws, including the Ontario Employment Standards Act, Ontario Labour Relations Act, and the Ontario Human Rights Code. As part of our annual Employee review process, we ensure that staff have the opportunity to share any information they may have about Forced Labour that may impact compliance of Arista Homes Limited with Bill S-211.
- **External Risk:** Our external supply chain is more complex. We purchase finished products and services from both domestic and international suppliers. To mitigate risk:
 - We conduct thorough risk assessments of our suppliers, identifying higher and lower risk companies.
 - We require suppliers to comply with our Code of Conduct, which includes provisions against forced and child labour.
 - We engage with suppliers to understand their compliance practices and encourage the adoption of high standards, and request they share a copy of their report, illustrating compliance with Bill S-211.
 - We prioritize working with suppliers who have demonstrated a commitment to ethical labour practices.
- **Contract Clauses:** All future sub-contract agreements will include clauses obligating suppliers and trades to conduct due-diligence and confirm that no child or forced labour is used in their products or services.

5. Remediation Measures and Impact

- **Immediate Actions:** Failure to comply with these obligations will constitute a breach of the sub-contract agreement, resulting in a termination of the agreement and removing said sub-contractor or supplier from future Tender opportunities until such time as they can remedy and illustrate compliance.

6. Training and Capacity Building

- **Staff Training:** We are undertaking a comprehensive review of our staff training programs to ensure all employees and stakeholders are informed on how to identify and prevent forced and child labour. These programs will be regularly updated to reflect the latest developments and best practices in global labour standards.
- **Suppliers and Trades:** We actively engage with our suppliers and trades to communicate our expectations and promote adherence to our ethical standards. Arista undertakes a bi-annual Trade Council Meeting, whereby we will discuss potential exposures of each trade and supplier, as well as their expectations, reviewing and enforcing the obligations under Bill S-211.

7. Effectiveness and Continuous Improvement

- **Policy Implementation:** As we continue to evaluate our risk assessment process, we plan to incorporate our child/forced labour compliance policy into new contracts and renewals.
- **Continuous Improvement:** We aim to continuously improve our practices based on internal audit results and industry developments. We have witnessed no evidence of forced labour or child labour in our supply chains, but we remain vigilant and committed to ongoing improvements.

Report Approval and Attestation

In accordance with the requirements of the Act, and particularly Section 11, I attest that I have reviewed the information contained in this Report for Arista Homes Limited and its affiliated companies. Based on my knowledge and having exercised reasonable diligence, I attest that the information in this Report is true, accurate, and complete in all material aspects for the purposes of the Act, for the reporting year as listed above.

I have the authority to bind Arista Homes Limited.

Adrian DeGasperi
Director of Operations
Arista Homes Limited