

## To the Minister of Public Safety

### 2024 Report to Comply with Bill S-211 Requirements

This joint report is presented by Arriscraft Canada Inc. (“Arriscraft”, “the Company”, “we”, “our”) and its Austrian parent, Wienerberger AG (“Wienerberger”) (collectively, “the Entities”), in compliance with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (“the Act”) for the year ending December 31, 2023.

Arriscraft meets the definition of “entity” by having a business in Canada, doing business in Canada, having assets in Canada, and meeting all three threshold criteria for revenue, assets, and employees, and the definition of “reporting entity” by selling, distributing, and producing products in Canada.

Based on our interpretation of the applicability of the Act, Wienerberger meets the definition of “entity” by having assets in Canada, in the form of shares in Arriscraft (100% ownership), and the definition of “reporting entity” by controlling Arriscraft, an entity engaged in producing, selling, and distributing goods in Canada.

Arriscraft and Wienerberger are committed to respecting human rights as outlined in applicable laws and international standards, including the UN’s Declaration of Human Rights, the UN Rights of Indigenous Peoples, and UN Guiding Principles on Business and Human Rights, which includes ensuring a socially and ethically responsible supply chain. We recognize the importance of transparency and are filing this report in response to the requirements outlined in the Act.

#### **Subsection 11(1)**

#### **Steps taken during the previous financial year to prevent and reduce the risk of forced labour or child labour in activities and supply chains**

Wienerberger has been officially committed to upholding human rights since it voluntarily acceded to the UN Global Compact in 2003 and has also for several years been operating under a comprehensive ESG and Sustainability strategy that includes robust governance practices. Wienerberger has therefore been taking action on the fight against forced and child labour for some time.

During 2023, Wienerberger made updates to its Code of Conduct to incorporate its values of trust, respect, passion, and creativity. It also further advanced the implementation of its Supplier Code of Conduct, first introduced years ago, alongside the ongoing rollout of a Supplier Relationship Management (SRM) tool that is used to track a range of information for tier one suppliers, including financial terms and conditions, ESG performance indicators, and risks.

As a subsidiary of Wienerberger, Arriscraft adheres and follows all relevant corporate guidelines and policies, including the commitment to the UN Global Compact, and contributes to the execution of the corporate ESG and Sustainability Strategy. While Arriscraft itself did not take any specific steps during 2023 beyond what is already in place, it is committed to increasing its level of diligence going forward, as outlined in the following sections.

## **Subsection 11(3)**

### **a) Structure, activities, and supply chains**

Arriscraft is a private corporation under Canadian law, based in the province of Ontario, that specializes in the manufacturing and distribution of building materials, namely facing bricks and calcium silicate products. Arriscraft became part of the Wienerberger family of companies in 2007, has approximately 345 employees, and services mostly North American-based clients.

Wienerberger, based in Vienna, Austria, is a publicly listed company in the Vienna Stock Exchange, with a history spanning more than 200 years. It is a leading global provider of innovative, ecological solutions for the entire building envelope in the fields of new buildings and renovations, as well as infrastructure for water and energy management. Wienerberger has nearly 20,000 employees and over 200 production sites in 28 countries, covering Europe, North America, and India. More information on Wienerberger can be found on its corporate website at [www.wienerberger.com](http://www.wienerberger.com).

For over seven decades, Arriscraft has crafted stone products for both commercial and residential projects, utilizing a proprietary process that eliminates the need for cementitious or artificial binders. Arriscraft's products are sold and distributed through more than 240 dealers across the US and Canada, most of them local or regional distributors of building supplies. The Company also has a team of sales representatives that services key customers directly.

Arriscraft's supply chain operations span from raw material procurement to final product delivery. While many raw materials are procured locally in Canada, we import goods from multiple countries, primarily from the US and Germany, but also including China, Italy, and Brazil. Wienerberger and all its subsidiaries, including Arriscraft, recognize the importance of supply chain integrity, and therefore work closely with suppliers to enforce ethical sourcing practices, environmental responsibility, and transparency in operations.

### **b) Policies and due diligence processes**

#### **Internal**

Wienerberger acceded to the UN Global Compact in 2003 and is thus officially committed to the implementation of the ten principles of the Global Compact regarding human rights, labour standards, environmental protection, and the prevention of corruption. Wienerberger also introduced a Social

Charter in 2001, which confirms the company's commitment to compliance with the relevant conventions and recommendations of the International Labour Organization (ILO). Within its own sphere of influence, Wienerberger guarantees the protection of human rights, and does not tolerate neither child labour nor forced labour nor any form of discrimination. Wienerberger's commitment includes the respect for human rights, fair working conditions, payment of adequate remuneration, the avoidance of excessive working hours, permanent employment relationships, and the respect for the freedom of assembly and the right of employees to engage in collective bargaining. These commitments apply to all subsidiaries, including Arriscraft.

Wienerberger also has a Code of Conduct that was introduced in 2021, together with a whistleblowing policy, that apply to all subsidiaries with a stake of at least 50%, which includes Arriscraft. The principles contained in the code are intended to ensure that all employees share a common understanding, demonstrate good judgement, and maintain high standards of ethics and integrity in our dealings with stakeholders. Suppliers, contractors, and customers are expected to demonstrate the same behaviours.

By abiding by Wienerberger's commitments and policies cited above, following corporate guidance on employee wellbeing and safety, and respecting all applicable federal and provincial labour laws and standards in Canada and Ontario, Arriscraft ensures that no child labour and forced labour is present in its activities.

## Supply Chain

To ensure that suppliers abide by Wienerberger's commitment to upholding human rights, it introduced a Supplier Code of Conduct (SCOC) that sets out the minimum requirements that suppliers are expected to meet in terms of responsible action regarding the environment, social aspects, and governance, including respect for human rights and compliance with other requirements of the ten principles of the UN Global Compact. The implementation of the SCOC and its inclusion in the Wienerberger's Supplier Relationship Management (SRM) tool was further advanced in 2023.

The SCOC is framed within Wienerberger's broader Procurement Strategy 2020+, which further intensifies the focus on ESG criteria in supplier management. The strategy seeks to promote improvements in ESG in all sourcing activities; to identify and minimize procurement risks while maximizing opportunities and ensuring compliance; and to ensure that our policies, procedures, measures, and reporting rules are observed both internally and externally.

The Procurement Strategy also incorporates the Responsible Sourcing Policy 2020+, which provides that selected suppliers undergo an external CSR assessment. While the need for on-site audits of suppliers is reduced to a minimum, Wienerberger's objective is to have at least one employee in each of our country organizations certified to perform the audits. The audits cover essential ESG criteria, such as health and safety of employees, respect for human rights, the prevention of corruption and bribery, and environmental protection. Based on the audit results, recommendations are made to the

impacted suppliers regarding appropriate corrective measures to be taken and deadlines set for the implementation of improvements.

As a subsidiary of Wienerberger, Arriscraft upholds a zero-tolerance policy towards child and forced labour in our supply chain. In 2025, Arriscraft plans to fully align with Wienerberger's SCOC, which will require our suppliers to take action where needed to ensure compliance with its principles. While the SCOC is focused on direct suppliers (tier one), it encourages suppliers to extend these principles to their own suppliers. As we prepare to implement SCOC at Arriscraft, we will raise awareness of its principles as we continue to engage with our existing and new suppliers and to conduct supplier audits in our region per Wienerberger's Responsible Sourcing Policy.

### **c) Forced labour and child labour risks**

Based on our knowledge of and extensive engagement with our suppliers at Arriscraft, we do not believe that we face any significant risk of child labour or forced labour anywhere in our supply chain. However, to confirm our perception and ensure that we remain proactive in identifying and addressing any potential risks, we conducted a risk assessment of our supply guided by the insights provided by the Walk Free Global Slavery Index ("the Walk Free GSI") and the US Department of Labour's List of Goods Produced by Child Labour or Forced Labour ("the USDL List"). While the Walk Free GSI provides risk level guidance based on origin or location, the USDL List highlights potential modern slavery risks associated with specific categories of goods imported from certain countries.

Our assessment acknowledged that no industry is entirely exempt from the risks of forced and child labour. As a manufacturing entity, we recognize the inherent vulnerabilities within certain sectors of our supply chain, particularly in regions where regulatory frameworks and enforcement mechanisms might not be robust.

#### Risk Assessment Findings

The risk assessment confirmed that none of Arriscraft's tier one suppliers operate in regions with a heightened risk of forced and child labour. However, the assessment identified that one of our suppliers based in Canada sources certain goods from China (a tier two relationship), a region that has a heightened risk of forced and child labour according to the Walk Free GSI. The imports from China account for only 0.4% of Arriscraft's annual supplier expenditure, a relatively minor share. The remaining 99.6% of our procurement budget is allocated to suppliers in countries with a significantly lower estimated prevalence of forced and child labour. Canada and the United States together account for over 90% of total supplier spend.

Arriscraft also compared our list of products that we import against the USDL List to determine whether any specific goods from our import portfolio may be susceptible to forced or child labour. This assessment revealed that iron oxide imports from Brazil present an elevated risk of being associated with child labour practices. This specific product accounts for 4% of our total expenditure,

which is also relatively minor but has raised our awareness and need for enhanced due diligence with the corresponding suppliers.

Overall, while the findings of our assessment confirm that most of our supply has a low risk of forced or child labour, they have also identified a couple of “hot spots” of higher risk, which are not immaterial. Our intention is to consider these risks carefully and take the necessary steps to ensure they are mitigated, starting with proactive engagement with the impacted suppliers to discuss the issue and understand their policies and practices. Based on their responses, we may also choose to select them for an audit.

#### **d) Remediation measures**

Neither Weinerberger nor Arriscraft have faced any instances of forced or child labour within our operations or supply chains that have required remediation. However, in alignment with the UN Guiding Principles on Business and Human Rights, we recognize the importance of having robust remediation measures in place, should any such issues be identified in the future. Our primary response may include various measures, including the following:

- Immediate Action and Remediation: Should any instance of forced or child labour be identified within our operations or those of our suppliers, we will seek to take immediate action, following a framework for remediation that includes measures for victim protection, collaboration with the impact employer on corrective actions, communication with national authorities, and consultation with independent expert organizations.
- Stakeholder Communication: To enforce transparency and accountability, we will communicate any remediation efforts and outcomes to appropriate stakeholders, including affected communities, employees, customers, and investors, while respecting privacy and confidentiality requirements.
- Policy Review and Strengthening: Any identification of forced or child labour will prompt a review of our related policies and practices to unearth learnings or adjustments required. This will ensure that our preventative measures are robust and that our commitment to human rights is upheld throughout our operations and supply chains.

In our ongoing engagement with business partners and suppliers as part of Weinerberger’s corporate-wide Responsible Sourcing Policy, we will raise awareness about the need to have remediation measures in place.

#### **e) Remediation of loss of income**

Since neither Weinerberger nor Arriscraft have faced any instances of forced or child labour within our operations or supply chains that have required remediation, there has been no need to remediate loss of income for impacted individuals and their vulnerable families. Nonetheless, we acknowledge the need to be ready to act swiftly and effectively if any instances should arise in the future. Should our measures to remove any identified forced or child labour in our operations or supply chains inadvertently impact vulnerable families financially, we are prepared to consider and introduce

solutions such as alternative income sources, educational support for those affected, and partnerships with local NGOs to enhance community welfare.

## f) Training

Both Wienerberger and Arriscraft have comprehensive onboarding and training programs for new and existing employees to ensure their wellbeing and safety. While our Social Charter and Code of Conduct are referenced in our programs, there is no training module in place that specifically addresses forced labour and child labour. In response, at Arriscraft we are developing a targeted training module for all procurement and purchasing staff, set to launch later in 2025 alongside our deployment of Wienerberger's Supplier Code of Conduct. The course will be essential to maintain the integrity of our supply chain and will be mandatory for relevant staff. The program will focus on three key areas:

- Skill Enhancement: The training will provide employees with the necessary skills to spot and address potential risks and violations within our supply chain. It will cover how to conduct audits, assess supplier compliance, and recognize signs of unethical labour practices.
- Awareness and Education: Staff will learn about the definitions and indicators of forced and child labour, including understanding both local and international legal frameworks that govern labour practices and outline the responsibilities of businesses.
- Action and Response: The program will outline specific steps to take when issues are detected, including how to report within our corporate structure, collaborate with suppliers on corrective actions, and work with external bodies if necessary.

We will consult with Wienerberger in the development of this training, to leverage all existing resources at the corporate level. With the rollout of this module, Arriscraft aims to ensure that our staff are not just aware of forced and child labour issues but are also equipped to tackle them effectively. This proactive approach underscores our commitment to upholding the principles of the UN Global Compact.

## g) Assessing effectiveness

Wienerberger has a robust ESG governance structure in place that involves leadership at the highest levels, including both the Managing Board (chief officers) and the Supervisory Board. In the latter, two specific board committees are involved in ESG matters: the Sustainability & Innovation Committee and the Audit & Risk Committee. The Corporate Functions, Regional Operating Segments, and Local Managers also play a key role in ensuring that initiatives are implemented and that opportunities for improvement are identified and addressed.

Wienerberger conducts an annual review of its ESG and Sustainability strategy to take stock of achievements, opportunities, and lessons learned, and to set or adjust targets across a range of performance indicators. Given its commitment to upholding the UN Global Compact, Wienerberger places great emphasis on ensuring that all stakeholders are acting according to its principles.

Arriscraft contributes towards the execution of Wienerberger's ESG and Sustainability strategy in Canada, including the collection and reporting of relevant data for its annual review. While Arriscraft

does not yet have its own governance framework in place to assess the effectiveness of policies and procedures to reduce the risk of forced labour and child labour in its activities and supply chains, we will be enhancing our governance practices, in particular with regards to our suppliers, with the adoption of the SCOC in 2025. As part of the evolution of our diligence at Arriscraft, we are considering several steps to ensure the integrity of our supply chain, including the tracking of relevant performance indicators and the frequency and quality of supplier audits in alignment with Wienerberger's global standards.

## Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in the report for the Entities listed above, and that it has been approved by the governing body of the Entities. Based on our knowledge, and having exercised reasonable diligence, we 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.

For Arriscraft Canada Inc.

Full name: Glen Frankling

Title: Vice President Strategic Development

Date: May 21, 2024



Signature

I have the authority to bind Arriscraft Canada Inc.