



Beacon Roofing Supply Canada Company's Fighting Against Forced Labour and Child Labour in Supply Chain Report (2023)

ABOUT THIS REPORT

Beacon Roofing Supply Canada Company has prepared this 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. All references in this Report to the “**Company**”, “**Beacon Canada**”, “**we**”, “**us**”, or “**our**” refer to Beacon Roofing Supply Canada Company unless otherwise indicated. This Report has not been externally assured.

Beacon Canada does not report under similar legislation in any other jurisdiction.

INTRODUCTION

At Beacon Canada, our unwavering commitment to strong values and good ethics is central to our role as a corporate citizen. We are committed to fostering a strong culture with a deep respect for human rights for all individuals. We acknowledge the basic freedoms inherent to all people and our ability to impact the human rights of our employees, as well as workers throughout our supply chain and the people in the communities in which we operate.

Beacon Canada prohibits all forms of child or forced labour, slavery, or human trafficking in any of our operations and facilities, which includes exploitation of children or the trafficking, physical punishment, abuse, or involuntary servitude of any worker (collectively, “**Modern Slavery**”). We are committed to meeting local, state, and national laws regarding minimum employee age.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Company Structure

Beacon Canada is an unlimited liability company organized under the laws of Nova Scotia. We are an indirect wholly owned subsidiary of Beacon Roofing Supply, Inc. (“**Beacon**”), which is headquartered in Herndon, Virginia. Beacon was founded in 1928 and operates over 530 branches through all fifty states in the United States and six provinces in Canada. Beacon serves an extensive base of nearly 100,000 customers, utilizing its vast branch network and diverse service offerings to provide high-quality products and support throughout the entire business lifecycle. In 2023, Beacon Canada had approximately 270 active full time and seasonal employees.

Activities and Operations

Beacon Canada is a wholesaler and distributor of roofing materials to professional contractors and dealers. In Canada we operate 18 branches across six provinces, including: two in Alberta; two in British Columbia; one in Nova Scotia; six in Ontario; six in Quebec; and one in Saskatchewan. Approximately 3.0% of Beacon’s total net sales for 2023 was derived from sales to customers in Canada, totaling approximately \$276.9 million USD.

Products

The product lines we carry are designed to meet the requirements of our residential, non-residential, and complementary building products customers. We carry one of the most extensive arrays of high-quality branded products in the industry, including our private label brand, TRI-BUILT®. Our [TRI-BUILT® products](#) offer a high-quality and superior-value alternative for our customers. We fulfill most of our warehouse orders with inventory on hand because of the breadth and depth of the inventories at our branches.

In the residential market, asphalt shingles comprise the largest share of the products we sell. In the non-residential market, single-ply membranes, insulation, and accessories comprise the largest share of our product offering sales. In complementary building products, waterproofing, siding, plywood/OSB, and windows and doors comprise the largest share of the products available in our portfolio.

Delivery

In 2023, our distribution infrastructure in Canada served more than 31,321 customer deliveries. We maintained a Canadian fleet of 124 straight trucks, 19 tractors, and 39 trailers. Nearly all of our delivery vehicles are equipped with specialized equipment, including 74 truck-mounted forklifts, cranes, hydraulic booms, and conveyors, which are necessary to deliver products to job sites in an efficient and safe manner and in accordance with our Canadian customers' requirements.

Our Supply Chains

Beacon is a key distributor for our suppliers due to our industry expertise, scale, record of growth, financial strength, and the substantial volume of products that we distribute. We maintain strong relationships with numerous manufacturers of roofing materials, complementary building products, and exterior waterproofing products to reduce dependence on any single company, maintain purchasing leverage and ensure breadth of product availability in our local markets.

Through Beacon Canada the largest suppliers include the following companies: Soprema, Inc.; Carlisle Canada, ULC; IKO Industries, Ltd; Johns Manville; Certainteed Canada, Inc.; Atlas Roofing Corporation; Bitumar, Inc.; Henry Company Canada, Inc.; Owens Corning Canada, Inc.; and Malarkey Roofing Products. The suppliers are in North America.

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POLICIES AND DUE DILIGENCE¹

Code of Ethics and Business Conduct

Beacon has a Code of Ethics and Business Conduct (the “**Code**”), which applies to Beacon Canada, and is publicly available on our website, [here](#). The Code is a guide for our employees to live up to high ethical standards. We work every day to make sure what we do is lawful, reputable, and safe. All directors, officers, and employees of Beacon, including Beacon Canada, are expected to understand and follow the purpose and provisions contained within the Code.

The Code promotes our five foundational, shared Company values, which go beyond describing minimums for legal compliance. These values are: Put People First, Make Every Day Safer, Do the Right Thing, Own Your Day, and Never Stop Building. Our values encompass behaviours that we carefully measure every day when we make business decisions. The Code reinforces our commitment to treating others with respect and courtesy and transacting our business fairly. Our values will not be compromised for expediency or financial gain.

Findings of a violation of applicable law or deviation from the standards embodied in the Code will result in appropriate preventative or disciplinary action, including but not limited to, reassignment, demotion, dismissal and, potentially in cases of criminal conduct or other serious violations of the law, notification of appropriate governmental authorities.

Supplier Code of Conduct

The Supplier Code of Conduct (the “**Supplier Code**”) is publicly available on our website, [here](#), and governs our supplier relationships. We expect that each of our suppliers, their parent companies, subsidiaries, and affiliated entities shall comply with our ethical principles and ensure the Supplier Code is complied with by all their employees, agents, and representatives, including subcontractors. The Supplier Code introduces the minimum requirements that all suppliers should meet to conduct business with Beacon Canada. We expect our suppliers to embrace our commitment to integrity and strive for the highest level of integrity whenever possible. The Supplier Code sets out policies regarding child labour and forced labour, including working hours and compensation, compliance with international laws and regulations and health and safety obligations in the workplace.

Suppliers are expected to keep accurate records to show compliance with the Supplier Code. We expect our suppliers to provide complete and accurate information and reserve the right to verify compliance with the rules set forth in the Supplier Code with each supplier, including through a questionnaire or an audit by Beacon or a third party. We expect that our suppliers will promptly

¹ The policies and due diligence processes set out in this section are implemented at the Beacon, parent corporation level, and are imposed upon and adopted by its subsidiaries including Beacon Canada.

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correct any action or policy found to be violating the Supplier Code. Failure to comply with the Supplier Code or any applicable laws and regulations may result in the termination of any business relationship with suppliers and referral of the matter to local authorities.

The Supplier Code encourages reporting any questionable behaviour or possible violations of the Supplier Code through our Beacon Hotline (discussed further below). We maintain confidentiality of the Hotline reports to the extent possible and do not tolerate retribution or retaliation taken against any individual who has, in good faith, sought out advice or reported questionable behaviour or a violation of the Supplier Code.

People First Policy

Our values lead us to put people first in working with all stakeholders. We are committed to fostering a strong culture with a deep respect for human rights and for the basic freedoms inherent to all individuals. This commitment includes not only our employees, but also workers throughout our supply chain and in the communities we operate. The Policy reinforces that our commitment to protect and promote human rights is informed not only by our own values but also by industry best practices and certain principles described in the United Nations Universal Declaration on Human Rights and the United Nations Guiding Principles on Business and Human Rights.

Our Policy confirms our commitment to prohibiting all forms of Modern Slavery and meeting local, state, and national laws regarding minimum employee age. Further, we pay wages that meet or may exceed the legally required wage rates or, where no wage laws exist, the local industry standard.

The Policy sets out our commitment to providing a safe environment for our employees and engaging employees and training them on avoiding potential workplace hazards and risky behaviours before they occur. We also use monitoring and goal setting to advance our objective of being an injury free workplace. Employees are expected to comply with regulations and to incorporate our safety training into their daily work routines to remain part of our team.

Finally, the Policy acknowledges our responsibility to collaborate with suppliers who share our values, thus our suppliers are expected to respect internationally recognized human rights standards. This People First Policy operates in conjunction with our commitment to safety as our top operating priority, our regulatory compliance program, and our Supplier Code.

Beacon Hotline

Beacon's Hotline (the “**Hotline**”) is provided to our directors, officers, employees, customers, suppliers, and others in a business relationship with Beacon and Beacon Canada who wish to report potential concerns or violations of the Code, Supplier Code, Company policies, or the law. The Hotline is operated 24 hours a day, seven days a week, 365 days a year, and reports may

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be submitted through the telephone or online. More information is available in the Code of Ethics and Business Conduct and on the Portal website, [here](#).

Employees reporting law or code violations may choose to remain anonymous or to identify themselves to facilitate communication. Investigators take reasonable precautions to keep a reporter's identity confidential, consistent with conducting a thorough and fair investigation.

We review and address concerns, as appropriate, through a comprehensive internal process. Beacon does not tolerate any form of retaliation against anyone who makes a good faith report of known or suspected acts of misconduct or other violations of Company policies or laws.

POTENTIAL RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

Potential Risks in Our Operations

Beacon Canada considers the risk of Modern Slavery occurring within our operations to be low considering our workforce and our policies and procedures that govern working conditions and the ethical treatment of our employees. From a geographical risk perspective, our employees are in Canada only which has a low prevalence of child and forced labour, a low risk of vulnerability to child and forced labour and a robust governmental response addressing child and forced labour.²

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 the raw material 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. We view the risks of Modern Slavery in our supply chains as low based on the location of our suppliers and the specific materials we purchase.

Based on our risk assessment processes described in this report and due diligence processes, potential risks of Modern Slavery may exist irrespective of our procurement practices, based on industry, nature of the product and country of origin.

Through our assessment of our operations and supply chains regarding the risk of Modern Slavery being used, we did not identify any instances of Modern Slavery. Accordingly, no steps were required to remediate Modern Slavery, or the loss of income associated with remediation efforts.

² Walk Free, Global Slavery Index 2023, found [here](#).

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Management and Mitigation of Potential Risks

We understand that there is always room for improvement, and we seek continuous improvement as well as new ways to serve stakeholders and our communities. We believe that being a good corporate citizen is the right thing to do and we are proud to offer our time and resources to support those around us, both through charitable giving and industry leadership. We partner with charitable organizations that have deep roots in the communities we serve to help us direct our support where it has the greatest impact.

Our Board of Directors has oversight of risk, including policies and initiatives related to corporate social responsibility, which encompasses human rights and ethical business practices.

Most of our branches in Canada are in industrial zones where adjacent neighbourhoods may have historically received inequitable socio-economic investment and may be under-resourced. We have created a community impact framework focusing on healthy families and safe environments. The programs in Canada in 2023 included:

- *Beacon of Hope*: Our campaign which spans across the United States and Canada helps veterans facing adversity by helping to ensure they have a safe place to live. We provided roof installations to 2 Canadian grand prize winners (out of ten winners corporation-wide) and have continued the campaign in 2024. To date, more than fifty veterans in North America have benefitted from this program.
- *Toys for Tots Canada*: Branches in Canada serve as toy collection points to ensure every child in the communities where we operate feels they belong, and we add to employee's cash donations to bolster our impact.
- *National Women in Roofing (NWiR)*: In 2021, Beacon Canada was instrumental in launching the first ever NWiR Council in Canada. Beacon Canada employees held leadership roles on the NWiR Canada Council in 2023.
- *Canadian Roofing Contractors Association*: Beacon Canada supports this organization which promotes the advancement of roofing through education, research, and technology, including scholarship programs.
- *Female Roofing Professional of the Year*: Beacon created this North America competition in which the public nominates a female in the industry who has faced adversity and gone above and beyond for a customer, co-worker, or her community. The company awards one grand prize winner and four finalists with monetary grants to support their businesses and professional efforts and public recognition for their achievements and operations. In 2023, a female roofing business owner from Welland, Ontario was an award-winning finalist.

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We oppose human rights abuses and seek to source products and materials from companies that share our values. We have established and will maintain appropriate procedures to evaluate and select suppliers and contactors based on our core values, People First Policy, environmental policies, and supplier qualification process. Beacon Canada believes in the protection of human rights, and that all individuals should be treated fairly, with dignity and respect. We engage our suppliers in this commitment by requiring them to produce products in factories that adhere to responsible sourcing standards. Beacon strives to integrate respect for human rights into our practices wherever we do business, including throughout our supply chain.

Additionally, we support industry-wide efforts to identify, reduce, and eliminate the use of conflict minerals. Our suppliers are expected to supply conflict-free materials and products, establish their own conflict minerals policies, and have or develop due diligence frameworks and management systems to prevent conflict minerals from being included in products sold to us.

TRAINING

In 2023, Beacon employees completed 35,734 hours of training on our Code of Ethics and Business Conduct during our Employee Annual Compliance Campaign. We also require all employees to complete annual training on prevention of workplace harassment and discrimination.

We are committed to diversity, equity and inclusion and provide additional training in our leadership and management meetings. We encourage and set out continuous training opportunities for our employees to build a more skilled workforce. Beacon corporate courses include health and safety awareness; anti-corruption training; data security and privacy training; sexual harassment prevention and unconscious bias training.

We also offer professional development trainings to all our employees, helping them build management skills, product knowledge, and operational proficiency. We use feedback from employee surveys to judge effectiveness and further develop our training programs.

ASSESSING EFFECTIVENESS

This Report is an initial assessment of our effectiveness at ensuring that forced and child labor are not being used in our business and supply chains. We understand the risks for modern slavery associated with specific industries, geographic areas, and environments. In 2023, we guided all Beacon employees on basic human rights and the requirement for ethical treatment of people in accordance with our corporate policies. By educating on these policies, we will continue to increase awareness and action to eradicate modern slavery.

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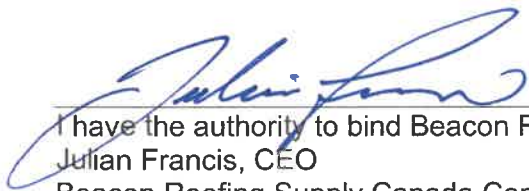
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APPROVAL & ATTESTATION

This Report was approved by the Board of Directors of Beacon Roofing Supply Canada Company on May 28, 2024.

In my capacity as a Director of Beacon Roofing Supply Canada Company, and not in my personal capacity, I make this attestation in accordance with the requirements 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.



I have the authority to bind Beacon Roofing Supply Canada Company
Julian Francis, CEO
Beacon Roofing Supply Canada Company
May 28, 2024

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