

Report on Fighting Against Forced Labour and Child Labour in Supply Chains

For the Period of January 1, 2023 – December 31, 2023

1. Introduction

This Report has been prepared in accordance with the requirements of section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) in relation to the financial year from January 1, 2023 to December 31, 2023.

The terms “we”, “us”, “our”, “Company” and “Brampton Brick” as used in this document refer collectively to Brampton Brick Limited and its wholly owned subsidiaries, unless the context suggests otherwise.

As required by the Act, this report summarizes the steps that we have taken during the year 2023 to prevent and reduce the risk that forced labour and child labour is used at any step of the manufacture of our products and supply chains.

This Report was approved by the Brampton Brick Limited Board of Directors on May 22, 2024.

We are committed to respecting human rights as a fundamental principle in our operations.

2. Corporate Structure and Reporting Entities

Brampton Brick Limited was incorporated by letters of patent dated January 21, 1950 and is governed by the Business Corporations Act (Ontario). The registered and principal office of the company is 225 Wanless Drive, Brampton, Ontario L7A 1E9.

Brampton Brick Limited and its subsidiaries adopt the same policies and processes in all locations. Subsidiaries are required to comply with the Company policies and standards to the extent they are applicable to their business operations. Consequently, this report is a joint report filed by Brampton Brick Limited on behalf of itself and its wholly owned subsidiaries. This joint report under the Act is for the following reporting entities:

- Brampton Brick Limited,
- Brampton Brick Inc.,
- Oaks Concrete Products Inc.,
- Universal Resource Recovery Inc., and
- 1813435 Ontario Limited.

Our company and business activities

Brampton Brick Limited is a manufacturer of clay brick, serving markets in Ontario, Quebec and the Northeast and Midwestern United States from our clay brick manufacturing plants located in Brampton, Ontario and Farmersburg, Indiana.

To complement the clay brick product line, the Company also manufactures a range of concrete masonry products including concrete brick and block as well as stone veneer products.

Concrete interlocking paving stones, retaining walls, garden walls and enviro products are manufactured in Markham, Hillsdale, Brockville, Cambridge and Brampton, Ontario and in Wixom, Michigan and sold to markets in Ontario, Quebec, Michigan, New York, Pennsylvania, Ohio, Kentucky, Illinois and Indiana under the Oaks™ trade names.

Facilities located in Boisbriand, Quebec distribute concrete masonry and landscape products.

The Company's products are used for residential construction and for industrial, commercial and institutional building projects.

The Company has policies and processes in place to prevent and reduce the risks of forced labour and child labour in our operations and supply chains. These policies and procedures are outlined in more detail in this report.

3. Our policies and due diligence processes in relation to forced labour and child labour.

We recognize that the risks of forced labour and child labour exist and acknowledge that understanding and managing these risks requires a collaborative approach with our suppliers, our workforce and other external stakeholders.

Our Policies and Procedures apply to all entities, to the extent they are applicable to an entity's business operations and outline the framework and objectives the Company has put in place to appropriately assess and mitigate the risk of forced labour and child labour in our supply chains. Below are the key policies of our framework:

3a. Code of Business Conduct and Ethics

The first layer of our framework to prevent forced labour and child labour is our *Code of Business Conduct and Ethics* (the "Code"). The Code applies to all entities, all employees, officers and directors, governing such areas as: conflicts of interest; protection and proper use of Company technology and equipment; confidentiality of Company information; fair dealings with customers, suppliers, competitors, and employees; compliance with laws, rules and regulations; accuracy of accounting records and financial reporting; and reporting of any illegal or unethical behavior. The Company does not tolerate human rights abuses of any kind, including forced labour or child labour, in our operations or supply chains.

All employees, officers and directors have received a copy of the Code, and from time to time each is required to re-read the Code and acknowledge his/her commitment to act in accordance with the established standards by signing a personal acknowledgement. New employees are introduced to the Code as part of their orientation to the Company. Employees who violate the Code are subject to disciplinary action, which may include termination of employment.

The Board is responsible for monitoring compliance with the Code, as part of their overall supervisory responsibilities. The Board is not aware of any violations of the Code and no waivers from the Code have been granted by the Board since its inception.

3b. Harassment and Violence Policy

Brampton Brick Limited is committed to providing a work environment that is free from discrimination, harassment and reprisals and supportive of the productivity, dignity and self-esteem of every employee. The Company will not condone workplace harassment, workplace sexual

harassment or discrimination of, or by any of its employees. All complaints of discrimination or harassment will be investigated and handled in a confidential manner.

3c. Health and Safety Policy

Brampton Brick Limited is vitally interested in the health and safety of all workers and is committed to the prevention of occupational illness and injury. Company will make every reasonable effort to provide and maintain safe, healthy work environment and meet or exceed all legislative requirements. All employees must be dedicated to the continuing objective of reducing the risk of injury and will be represented by the Joint Health and Safety Committee. Brampton Brick Limited, as the employer, is ultimately responsible for worker health and safety. Management is committed to providing every reasonable precaution for the protection of our workers.

3d. Whistleblower Policy

We have an open-door policy. Employees are encouraged to speak up. They may discuss their concerns with any of the senior management team, including the CEO. In addition, we have a Whistleblower program for anyone to report suspected misconduct. The Company encourages employees to report concerns without fear of retribution and includes a number of available resources for employees and others to do so. Employees can report concerns on a confidential or anonymous basis to the Chairman of the Board or to the external Advisory Committee Lead. Once received the Chairman of the Board will oversee the appropriate response, including corrective action and preventative measures.

4. Our business and supply chains – Understanding our risk exposure

We procure a large number of products and services as part of manufacturing clay brick and concrete masonry and hardscape products. We recognize that forced and child labour risks could exist in our supply chains, mainly from tangible goods produced by direct suppliers or subsequent tiers down the supply chain.

The following categories account for the majority of our spend:

- **Energy** – Natural gas (to heat our kilns) and electricity;
- **Workforce** – Both employees and contract labour;
- **Raw Materials** – Shale (from company's own quarries), cement and aggregates; and
- **Production Equipment / Maintenance Supplies** – spend involved with servicing and maintaining the quality of our assets.

Energy: The largest portion of our annual procurement is related to energy, which is supplied by large well-known providers, who also have reporting obligations under the Act.

Workforce: Our manufacturing process requires highly skilled and trained labour. We employ approximately 300 persons in Canada and 60 in the USA. We comply with applicable employment standards and human rights legislation in the jurisdictions in which the Company operates, being Ontario and Quebec within Canada, and Indiana and Michigan within the USA. Our hiring and recruitment procedures comply with applicable legislation to ensure a fair and equitable approach to hiring. We do not utilize forced or compulsory labour and forbid the employment of children in our workforce. All of our employees are above the legal minimum employment age in the country of their employment and are recruited and provided with working conditions and the payment of wages and benefits that comply with and exceed applicable laws and regulations. We support the right to freedom of association and collective bargaining. We have policies and procedures that aim to create a safe workplace environment. These include programs regarding health and safety, anti-harassment and workplace violence.

We do use, to a limited extent, sub-contracted labour provided by vendors for services such as: plant and property maintenance and cleaning services. We will start to review our sub-contractor vendors to ensure that they comply with applicable employment standards and human rights legislation.

Having regard for our skilled workforce, our policies and procedures governing recruitment and the applicable federal, provincial and state labour and employment standards, in the jurisdictions in which we operate, we consider the overall risk that our business has caused or contributed to forced or child labour to be low.

Raw Materials: The principal raw material for the production of clay brick is clay extracted from the Company's shale quarries located in Cheltenham, Ontario and Farmersburg, Indiana. The principal raw materials utilized in the concrete products manufacturing process are cement, aggregates, (including stone of various sizes), and pigments. These products are procured from well-known Canadian and USA suppliers.

We consider the overall risk that our raw material supply chains have caused or contributed to forced labour or child labour to be low.

Production Equipment / Maintenance Parts: Clay brick and concrete products equipment is specialized. There are only a few direct suppliers. Products in this category have been predominantly manufactured and assembled in North America and Europe. Maintenance parts/supplies are procured from a large number and variety of suppliers. Our greatest risk exposure to forced and child labour may come from procuring goods from higher-risk countries.

We examined our 2023 supply chain spend to identify the total dollar value by country of known origin:

Country of known Origin	Value Percentage
Canada	67.49
USA	30.96
Spain	1.25
Germany	0.26
Italy	0.03
England	0.01

In 2023 the known origin of Brampton Brick's total procurement was from suppliers located in Canada, followed by the USA. We believe these countries have a low prevalence of forced and child labour.

5. Measures taken to remediate any forced labour or child labour.

In 2023 no occurrences of forced labour or child labour surfaced in Brampton Brick Limited's operations or supply chain. Consequently, the Company did not take any measures to remediate any adverse impacts of forced labour or child labour nor did it take any measures to remediate the loss of income to families that potentially could have resulted from any measure taken to eliminate the use of forced labour or child labour in the Company's operations or supply chains.

6. Training provided to employees on forced labour and child labour.

Procurement at Brampton Brick Limited is a centralized function that supports our operations in Canada and the USA. A key role of the procurement team is to ensure spend is tendered with suppliers who meet our qualification standards and requirements. The procurement team also tracks key supplier metrics including spend, performance history, discrepancies and non-conformances.

Our procurement personnel is the first line of investigation into our suppliers. To increase their understanding of sustainability issues, we are launching mandatory training sessions directed towards all employees responsible for procurement. The training was developed internally. The content of the training includes an understanding of the objectives of the Act; improve their understanding of human rights issues and awareness of potential human rights risks; and our strategy to identify and mitigate risks associated with potential suppliers who may use forced and child labour.

7. How we assess our effectiveness in ensuring that forced labour and child labour are not being used in our business and supply chains.

We are committed to tracking our progress and performance. We will seek to assess the effectiveness of our actions over the course of the next reporting period by tracking the progress of the following goals:

- Continue to raise awareness of human rights issues with management in each of our entities;
- Provide further awareness training and information to our Procurement team regarding modern slavery risks and develop further training to deploy in 2024;
- Continue to review our Policies and Procedures and update in relation to forced labour and child labour, if necessary.
- Finalize our Supplier Code of Conduct which will outline our requirements regarding the ethical standards and business conduct of our suppliers; and
- Start to review our suppliers to make sure they are aligned with our Supplier Code of Conduct;

This Report will be made available:

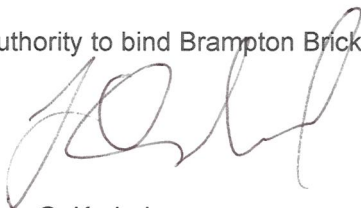
- At www.BramptonBrick.com; and

On the Public Safety Canada website at www.publicsafety.gc.ca in a searchable catalogue.

8. Report Approval and Attestation

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 Brampton Brick Limited.



Name: Jeffrey G. Kerbel
Title: Chief Executive Officer, Director
Date: May 22, 2024