

Forced and Child Labour in Supply Chains Act

Crossroads Statement

Fiscal Year Ending December 31, 2023

At Crossroads, we are committed to respecting and upholding the human rights of all individuals within our operations and supply chain. This statement describes our efforts to combat and prevent forced and child labour in our operations and supply chain for fiscal year ending December 31, 2023.

Entity Structure

Crossroads C&I Distributors, Inc. is a British Columbia, Canada corporation, Incorporation Number BC1281842 ("Crossroads"). Crossroads' sole shareholder is Specialty Distribution Group, LLC, a Virginia limited liability company ("SDG"), which is a wholly owned indirect subsidiary of TopBuild Corp., a Delaware corporation listed on the New York Stock Exchange under ticker symbol BLD.

In 2023, GlassCell Isofab Inc., a British Columbia, Canada corporation, Incorporation Number BC0974400 ("GlassCell"), was a wholly owned subsidiary of Crossroads. Effective January 1, 2024, GlassCell was amalgamated into Crossroads.

This statement is published on behalf of Crossroads and GlassCell, and the terms "Crossroads", "we", and "our" when used herein refer to both companies, together.

Activities and Supply Chain

Crossroads is a distributor and fabricator of industrial, commercial and marine insulation products, serving Canada's industrial and commercial insulation contractors and buyers. We only operate in Canada and have approximately 300 employees, all residing in Canada.

We do not manufacture products. Rather, we source insulation products from third party manufacturers, such as Johns Manville, 3M, Armacell, Owens Corning, CertainTeed, Promat, Nutec, Rockwool, NVENT Thermal, Nu Fiber, and others. The list of manufacturers from whom we purchase varies little from year to year.

Approximately 90% of the products we purchase are manufactured in the United States and Canada, with the remaining products sourced from various countries, including countries in the European Union, Mexico, and China. Crossroads is typically several tiers away from the original source of the raw materials used in the manufacturing of the products. While we recognize that we cannot directly control the actions of the manufacturers, we have implemented the policies and procedures described in this statement to mitigate risk and promote ethical practices in our supply chain.

Policies

Our Code of Business Ethics, Human Rights Policy and Supplier Business Practices Policy reflect our commitment to combatting and preventing forced and child labour in our operations and supply chain:

- Code of Business Ethics: We require that our employees perform their duties and responsibilities in an ethical manner and in compliance with applicable laws and regulations in all places where we conduct business or interact with third parties. Our

Code of Business Conduct and Ethics (the “Code”) applies to all of our employees and informs our expectations for the day-to-day conduct of our business. The Code is the foundational policy for ethics at Crossroads and provides guidance on our policies, the laws and regulations that affect our operations, and, along with our values, how to make sound business decisions in complex situations.

- **Human Rights Policy:** We are committed to respecting human rights and upholding the principles set forth in the United Nations’ Guiding Principles (UNGPs) on Business and Human Rights, and our Human Rights Policy sets forth our values and underscores the philosophy with which we conduct our business. Pursuant to our Human Rights Policy, we maintain a zero-tolerance policy for human trafficking, child labour, and forced labour. We are also committed to proactively creating policies to promote respect for human rights and communicating the way we address human rights with our suppliers. All Crossroads employees, including stakeholders across the organization, are responsible for and involved in the development, training, implementation, and follow-through of our Human Rights Policy.

Our Human Rights Policy applies to all company operations, including our suppliers. We offer our suppliers transparency and resources as to how we as an organization drive human rights practices in accordance with the UNGP on Business and Human Rights. Further, we maintain a toll-free hotline and website for reporting any questions or concerns relating to our Human Rights Policy.

- **Supplier Business Practices Policy:** Pursuant to our Supplier Business Practices Policy, our selection and continued use of suppliers is based on a set of standards with respect to all goods that we purchase, including protecting against the use of workers younger than the minimum age required by law and the use of forced labour (including slavery and human trafficking). We will not knowingly work with suppliers that do not respect these standards. Any reported non-compliance will be assessed and appropriate action will be taken. Further, our Terms and Conditions of Purchase require suppliers to comply with applicable law, specifically including labour conditions and the rights of employees generally, and to comply with our programs and policies under our Human Rights Policy.

Supply Chain Due Diligence and Monitoring

Crossroads’ due diligence process for identifying and addressing risks of forced and child labour in our supply chain include:

- Policies and management systems, including the engagement of our executive leadership team
- Identifying and assessing risks
- Ongoing monitoring
- Taking action in response to identified risks or wrongdoing

Our suppliers are generally multinational corporations with established programs and management systems for preventing forced and child labour in their operations and supply chain consistent with Crossroads’ expectations. For these suppliers, our diligence process includes reviewing their codes of conduct and published compliance statements. We also continually monitor our suppliers for reports of identified risks or wrongdoing.

In 2023, we onboarded a new supplier with manufacturing operations in China. For this supplier, we obtained a declaration of compliance with our human rights policies and conducted an onsite visit to assess their operations.

Areas of Focus

Crossroads' operations are solely in Canada and we have policies and practices in place to comply with all federal, provincial and local labour and employment laws and regulations. We have not identified a risk of forced or child labour in our operations.

We have assessed the overall risk of forced or child labour in our supply chain based on the place of manufacture of the products we purchase. As discussed above, where there is a heightened risk of non-compliance with our policies based on the place of manufacture, we will conduct enhanced due diligence of the supplier and its policies, compliance programs, and facilities.

We did not encounter a violation of human rights in our operations or supply chain in 2023, and therefore did not take measures to remediate any forced or child labour abuses, or the loss of income to vulnerable families resulting from measures taken to eliminate labour abuses.

Training and Effectiveness

As a condition of employment, we require all employees to review and comply with our Code of Business Ethics, and all employees, other than direct labour, complete ethics training annually. We track employee completion of this training and follow up directly with any employees that do not complete the training.

For questions regarding our Code of Business Ethics, Human Rights Policy, or Supplier Business Practices Policy, or our efforts to combat and prevent forced and child labour in our operations and supply chain, we provide direct guidance and training from our legal department.

Crossroads is committed to measuring and continuously improving the effectiveness of our program by continuing to:

- Identify ways to improve employee and supplier awareness of our commitment to respect human rights and combat and prevent forced and child labour in our operations and supply chain
- Maintain awareness of information on global risks of human rights abuses
- Focus our due diligence activities on suppliers with the highest risk of potential human rights violations
- Strengthen engagement with suppliers and explore self-certification of compliance with our human rights policies

In 2023 and beyond, Crossroads will continue to train and empower our employees to identify and raise human rights concerns. For our suppliers, we will continue to evaluate our portfolio to identify risks and conduct appropriate due diligence.

Attestation

In accordance with the requirements of the Forced and Child Labour in Supply Chains Act ("Act"), and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the 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. For clarity, I am providing this attestation in my capacity as a director and officer of Crossroads, and not in my personal capacity.

Name: George Sellew

Title: Director, President and Treasurer

Date: May 17, 2024



I have the authority to bind Crossroads C&I Distributors, Inc.