



Genesis Land Development Corp.

Bill S-211: Forced Labour and Child Labour in Supply Chain Assessment

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Executive Summary

Forced labour can be found in every country and every sector. The International Labour Organization estimates that there are approximately 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy. Forced labour and child labour risks occur primarily through the global supply chains of businesses. There is a risk that goods imported into and distributed in Canada were produced with forced labour or child labour. Entities and government institutions doing business in Canada have a responsibility to ensure that exploitative practices are addressed and eradicated from their supply chains.

In Canada, the government through the Public Safety Canada has enacted Bill S-211 or Fighting Against Forced Labour and Child Labour in Supply Chain Act (the “Act”) that aims to protect vulnerable populations from human rights abuses and exploitation. Bill S-211 will have a significant impact on the way Canadian business contract within the supply chain and may affect an organization if it produces, sells, or distributes goods in Canada or elsewhere, import goods produced outside of Canada into the country, or controls an entity engaged in either of the above activities. Bill S-211 took effect on January 1, 2024, with first reports required to be filed on or before May 31, 2024.

As of February 2024, Genesis Land Development Corp. (“Genesis” or the “Corporation”) has begun assessing forced labour and child labour within its supply chain. Genesis has connected with large spend suppliers that make up 80% of the 2023 procurement spend as well as suppliers identified to be potentially high risk by senior management. While it was noted that some suppliers are already in the process of working internally to put processes in place to comply with Bill S-211 requirements, others have started to familiarize themselves with it. It is also worth noting that suppliers not required to report under the Bill S-211 communicated their willingness to look into their own processes to ensure alignment with Bill S-211 provisions. Based on initial assessment performed, Genesis did not note any risk relating to child and forced labour in its supply chain.

Given that Bill S-211 is a new act, Genesis plans to refine its processes by updating policies and procedures, supply chain management processes and forced and child labour awareness training to employees to meet the requirements of the Act.

Background

The measures introduced through the Act, aim to increase industry awareness and transparency and drive businesses to improve practices. The following are the mandatory reporting areas that must be investigated and reported:

- The steps the entity has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.
- Its structure, activities, and supply chains.
- Its policies and due diligence processes in relation to forced labour and child labour.
- The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.
- Any measures taken to remediate any forced labour or child labour.
- Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.
- The training provided to employees on forced labour and child labour.
- How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

This report covers the financial year January 1, 2023-December 31, 2023. This is the inaugural report submitted by Genesis Land Development Corp. with its office at 6240, 333-96 Ave NE Calgary, AB T3K 0S3.

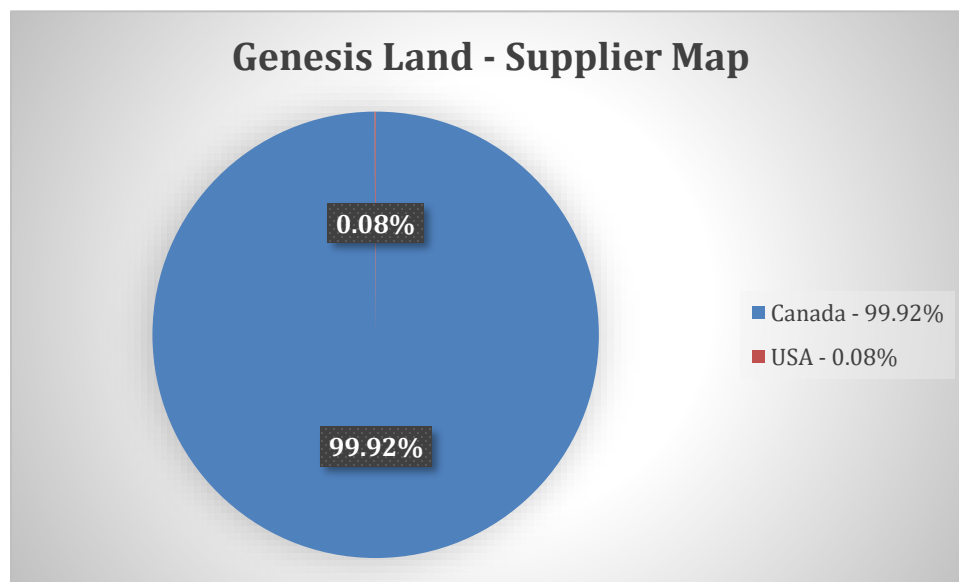
Structure, Activities & Supply Chain Structure

Genesis is engaged in the acquisition, development and sale of land, residential lots, and homes primarily in the greater Calgary area. Genesis reports its activities as two business segments: land development and home building. It is incorporated under the Business Corporation Act of Alberta.

As at and during the fiscal year ending December 31, 2023, Genesis has \$440M in assets, generated \$203M in sales and had approximately 93 employees. The Corporation is governed by its Board which is composed of a Chair and four directors and has two committees: an Audit Committee and a Governance and Compensation Committee

The executive team is composed of the following: President and CEO, CFO, President-Genesis Builders Group and SVP-Home Building, SVP-Asset Management, SVP-Information Systems and Special Projects, VP-Land Development, and VP-Regional Planning.

Genesis and its subsidiaries have approximately 580 direct suppliers with 99.9% based in Canada and 0.08% based in the US. Genesis' direct suppliers are Canadian and US based and most of these suppliers also source their products within Canada and US.



Policies & Due Diligence

Genesis has various policies in place that serve as a framework or guiding principles for all directors, officers, and employees to promote integrity and deter wrongdoing in performing their roles. In addition, suppliers, contractors, and other entities engaged by Genesis are generally expected to be bound by the same provisions laid out in the code of business conduct and ethics as a condition of their engagement and these are included as part of their contracts. This provision or clause in the contracts, however, do not have specific references to forced or child labour.

Moreover, Genesis performs reference checks for suppliers before engaging them and perform spot checks of existing suppliers' facilities as part of its normal business operations. However, there is no policy that outlines the frequency of the checks, suppliers to be covered, or the assessment criteria.

Genesis plans to refine its internal processes by updating policies and procedures as a continued commitment to adhere to Bill S-211 requirements.

High Risk Areas | Identification & Management

For Fiscal 2023, Genesis did not have a formal supplier risk management process in place. However, Genesis performed a risk assessment of the supply chain to determine its risk exposure to forced and child labor. The risk assessment included reviewing the risk of the industry where Genesis operates, the country of operations of the direct supplies and the country of origin of goods that are used in their operations. Based on the assessment, Genesis' operations fall under the high-risk category due to the construction industry in which it operates in. For countries of origin, 99.9% of suppliers are based in Canada while the remaining are from the US, which are both low risk countries according to Walk Free Global Slavery Index.

Genesis further reviewed existing supply chain policies and performed interviews with different stakeholders and major suppliers that make up 80% of its 2023 spend as well as those suppliers deemed to be potentially high risk by senior management. Genesis' suppliers procure construction materials which belong to high and extreme risk categories based on the 2022 List of Goods Produced by Child Labour or Forced Labour by the US Department of Labor's Bureau of International Labor Affairs. These products include granite, timber, cement, nails, rubber, carpets, etc. As part of the assessment, it was noted that although the goods being sourced from these vendors are in the high risk categories, most are produced within Canada and US which have low risk of forced and child labor. Some of these vendors also sourced their products from publicly traded or large companies which are also required to report under Bill S-211 or similar regulations.

Going forward, Genesis, on a risk-based approach, will require selected vendors to provide a yearly attestation that their business practices align with the requirements of Bill S-211.

Remediation of Forced & Child labour & Vulnerable Family Income Loss

Genesis did not have a monitoring mechanism to determine if there were any instances of forced and child labor for the period under review; and currently does not have procedures in place to report, correct and remediate these instances. However, based on the initial assessment of selected suppliers, it was noted that Genesis' vendors operate in low risk countries. Although the goods being sourced from suppliers are under the high and extreme risk categories as discussed above, the goods were manufactured in low risk countries with most being sourced locally in Alberta, Canada.

As part of future initiatives, Genesis will continue its risk assessment and will determine if there are areas in its supply chain that are at risk of forced or child labour. Once these have been determined, Genesis will establish procedures to mitigate the risk of forced or child labour in that area of the supply chain, if any.

Awareness Training

Training on Bill S-211 was provided to the CFO, Corporate Controller, President-Genesis Builders Group and SVP-Home Building, VP-Land Development, and Director of Contracts in Fiscal Year 2024. The training provided an overview of Bill S-211 with reference to similar laws around the world, the definition of forced and child labour and its forms, and examples of child and forced labour both globally and in Canada.

The training also provided a snapshot of the recent outlook of modern slavery including statistics of people suffering from modern slavery around the world. The training also included common key drivers of forced and child labour such as the absence of rights, lack of physical safety, poverty and inequality, criminality, and corruption among others.

An online Bill S-211 training will be available to other employees in the organization to develop forced and child labour awareness within the company.

Self-assessment Process & Requirements

In Fiscal 2023, Genesis did not have a self assessment and internal accountability process in place in relation to forced and/or child labour.

As indicated above in previous paragraphs, the assessed risk for forced and child labour within Genesis is low. However, Genesis will continue to assess risk and determine if there are areas in its supply chain that are at risk of forced or child labour. Once these have been determined, Genesis will plan on establishing procedures to mitigate the risk of forced or child labour in that area of the supply chain, if any.

Conclusion and Key Takeaways

Given that Bill S-211 is a new act, Genesis will refine its internal processes and update policies and procedures, supply chain management processes and forced and child labor awareness training to employees to meet requirements of the Bill S-211.

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 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.



Full Name

Signature

Iain Stewart

Title Director, President and Chief Executive Officer Date May 8, 2024

I have the authority to bind Genesis Land Development Corp. This report covers the financial year 2023 and applies to Genesis Land Development Corp. and its subsidiaries.