



Jim Pattison Developments Ltd.

Modern Slavery Report 2023

This Modern Slavery Report (the “Report”) addresses the period from January 1, 2023 to December 31, 2023 and has been prepared in compliance with Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* (Canada) (the “Act”).

This Report is made on behalf of **Jim Pattison Developments Ltd. (“JPD”)** and is not a joint report.



I. INTRODUCTION

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As the rapidly growing real estate business of Canada's largest private company The Jim Pattison Group, Jim Pattison Developments Ltd. recognizes the essential role that we have in ensuring that the supply chains that support our business operations adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. This Report sets out the overview of our company, the steps we undertake, and the processes and policies to be implemented in order to prevent and reduce the risk that forced labour or child labour may be used in any facet of our operations.

II. CORPORATE OVERVIEW AND SUPPLY CHAINS

Company Structure and Background

JPD is a private corporation incorporated in December 2001 under business registration number 122022882 BC0001. JPD is a company of The Jim Pattison Group which has been in operation since December 2001.

JPD is operated by a leadership team including the President, Senior Vice President, Vice President, Development & Investment, Vice President, Finance, Vice President, Construction & Project Management, and Directors of Property Management, Finance & Accounting, and Real Estate & Lease Administration. The leadership team provides the framework and support for each of its department's daily operations. The head office of JPD is located at #200 – 879 Marine Drive, North Vancouver, British Columbia with satellite offices currently located in Surrey and Nelson, British Columbia, as well as in Edmonton and Calgary, Alberta, employing 42 direct employees at present.

Company Activities

JPD owns and manages a portfolio of 19 million square feet of income producing properties throughout Canada and the United States under Jim Pattison Developments (U.S.) Inc. ("JPDUS") (a company incorporated under the State of Washington). The JPD portfolio includes the largest portfolio of grocery anchored shopping centres in British Columbia and Alberta. Our portfolio overall is conservatively valued at over \$4 billion.

JPD supports the real estate operations of The Jim Pattison Group companies, which are identified on The Jim Pattison Group's website (www.jimpattison.com), through property development, construction, management, and investment. In addition, JPD undertakes independent projects which span retail, office, industrial, and residential development.



Supply Chain

JPD's supply chain includes businesses that are based in both Canada and the United States. These businesses provide contractual services and products in final form to our company on an as required basis. JPD engages various businesses such as those that provide property services to assist with the maintenance, operations, and upkeep of its diverse portfolio to a first-class condition and standard, in addition to, consultants and contractors to help facilitate property development and construction.

Our procurement management process involves the review and approval by JPD's executive team, in respect of its property and asset management, development, and construction departments. This process includes planning for the required needs, budgeting, sourcing of goods and services using a competitive analysis and evaluation of reputable suppliers.

In respect of our business operations in Canada, in 2022, JPD procured goods and services from approximately 810 suppliers and contractors with total expenditures being approximately \$82 million. While in 2023, JPD procured goods and services from approximately 896 suppliers and contractors with total expenditures being approximately \$124 million.

In respect of our business operations in the United States, in 2022, JPDUS procured goods and services from approximately 55 suppliers and contractors with total expenditures being approximately \$15 million. While in 2023, JPDUS procured goods and services from approximately 88 suppliers and contractors with total expenditures being approximately \$66 million.

III. POLICIES AND DUE DILIGENCE PROCESSES

Policies and Procedures

With our Whistle Blower Policy enforced in June 2022, we communicate our values and expectations, setting a high bar for ourselves and our third-party suppliers and contractors, and make it clear that we do not tolerate any forms of injustice. We are committed to consistently evolve and improve our approach and policies.

JPD is committed to maintaining high ethical standards and conducting legitimate business practices. This is the foundation of our company, its policies, and principles. JPD strives on professionalism and lawful and ethical conduct of its employees. These are the expectations required of our employees and also of our suppliers and contractors in that they comply with all applicable legal requirements in the jurisdictions in which they operate and consistently monitor and enforce the upmost lawful conduct. We also expect our suppliers to share in our commitment to respect human rights and strive to meet the highest ethical business standards and best practices for responsible business conduct.

Through our Whistleblower Policy, we encourage the identification and prevention of any misconduct that may impact our commitment. This policy allows our employees to raise any serious concerns with the assurance that they will be protected from reprisal for whistleblowing in good faith.



Roles and Responsibilities

JPD does not tolerate child, forced or bonded labour in any of our operations, or in the operations of our suppliers, subcontractors, and other business partners. Our executive leadership team makes every effort to mitigate this risk, either directly or through JPD's employees, including carrying out our due diligence and audits to monitor the performance of our suppliers and to prevent our activities harming human rights.

Risk Assessment Process

We expect third parties with which we work to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. Before making any commitments towards third parties, we take steps to appropriately evaluate the relationship and mitigate any associated risks by carrying out risk-based due diligence and checks.

To mitigate this risk, we follow a due diligence approach that includes the following steps:

- Supplier visits;
- Supplier confirmation; and
- Embedding responsible business conduct into policies and management systems.

IV. RISK ASSESSMENT AND MANAGEMENT

JPD intends to engage in various activities to identify, assess, and manage supplier risk. In assessing the risk of forced and child labour in our business and supply chains, we will engage with our peers to discuss risks. To identify the business activities with the greatest exposure to these risks, we consider the following factors:

- Reliance on low skilled workforce;
- Dangerous or undesirable work; and
- Presence of migrant workers.

Our exposure to the risk of forced labour and/or child labour may occur when we engage with third parties, particularly in categories such as construction and property maintenance. We recognize that our exposure to forced labour and/or child labour increases when we engage with suppliers who may source goods from countries where forced labour exploitation is known to occur. As such, we continue to follow a risk-based approach to our due diligence activities. Our due diligence is prioritized to the most significant adverse impacts based on severity and the likelihood of harm, which is where we focus our attention and resources.

Our approach to prevent and reduce the risks of forced labour and child labour in higher risk areas of the supply chain include: gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily; prioritizing due diligence efforts on the most severe risks of forced and child labour; requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains; and monitoring suppliers.



V. MODERN SLAVERY REMEDIATION MEASURES

JPD requires our suppliers to adhere to high standards of ethical conduct. Forced and child labour is strictly prohibited. We also undertake diligence efforts to ensure that the risk of forced labour and child labour is mitigated in our business.

If we discover any forced labour or child labour in our business and supply chains, we take the following measures to remediate such forced labour or child labour:

- Suspension or termination of a supplier, sub-supplier or contractor;
- Actions to prevent forced labour or child labour and associated harms from reoccurring;
- Actions to support victims of forced labour or child labour;
- Grievance mechanisms; and
- Formal apologies.

VI. LOSS OF INCOME – REMEDIATION MEASURES

JPD does not currently have measures in place to remediate any forced or child labour in our supply chain. As of the writing of this Report, we have no knowledge of forced or child labour being used in our supply chain, but we are committed to the addition of processes to help identify these instances and support the development of an appropriate remediation approach.

VII. TRAINING

JPD personnel, at all levels, undergo a mandatory training process to ensure that our policies and procedures are understood and properly applied to our daily activities. Employees are educated on our values and policies and informed of how to report wrongdoing under our Whistleblower Policy. We provide employees with ongoing and periodic training opportunities to ensure that all employees have current knowledge. All personnel ensure the applicable policies and procedures are provided to all suppliers. JPD currently does not have specific training measures in place on forced and child labour.

VIII. ASSESSING EFFECTIVENESS

Monitoring Approach

JPD monitors compliance with our policies on an ongoing basis. We also review any concerns raised through our Whistleblower Policy and other informal mechanisms of employee feedback. To date, no significant concerns or complaints have been identified.

We also assess the effectiveness of our policies by:

- Setting up a regular review or audit of the organization’s policies and procedures related to forced labour and child labour; and
- Tracking relevant performance indicators, such as levels of employee awareness, number of cases reported and solved through grievance mechanisms and number of contracts with anti-forced labour and child labour clauses.



Progress on Prior Year

JPD is at the relative beginning of creating formalized processes and policies to address forced labour and child labour in our supply chains. We endeavor to have full visibility of the risk and metrics in order to effectively measure potential solutions to address these underlying issues going forward.

IX. APPROVAL AND SIGN-OFF

This Report has been approved by the President of JPD and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report will be made available on our company website (www.jpdevelopments.com).

In accordance with the requirements of the Act, and in particular Section 11 thereof, I attest that I have reviewed the information contained in this Report for JPD. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate, and complete in all material respects for the purposes of the Act for the reporting year listed above.

Date: May 31, 2024

Jim Pattison Developments Ltd.



Per: _____
David Bell, President

I have the authority to bind the Company.

