

THOMASFIELD HOMES LIMITED

2023 Compliance Overview: Thomasfield Homes Limited and Bill S-211

Report

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In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed and approved 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 2023.

Full name: Thomas McLaughlin

Title: Vice President Finance / Controller

Date: May 13, 2024

Signature,

A handwritten signature in black ink, appearing to read 'T. McLaughlin', with a stylized flourish at the end.

"I have the authority to bind Thomasfield Homes Limited"

2024 Compliance Overview: Thomasfield Homes Limited and Bill S-211

1.0 Introduction

In May 2023, Canada solidified its commitment to human rights within business practices by granting Royal Assent to the Fighting Against Forced Labour and Child Labour in Supply Chains Act, known as Bill S-211. This landmark legislation, effective from January 1, 2024, aligns Canadian business standards with global ethical norms including the UN's Guiding Principles on Business and Human Rights, the OECD's Due Diligence Guidance, and the ILO's Tripartite Declaration. The Act mandates Canadian entities to undertake rigorous human rights due diligence and report annually on forced and child labor risks in their supply chains, starting with their first report due by May 31, 2024.

1.1 Structure, activities and supply chains

Thomasfield Homes Limited, a distinguished land developer, homebuilder, and landlord, has established a robust presence in the real estate sector.

Annually constructing on average over 100 homes, the company divides its operations into two main areas: land development and homebuilding. In the homebuilding sector, Thomasfield Homes primarily focuses on constructing low-rise, lumber-built residences, commonly referred to as 'stick-built' homes. This category includes a variety of structures such as single detached homes, semi-detached, and fully attached houses (townhouses), catering to diverse homeowner needs and preferences. On the development side we design and develop the communities we build homes in.

At Thomasfield, the integrity of our supply chain is reinforced by a strong commitment to domestically sourcing a majority of our materials on a value basis from within North America. This strategic sourcing significantly mitigates the risk of forced or child labor in our supply chain, aligning our operations with ethical labor practices and international labor standards. Our proactive approach in selecting local suppliers demonstrates our dedication to maintaining a responsible and compliant business framework.

1.1 Land Development Supply Chain

The land development supply chain is almost 100% sourced from North America.

1. Aggregate for road base and building pad sites (Ontario - Local Ontario gravel and quarry pits)
2. Concrete stormwater pipes (Ontario - locally produced at Concast Pipe or Rinker, Puslinch)
3. Wastewater, Stormwater and valve manhole structures / outfall structures (Concast Pipe or Rinker Ontario)
4. Steel Manholes covers (EMCO Canada (India (STAR)– for 80% USA(EJ) for 20%))
5. Water valves (EMCO – US / AVK - USA)
6. Waterpipe (EMCO IPEX – Canada / Northern Pipe - USA)
7. Sewage pipe (EMCO IPEX – Canada / Northern Pipe USA)
8. Fire hydrants (EMCO / Clow- Canada / Mueller - USA)
9. Light standards (Ontario – Stresscrete)
10. Hydro boxes (North America - various ABB, Siemens, Hammond Power)
11. Concrete (Various Ontario producers, Hogg Concrete, Dufferin Concrete)
12. Asphalt (various Ontario producers)
13. Water main stops (EMCO – Canada / Cambridge Brass – Cambridge Ontario Canada)
14. Water Service curb stops (Ford Brass- USA)

1.2 Home Construction Supply Chain

1. Site Grading
 - o Gravel (Ontario locally sourced)
2. Foundation / Porch / Flatwork
 - o Concrete (locally sourced Dufferin Concrete, Hogg Concrete)
 - o Rebar (local sourced Kitchener Steel)
 - o Foundation wrap (Waterproofing membrane Delta North America)
 - o Foundation Tar (Various Sources – North America)
3. Framing
 - o Dimensional Lumber (Canada sourced from various retailers using Canadian products)
 - o Oriented Strand Board [OSB] (Canadian sourced)
 - o Aspenite (Canadian sourced)
 - o Foamcore insulation / cladding (various sources Canada/USA)
 - o Plywood (Canada sourced from various retailers using Canadian products)
 - o Tyvek (Canada/USA)
 - o Framing passload nails OEM (China)
 - o PL Glue (Canada)
 - o Roofing:
 - Shingles (BP – Quebec / CRC and IKO – Ontario)
 - Ice and water shield (Various sources – North America)

- Roof vents (Various sources – North America / China)
 - Soffit/Facia (Gentek / Mitten – North America)
 - Eavestrough / Downspouts (Various Sources – Canada)
4. Windows / Exterior Doors
- Vinyl Windows (Dashwood – Ontario, various input sources vinyl Canada/USA, glass USA)
 - Exterior Doors (Various sources – North America)
 - Skylights/Suntubes (Velux – North America/EU)
5. Insulation /Drywall
- Mineral wool – (Rockwool Canada)
 - Fiberglass Insulation (Owens Corning Canada)
 - Vapor Barrier (Canada Poly Tarp)
 - Tyvek Tape (Dupont – North America)
 - Gasproofing glue (Dupont/Lepage Various Sources – North America)
 - Drywall (CGC - Canada)
 - Drywall Screws (Hilti - Canada)
 - Metal Stud (Bailey - Canada)
 - Acoustic channel (Bailey - Canada)
 - Drywall tape (CGC - Canada)
 - Drywall mud (CGC - Canada)
6. Mechanical (Electrical/HVAC/Plumbing)
- Wire (Various Sources - China)
 - Light Switches (Various Sources – China/Taiwan)
 - Plugs (Various Sources – China)
 - Breakers (Various Sources – China)
 - Electrical Wire, Breaker Panels and Light Switches (Various Sources – China)
 - Light Fixtures (Various Sources – China)
 - Low voltage wire (Various Sources – China)
 - Electrical Conduit (Various Sources – North America)
 - Doorbell (Nest / Various sources – China)
 - Potlights (Various Sources – Majority China)
 - Light bulbs (Various Sources – Majority China)
 - Smoke detectors (Various sources – Majority China)
 - Metal Ducting (Various Sources – North America)
 - Vent Covers (Various Sources – China)
 - Gas Furnace (Various Sources – North America)
 - Low voltage wiring (Various Sources – China)
 - Thermostats (Various Sources - Google Nest, Ecobee, Honeywell – China/Taiwan)
 - Heat Recovery Ventilator (HRV) (Vaneee - North America)
 - HRV Controller (Various Sources – China)

- Venting (Various Sources – China)
- Air conditioner (Various Sources – North America)
- PVC pipe / couplers (Various Sources – United States)
- Copper manifolds (Various Sources – North America)
- Water meter (Various Sources – North America)
- Shutoff Vales (Various Sources – Majority China)
- Shower Valves (Various Sources – Majority China)
- Exterior Taps (Various sources – majority China)
- Faucets (Various sources – majority China)
- Kitchen stainless steel sinks (Various sources – Canada/America/China)
- Water pipes and fittings (Wirsbo Plumbing - UPONOR WIRSBO – North America/Europe)
- Gas line and fittings (Various Sources – Canada/America/China)

7. Masonry

- Brick (Brampton Brick – Ontario, Canada Brick – Ontario)
- Stone (Brampton Brick – Ontario, Arriscraft – Ontario)
- Masonry mortar (Various Sources – North America)

8. Siding (Gentek / Mitten – North America)

9. Interior Finishes

- Trim (Various sources – North America)
- Prehung Doors (Various sources – North America)
- Stairs / Railing (Ontario)
- Door Handles (China)
- Door Hinges (China)

10. Paint

- Wall and Trim Paint (Dulux – Canada)
- Wood stain (Various – North America)

11. Kitchen / Cabinetry / Bathroom

- Cabinetry (Moralis - Quebec)
- Hinges / Drawer Slides (Hettich / Blum / Grass – E.U.)
- Quartz (Cambria – USA Mars)
- Mirrors (Canada – Barber glass)
- Laminate (Aborite / Fomrica/Wilson Art - USA)

12. Flooring

- Wood various sources (Canada/USA /China/Vietnam/Cambodia)
- Laminate (China/USA/EU)
- Vinyl plank flooring (USA/China/EU)
- Tile (China/Turkey/Italy/Spain)
- Mortar (Mapi Italy/Canada/USA)
- Broadloom Carpet (Canada/USA)
- Wood adhesive (Stauff)

- Flooring nail (China/USA)
- Waterproofing (Schluter – EU)
- 13. Landscaping
 - Grass (Ontario)
 - Trees and Shrubs (Ontario)
- 14. Appliances
 - Only applicable to Estate Homes (North America/ EU / Korea)

2.0 Risk Points and Supply Chain Risk Mitigation

To ensure compliance with anti-forced and child labor standards, Thomasfield Homes Limited systematically cross-references our supply chain against the U.S. Department of Labor's list of goods known to be produced by child or forced labor. We meticulously review each supplier and subcontractor involved in sourcing materials for housing and land development projects to ensure none of the identified child labour source country goods are used. This methodology prioritizes supplier engagement and ongoing monitoring to maintain ethical sourcing and adherence to international labor standards. You can review the list and guidelines here:

<https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods-print>.

In reviewing the U.S. Department of Labor's list of goods produced by child or forced labor and comparing it against Thomasfield Homes Limited's supply chain, we note key overlaps in materials like bricks, stone, and metal parts. However, since our supply chain for these items—such as brick and stone sourced from Ontario (Brampton Brick, Canada Brick, Arriscraft) and metal parts from North American suppliers—relies heavily on domestically produced materials, the risk of forced or child labor is significantly minimized. This domestic sourcing aligns with our commitment to ethical labor practices and supports our compliance with international labor standards.

The steps our entity has taken during the previous financial year to prevent and reduce the risk of forced labour and child labour regarding the goods used in the process of building homes has been to reduce our usage of finger joint trim (which is produced in South America) in favour of domestically made MDF. As well, as an entity we purchase domestic lumber, bricks, stones & concrete which ensures we are not purchasing these items from countries that have the risk of using forced labour or child labour.

We have reached out to our suppliers whose goods are manufactured outside of North America to ensure we are not using goods produced by forced labour and or child labour. Non-wood flooring is produced outside of North America and some has some risk of forced labour or child labour being used, however our suppliers have stated to the best of their knowledge their products are manufactured in factories that comply with Bill S-211 and the suppliers are committed to upholding the standards of the bill. The homebuilding building industry as a whole uses mostly raw materials which are made and or produced within North America. This minimizes our risk that forced labour or child

labour is used during any step of the production as the majority of our materials are from North America.

3.0 Risk Mediation

The risk we face of goods being created via forced labour or child labour as home builders would be the production of non-wood flooring, hardware, electrical and metal parts used in building homes as they are not manufactured within North America.

To effectively manage risks associated with the use of non-wood flooring, hardware, electrical, and metal parts sourced internationally, Thomasfield Homes Limited will adopt a flexible supplier vetting process. We will engage international suppliers to ensure they understand and commit to our anti-forced and child labor standards, using periodic updates rather than strict certifications. This approach allows us to adapt to different supplier capabilities while maintaining ethical sourcing practices across our varied supply chains. Additionally, we will prioritize suppliers located in jurisdictions with strong labor enforcement practices. This strategy ensures compliance with ethical sourcing standards while maintaining our commitment as a homebuilder overseeing all aspects of home construction.

3.1 Commitment to Ethical Labor Practices

Policies we have in place regarding forced labour and child labour are:

1. Compliance Commitment: All operations must comply with local and international laws prohibiting forced and child labor.
2. Due Diligence: Conduct regular audits of supply chains to ensure compliance with labor laws and internal standards.
3. Risk Assessment: Identify and address potential risks of forced and child labor in supply chains.
4. Reporting and Transparency: Maintain transparency in operations by annually reporting efforts to combat forced and child labor.
5. Training and Awareness: Provide training for employees and suppliers on recognizing and preventing forced and child labor.

The parts of our business and our supply chain that carry risk of forced labour or child labour would be items that are manufactured outside of North America. For home builders that would be some (but not all or limited too) the following: handrail brackets, taps & fixtures, plugs & switches, light fixtures, electronic panels, tile & carpet, pine trim, quartz, wire shelving, railings and lightbulbs all come from outside of North America which carry a risk of the manufactures using forced labour or child labour. We have taken steps to assess and minimize this risk by connecting with suppliers to learn how they mitigate their risk of factories using forced labour or child labour.

4. Supportive Measures for Economic Stability

To date, we have not identified any use of forced or child labor in the manufacturing of goods used in our homebuilding operations. Consequently, there has been no need for remediation measures related to such practices. Our suppliers adhere to ethical manufacturing processes, ensuring that there is no associated loss of income due to forced or child labor, thus eliminating the need for income remediation on our part.

5. Training

The training provided to employees on forced labor and child labor encompasses specialized modules for different teams:

- **Mandatory** expeditor(s) and designers in charge of purchasing receive guidance on vetting suppliers for compliance with labor laws with a focus on internationally sourced products;
- **Mandatory** engineering consultants and contractors involved in land development are trained on identifying and mitigating risks related to forced and child labor in large-scale projects.
- **Voluntary** subcontractors and trades on home projects are briefed on legal standards and ethical employment practices;

6. Monitoring Compliance with Anti-Forced and Child Labor Regulations

The majority of the materials used to construct the build of new homes is manufactured and or produced from raw materials in North America. Thomasfield's suppliers conclude that forced labour and or child labour is not used to produce goods and materials which are a necessary part of the construction process through the steps mentioned above.

Additionally, to assess the effectiveness of policies against forced and child labor in its operations and supply chains, the Thomasfield will utilize a comprehensive strategy. Initially, it conducts thorough risk assessments within its supply chains, identifying potential vulnerabilities where forced or child labor could be present. These assessments are performed regularly and involve communicating with our suppliers to ensure compliance.

In future years, compliance with Bill S-211 will be ensured by, where applicable, reviewing subcontractors and their suppliers' Bill S-211 reports to verify adherence to the legislation. Reviews will be conducted by both internal compliance teams and, as necessary, external experts to ensure impartiality and thoroughness. The outcomes of these reviews will inform further actions, such as additional training or changes in suppliers. Additionally, we will prioritize suppliers located in jurisdictions with strong labor enforcement practices. This strategy ensures compliance with ethical sourcing standards while maintaining our commitment as a homebuilder overseeing all aspects of home construction and land development. Continuous improvement and adaptation based on new insights are crucial for maintaining ethical supply chains.