

## **2024 Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act***

### **Introduction**

This report has been prepared by Watkins Sawmills Ltd. (**Watkins Sawmills**) in response to the requirements under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the **Act**) for our financial year ending December 31, 2023.

Watkins Sawmills is committed to promoting labour practices that protect the safety and human rights of workers. We do not knowingly use child labour or forced labour, nor do we knowingly accept commodities, products or services from suppliers or subcontractors that employ or use forced labour or child labour.

### **Organizational structure, activities, and supply chain**

Watkins Sawmills is a family business that has operated in Western Canada for over 75 years. We sell cedar shingles and siding products in Canada, and outside Canada, including in the United States.

Our head office is in Maple Ridge, British Columbia. We employ 10 permanent employees. We do not hire temporary workers or use labour intermediaries. We are committed to operating in an environmentally responsible manner by employing sustainable forestry and production practices. We abide by the Program of Forest Certification ("PEFC") Chain of Custody Guidelines, a set of stringent standards that ensure wood-based products are produced and manufactured in a sustainable manner.

Our business activities consist of selling wood shakes and shingles from logs harvested in British Columbia, selling residuals (such as wood chips and unused wood) to pulp and paper mills, and selling wood shakes and shingles to distributors in Canada and the United States.

Our supply chain in the reporting year consisted of logs, shakes, shingles, which were purchased from long-term, reputable suppliers in Canada and the United States.

### **Steps to prevent and reduce the risks of forced labour and child labour**

In the financial year ending December 31, 2023, the steps taken by Watkins Sawmills to prevent and reduce the risks of forced labour or child labour in our operations and supply chain were to continue implementing workplace safety, human rights, and employment practices that comply with Canadian laws, providing training to our workers on safety requirements, and procuring from reputable, long-term suppliers.

### **Policies and due diligence processes**

Watkins Sawmills has integrated responsible business practices in our operations by adopting a strong commitment to sustainability in our sale activities and to protecting the health and safety of our employees.

We have adopted and implement policies that protect the health and safety of our employees and comply with Canadian laws related to the payment of wages and age of workers. We do not hire workers under the age of 18. Our employees receive health and safety training on these policies. Our Personnel Manager is responsible for ensuring compliance with these policies and updating the policies as needed to comply with applicable health and safety laws and industry standards.

We are committed to doing business with reputable, long-term suppliers. Nearly all our suppliers are in Canada and are therefore subject to Canadian laws governing working conditions and age of employment. We carefully select our suppliers based on their reputation as well as the quality of their goods and services.

## **Assessing the risk of forced labour and child labour**

Watkins Sawmills operates exclusively in Canada and complies with Canadian employment, labour, human rights, and safety laws. We have long-term business relationships with reputable suppliers located in Canada and the United States, where laws protect workers from forced labour and child labour. For these reasons, the risk of forced labour and child labour in our operations and supply chains is low.

## **Remediation measures and remediation of loss of income**

Our employees and other stakeholders are strongly encouraged to raise any concerns about health and safety, working conditions, or other human rights issues to the attention of management. We are committed to investigating all complaints and reports and taking appropriate action to remedy any issues we have identified. To date, we have not identified any incidents or received any complaints relating to forced labour or child labour in our operations or supply chain, and as such have not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

## **Employee training**

Watkins Sawmills trains employees on our internal policies regarding occupational health and safety, as well as relevant standards set out in occupation health and safety legislation and regulations. All employees undergo comprehensive onboarding training and orientation, which is designed to build knowledge on how to comply with our standards, the expected standards of conduct in our workplace, and the avenues for raising and resolving issues and complaints.

## **Assessing effectiveness**

Watkins Sawmills monitors the compliance of our management, supervisors, and employees with the standards set out in our workplace policies. In the reporting year, we did not adopt assessment mechanisms related to forced labour or child labour in our supply chains.

## **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.

Dated in the City of Maple Ridge, British Columbia, this 28th day of May 2024.



**Edward Watkins**

I have the authority to bind Watkins Sawmills Ltd.