

# Canadian Modern Slavery Act Report

## Introduction

This statement sets out Windsor Building Supplies Ltd.'s actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains. This statement relates to actions and activities during the financial year ending September 30, 2023.

The company is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

## Company structure, activities and supply chains

This statement covers the activities of Windsor Building Supplies Ltd.:

Windsor Building Supplies Ltd. ("Windsor") is a privately-owned, limited corporation formed in British Columbia. Windsor operates a wholesale building supply business in Langley, BC and eighteen retail building supply locations throughout Western Canada and the Northwestern United States, operating under the name "Windsor Plywood." The company is also the franchisor for over 40 independently-owned "Windsor Plywood" franchised stores in the same geographic territory.

Windsor sources the majority of its products from distributors located in Canada and the United States. Windsor was the importer of record for less than 1% of its purchases in 2023.

Windsor currently operates in the following countries:

- Canada – The company has a wholesale distribution location and fifteen retail building supply stores.
- United States – Through its wholly-owned US subsidiary companies, Windsor operates three retail building supply stores in Washington and Montana.

## Policies and due diligence processes in relation to forced labour and child labour

**Policies:** The company operates the following policies that describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations:

- **Whistleblowing** - The company encourages all its workers, customers and other business partners to report any concerns related to its direct activities, or its supply chains. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. The company's whistleblowing procedure is designed for workers to make disclosures, without fear of retaliation. Employees, customers or others who have concerns can speak directly to any member of the company's senior management, or may choose to communicate confidentially. If the violation involves suppliers, appropriate action, up to and including termination of contracts may occur.

- **Employee conduct** - The company's employee guide makes clear to employees the actions and behaviour expected of them when representing the company. The company strives to maintain the highest standards of employee conduct and ethical behaviour when operating and managing its supply chain.
- **Supplier conduct** - The company is committed to ensuring that its suppliers adhere to the highest standards of ethics. The company's Terms & Conditions of Purchase require that suppliers are in compliance with all laws and regulations of Canada. A specific reference to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)* was added to our Terms & Conditions in 2024. Suppliers are required to provide safe working conditions where necessary, treat workers with dignity and respect, and act ethically and within the law in their use of labour. Serious violations of the company's supplier code of conduct will lead to the termination of the business relationship.

**Due diligence processes:** The company uses a risk-based approach to assessing and managing the risk of modern slavery in its supply chain. The company undertook due diligence when considering taking on new suppliers during the year ended September 30, 2023, but had not yet implemented specific due diligence processes related to forced or child labour. Subsequent to September 30, 2023, the company has implemented the following additional due diligence processes:

- mapping the supply chain broadly to assess particular product or geographical risks of modern slavery and human trafficking;
- evaluating the modern slavery and human trafficking risks of each new supplier;
- reviewing on a regular basis all aspects of the supply chain based on the supply chain mapping;
- conducting supplier assessments through the company's external advisor, Grant Thornton LLP, which have a greater degree of focus on slavery and human trafficking where general risks are identified;
- completed a supply chain mapping exercise related to one supplier through an external service provider, and will consider additional detailed mapping exercises based on risk; and
- sending questionnaires to vendors, who combined to supply over 84% of its wholesale purchases, in order to assess their processes for identifying risks of modern slavery.

**The parts of the business and supply chains that carry a risk of forced labour or child labour, and the steps taken to assess and manage that risk**

The following is the process by which the company assesses whether or not particular activities or countries are high risk in relation to slavery or human trafficking:

- With all of the company's locations being based in Canada and the United States, both of which having strong employment and human rights laws, the company considers its own operations to be a low risk for forced labour or human trafficking.

- Subsequent to the September 30, 2023 year end date, the company engaged the firm Grant Thornton to assist in assessing product lines or geographic regions of its supply chains that should be considered higher risk. Factors considered as part of the risk assessment process include the supplier's category; type of products or services offered by the supplier; and country risk indicators.

#### *High-risk activities*

The following activities are considered to be at high risk of slavery or human trafficking:

- The company's assessment did not identify any activities that are considered high risk.

#### *Risk management*

The following are the steps taken to manage higher risk areas:

- Any vendor that was identified as "moderate" risk, either due to the risk of the source country or the product being produced, were contacted and asked to complete a questionnaire that described their processes for identifying and mitigating risks of modern slavery. Questionnaire responses were reviewed, and no instances of modern slavery were reported or identified.

#### **Any measures taken to remediate any forced labour or child labour**

During the year ended September 30, 2023, Windsor did not identify any instances of forced or child labour within the company or its supply chains.

#### **Any measures taken to remediate 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**

During the year ended September 30, 2023, Windsor did not identify any instances of forced or child labour within the company or its supply chains.

#### **The training provided to employees on forced labour and child labour**

The company requires its senior management and supply chain managers within the company to complete training on modern slavery. Training was provided after the 2023 fiscal year end, and will be required for 2024 and beyond.

The company's modern slavery training covers:

- how to assess the risk of slavery and human trafficking in relation to various aspects of the business, including resources and support available;
- how to identify the signs of slavery and human trafficking;
- what initial steps should be taken if slavery or human trafficking is suspected;
- how to escalate potential slavery or human trafficking issues to the relevant parties within the company;
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- what steps the company should take if suppliers or contractors do not implement anti-slavery policies in high-risk scenarios, including their removal from the company's supply chains.

**How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains**

During the year ended September 30, 2023, no actions were taken to assess the effectiveness of the company's processes for preventing and reducing the risk of forced labour and child labour.

Subsequent to the September 30, 2023 year-end date, the company has implemented processes for assessing risk in its supply chain and its suppliers, as well as a training program for its management group.

The company will continue to utilize its risk-based approach for identifying potential instances of forced labour or child labour in its supply chain. The company will also continue to review, assess, and further develop its processes for identifying modern slavery risks.

Windsor remains fully committed to maintaining a supply chain free of forced labour or child labour.

**Approval**

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 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 listed above.

**Full name** Daniel Lundquist  
**Title** Chief Financial Officer  
**Date** May 29, 2024

**I have the authority to bind Windsor Building Supplies Ltd.**



**Signature**