



Graywood Developments – Bill S-211 Forced & Child Labour Report

Financial reporting year: 2024

Reporting entities address – Suite 1602, 200 King Street West, Toronto, Canada, M5H 3T4

Report type – Joint

Sector/Industry - Real Estate

Basis for preparing the report

The following report is being prepared and filed on a protective basis under a conservative interpretation of the current guidelines. Therefore, submission of this report should not be viewed as evidence that the entities discussed are involved in prescribed activities which fall under the scope of these reporting requirements or meet the definition of a reportable entity as defined under the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act ("the Act").

Introduction

This report describes the actions taken by Graywood Developments and its related entities (collectively referred to as "Graywood" in the report) from January 1, 2024, to December 31, 2024. The report has been prepared in compliance with the requirements of the Act. Graywood is headquartered in Toronto, Ontario, Canada, and is a privately-owned Canadian real estate development company. The company specializes in the development of real estate properties, primarily in the greater Toronto area and Calgary. Our services range from acquiring development sites, deal underwriting and structuring to all aspects of development including land use approvals, financing, project design, sales, marketing, and construction, in addition to management of the completed assets. This report is prepared as part of our continued focus on Environmental, Social and Governance ("ESG") commitments and policies. We closely monitor our ESG commitments and related performance metrics, including those described in this report. This format allows us to provide accurate, timely, and recurring updates on our efforts and successes on a more regular basis. Consistent with our commitment to corporate social responsibility, Graywood has embarked on an examination of its Canadian supply chain practices as we understand that forced labour and child labour not only undermine the principles of fairness and dignity but also pose other risks.

We work closely with our vendors/suppliers, all of which are Canadian-domiciled entities, to ensure full compliance regarding forced and child labour. We believe the risk of forced or child labour in our immediate supply chain continues to be low, by nature of the fact that all such



Canadian vendors will also be bound by the requirements under the Act. Helping to ensure we are not indirectly exposed, all new suppliers/vendors are asked to confirm that their organization will comply (and take all possible steps to ensure that all their suppliers and subcontractors also comply) with all applicable laws, statutes and regulations related to forced labour, and that they will not engage (and will take all possible steps to ensure that their suppliers and subcontractors will not engage) in any activity, practice or conduct that could constitute forced labour.

Graywood is committed to implementing and enforcing systems and controls to safeguard against forced labour, child labour and harmful working practices. We invite all stakeholders, from customers and shareholders to employees and communities, to review this report and join Graywood on its path towards a supply chain that upholds the highest standards of social and ethical responsibility.

Graywood's commitment to supply chain transparency

Graywood utilizes local vendors who supply different categories of goods and services relating to residential real estate development in the greater Toronto area and Calgary. We are not directly involved in the importation of goods and services from outside of Canada. Graywood is fully committed to maintaining a supply chain with reputable vendors. We hold all new vendors to a thorough accreditation process designed to identify, oversee, and approve eligible suppliers. This approach ensures continued adherence to Graywood's standards of compliance, quality, and safety across all our developments, fostering consistency and reliability in this regard.

When we onboard a vendor, we adhere to a comprehensive Vendor Code of Conduct. As part of Graywood's onboarding process, vendors will be required to sign the code of conduct which outlines a commitment on their part in relation to labour practices, including child or forced labour of any kind. In requiring our suppliers to commit to conducting business in a manner that preserves and respects human rights as set out in Graywood's Vendor Code of Conduct, we believe this will contribute to eliminating any potential for child or forced labour in our supply chains. Any use of child labour, forced labour, human trafficking or any form of slavery, directly or indirectly, is prohibited. Graywood will not approve the onboarding of any vendors who do not sign the Vendor Code of Conduct, without exception. These new measures, which were incorporated into our onboarding process in early 2024, are applicable to all new vendors that engage in business with Graywood.



Our Policies

Through our policies, we communicate our values and expectations, setting a standard of ethical and compliant behavior for ourselves and our suppliers. Our policies with respect to Business Conduct, ESG and Human Rights, outline Graywood’s approach to how it conducts its business. Our Human Rights Policy makes it clear that we do not tolerate any form of modern slavery, particularly in our supply chain. Our commitment to international standards such as the Declaration on Fundamental Principles & Rights at Work by the International Labour Organization further enhances this commitment. Our policies collectively work to ensure any forms of labour exploitation are properly addressed within Graywood and its supply chain. We regularly review our policies to identify areas for improvement,

As part of our commitment to Human Rights, the following principles which are outlined in our policy documents apply:

1. Full compliance with legal standards

We prohibit the use of all forms of forced labour, which extends to those in our supply chain. Use of forced, bonded, compulsory labour or any form of modern slavery is strictly prohibited. This includes work or services not voluntarily performed that is exacted or coerced from a person under threat of force, or penalty, or threatened abuse of law or legal process. Employment of individuals below the minimum age permitted by local law is strictly prohibited.

All employment with Graywood is on a completely voluntary basis, allowing employees the freedom to leave Graywood at any time for any or no reason. Under this policy we commit to adhering to all applicable national and international laws, regulations, and treaties related to human rights, including specific prohibitions on hiring individuals under 18 years of age for positions involving hazardous work, thereby addressing child labour concerns.

2. Whistleblower protection

We have a Whistleblower policy which supports the ability for disclosures of violations or concerns to be made without any fear of retaliation against those making honest reports of misconduct. This encourages employees and stakeholders to freely report any suspected cases of forced labour or child labour in our supply chain.

3. Continuous improvement

Graywood's commitment to continuously enhancing its human rights practices and policies extends to our supply chain. This means actively seeking ways to improve supply chain practices to address and prevent forced labour and child labour.

4. Alignment with current international standards

This policy outlines Graywood's continuing commitment to align with international standards and best practices in the area of human rights, including the Declaration on Fundamental Principles & Rights at Work by the International Labour Organization ("ILO"). These principles emphasize the responsibility of businesses to address human rights abuse, including forced labour and child labour, in their operations and supply chains.

5. Business conduct

To ensure Graywood's ongoing success and to preserve our corporate reputation, it is imperative that the highest standards of ethics, integrity and governance be present in all our business practices.

Graywood's employees, officers and directors are expected to act in the best interests of the company while complying with accepted standards of business practice, as well as all applicable laws, rules and regulations (both in letter and in spirit).

Any conduct which is dishonest, illegal, or unauthorized will not be tolerated. In some cases, violations of policies could also result in legal action by third parties, such as a Ministry of Labour or Human Rights Commission.

Our Risk Assessment

- **Vendor Code of Conduct** – Graywood requests that vendors execute and return a formal Vendors Code of Conduct. This code addresses specific ethical, legal, and labour-related standards within the vendor's operations and supply chain. The code addresses the areas outlined below and provides a level of comfort that such standards are met:
 - **Compliance with applicable laws** - The vendors certify that they are following all applicable laws, including laws related to labour, human rights, and any other legal requirements relevant to its operations.
 - **Adherence to Graywood's Child Labour Policy** – Signing of the Vendor Code of Conduct is an admittance that to the best of their knowledge, there is no child or forced labour in the vendor supply chain as defined under the Fighting Against Forced Labour and Child Labour in Supply Chains Act. This meets Graywood's requirement for declaration of no forced labour or child labour before onboarding any prospective new vendors.
 - **Commitment to ensuring to respecting the dignity and human rights of all workers.**
 - **Reporting Obligation** - Vendors are obliged to promptly inform Graywood if any undisclosed or subsequent developments arise that make the representations in the signed code inaccurate or incomplete. Graywood can then assess if the change in fact warrants a review of the relationship with the vendor.
 - **Consequences of non-compliance** – In instances where there is a breach of the Code, Graywood can take various actions which may include terminating its agreement and business relationship with the vendor.



Education and Awareness

Graywood is committed to fostering a culture of awareness and responsibility regarding human rights principles, ethical business practices, and legal obligations among our employees, contractors, and vendors. Our online learning center provides training modules which relate to modern slavery and forced labour to educate and increase awareness in this area. Furthermore, Graywood is committed to establishing effective channels for addressing potential human rights concerns within our organization, including forced and child labour. All new employees are encouraged to complete the training modules outlined above as part of their onboarding, to foster a culture of awareness and responsibility in relation to human rights and forced labour.

Our reformation strategies and improvement plans

Through a comprehensive human rights policy and in-house training, Graywood is committed to addressing potential forced or child labour issues in our supply chain. If Graywood's vendors are not amenable to our efforts in this area or do not meet the conditions set out in our Vendor Code of Conduct, they may face consequences, including, but not limited to, suspension and ineligibility to conduct any future transactions with us.

Furthermore, even if we have received the requested documentation from a vendor and later discover through our routine monitoring that any previously undocumented concerns or risks arise, we reserve the right to act, including blocking the vendor from our systems. At the time of preparing this report, Graywood is not aware of any vendor conduct that could be considered a violation of the Act.



Conclusion

Graywood has undertaken a thorough examination of its Canadian supply chain, with a focus on ensuring that every aspect aligns with our unwavering commitment to ethical practices and human rights. This assessment is part of our proactive approach to maintaining and enhancing the integrity of our operations.

Through this report, Graywood is reinforcing our commitment to accountability and ensuring that all stakeholders have access to a clear understanding of our supply chain practices. We express our gratitude to our stakeholders for their continued support as we work to ensure that our supply chain maintains the highest standards of ethical conduct. Together, we will continue to build a future where ethical and responsible business practices reflect our dedication to fairness, respect, and social responsibility in every aspect of our operations.

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.

I Stephen Price as President & CEO
have the authority to bind Graywood
Developments Limited

05/31/2025

Date

