



HARDWOODS SPECIALTY PRODUCTS LP.

ANNUAL COMPLIANCE REPORT ON FORCED AND CHILD LABOR
UNDER THE REQUIREMENTS OF THE CANADIAN LEGISLATIVE BILL S-211 YEAR 2024

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OPENING STATEMENT

Hardwoods Specialty Products LP is proud to present this report, which outlines our ongoing commitment and strategic initiatives to prevent forced and child labor within our supply chain. We recognize the serious global implications of forced labor and its profound impact on human rights. Our approach to ethical business practices goes beyond regulatory compliance; it is a fundamental component of our corporate values and operational integrity.

As per our mission statement, “we are a world class distributor of architectural products. We are uncompromising in our commitment to be the preferred choice for our customers, the best partner for our vendors, and a great place to work for our valued employees.” Creating relationships with our vendors ensures that our commitment to preventing forced labor is shared and assures our customers that our products are ethically sourced with humanity in mind.

This report outlines the measures Hardwoods Specialty Products LP has implemented to identify, assess, and mitigate the risks of forced labor within our supply chain. Through a steadfast commitment to transparency, accountability, and collaboration, we strive to exemplify responsible business conduct that extends beyond regulatory compliance. Our efforts to eliminate forced labor reflect not only our corporate responsibilities but also our deep ethical commitment to upholding human rights throughout our operations.

Thank you for your interest in our commitment to preventing forced labour.

SCOPE OF REPORT

This report is being submitted as a single report representing Hardwoods Specialty Products LP, a limited partnership, whose legal name is Hardwoods Specialty Products LP, and is a subsidiary of ADENTRA Inc. Hardwoods Specialty Products LP business number is 859524803. The report is outlining activities for the most recently fully completed financial year which began on January 1st, 2024, and ended on December 31st, 2024.

LEGAL STATUS AND BUSINESS ACTIVITIES IN CANADA

- Hardwoods Specialty Products LP. is the only reporting entity in Canada under the legislation found in the Fighting Against Forced Labour and Child Labour in Supply Chains Act Part 2, 11, (2b and 4a). Hardwoods Specialty Products LP acts as the central hub for compliance and oversight for all its operations regarding the import and distribution of goods within Canadian jurisdiction.
- Hardwoods Specialty Products LP is responsible for all shipments into Canada and manages all inbound shipments and factory relationships related to its entities and brands.

ACTIVITIES OF HARDWOODS SPECIALTY PRODUCTS LP.

Hardwoods Specialty Products LP is a wholly owned subsidiary of ADENTRA Inc. We have been in operation for over 70 years in Canada providing decorative architectural building products to the manufacturing sectors of Canada’s millwork and sink cabinet industry. We are a premier distributor of various surfaces that include (laminates, acrylics, polymers, composites),

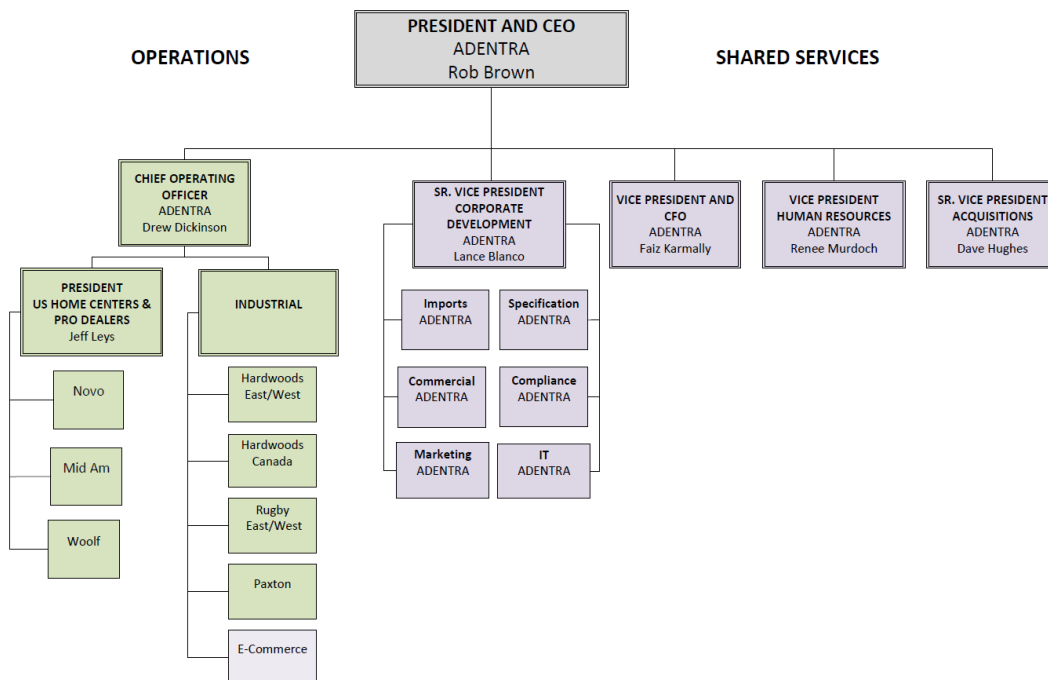
unfinished and finished veneers, architectural grade plywood, and hardwood lumber all for use in commercial and residential applications.

We employ a diverse and dedicated workforce that reflects our commitment to excellence and ethical business practices. We operate eight distribution centers in Western Canada, and we employ some 140 employees in Canada. Our operations are in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

We are engaged in several different organizations and programs that have allowed us to be better members of our industry and keep our supply chain intact with the utmost in integrity. Below is a list of organizations and programs we are a part of:

- a. Forest Stewardship Council-FSC
- b. International Organization for Standardization -ISO Cybersecurity Standing
- c. Partners in Protection -PIP
- d. National Hardwood Lumber Association- NHLA
- e. International Wood Products Association- IWPA
- f. Composite Panel Association- CPA
- g. National Building Materials Distributors Association -NBMDA
- h. Canadian Kitchen Cabinet Association-CKCA

ORGANIZATIONAL STRUCTURE



SUPPLY CHAIN OVERSIGHT AND LABOUR PRACTICES

Hardwoods Specialty Products supply chains originate at places all over the world. We source products from several nations including China, other countries in Southeast Asia, the United States, and multiple countries in the European Economic Community (EEC). Since our supply chain spans so many different countries and several different legislative programs are in place in these countries, we take a more hands-on approach to determining whether forced and child labour is being used in our supply chain. This will be expounded upon later in this section.

We are responsible for all imports of products into our facilities in Canada. We are responsible for the carriage of goods from the factory or distributor's door in the countries that we import from to our facilities. We are also responsible for all customs clearances, payment of duties and taxes, and customs compliance pre and post import for all goods we import.

Our supply chain oversight is managed internally by our Compliance Team. Our compliance team is responsible for all types of compliance: US Lacey Act compliance, Forest Stewardship Council compliance, and forced and child labour compliance. Our compliance team is comprised of the following roles:

- a. Senior Vice President of Corporate Development
- b. Vice President of Imports
- c. Compliance Manager
- d. Geographical Buyers
- e. Asia Procurement Agent
- f. Inspectors

The Compliance Manager for the Import Division of Hardwoods Specialty Products works with the Vice President of Imports at ADENTRA Inc. to develop strategies, implementing these strategies, and evaluating the outcomes of the implementation of these strategies to prevent forced and child labour from appearing in our supply chains for all our subsidiaries individually.

Compliance Manager will pass the strategy plan to prevent forced and child labour to the Vice President of Imports at ADENTRA Inc. and the Senior Vice President of Corporate Development for review and approval. The plan, then moves to the Vice President of Hardwoods Specialty Products LP. for review and final approval. Afterward, the plan is distributed to the Compliance Team for implementation and adherence.

The following outlines the steps that Hardwoods Specialty Products has taken during its previous financial year to prevent and reduce the risk that forced and child labour is used in the goods that are in our supply chains for import into Canada.

Per our *Lacey Act and Compliance Manual* all our foreign producers and vendors have their backgrounds screened annually using Dow Jones Factiva. Dow Jones Factiva is a paid service that searches public archives of over 33,000 news and information sources from nearly 200 countries and territories across 32 languages for adverse media, state ownership, and sanctions lists that the company may be listed on. Afterward, all foreign producers and vendors are searched for on the US Treasury Office of Foreign Assets Control Resource Center's Sanctions Programs (OFAC) database to see if they are listed for offences related to forced and child labour as well as other potential criminal activity. We screen our producers and vendors on OFAC's Resource Center's Sanctions Programs database annually.

Hardwoods Specialty Products also requires all our foreign producers and vendors to review and sign an *Environmental Pledge* which includes the statement, “Treat all our workers as per local labour laws, providing them with a safe working environment. In addition, we will use no prison labour and no child labour.” We expect this statement to be adhered to once signed by our producers and vendors.

Hardwoods Specialty Products overseas contracted staff located throughout East Asia consisting of 12 employees. They work under the manager of our Asia office. The manager reports directly to our Vice President of Imports. Our contracted staff are responsible for regular visits, usually annually, to our producer’s mills to inspect for compliance on several different programs mentioned above. Forced and child labour compliance is one element of our overall compliance program that our contracted staff look for while on site to ensure compliance to our standards. These on-site inspections began prior to the passing of Fighting Against Forced Labour and Child Labour in Supply Chains Act in May of 2023.

Our overseas contracted staff in East Asia also support the evaluation and onboarding process of new suppliers by being a hands-on presence during the evaluation. Most of our non-North American production comes from various countries in East Asia. As such, it is necessary to do our onboarding evaluations in person given the risk of initial assessment.

Hardwoods Specialty Products conducts regular annual reviews of our North American suppliers as per the guidelines of our *Compliance Manual* to ensure compliance to current laws, forced and child labor regulations, and responsibly managed forests.

Upon completion of all inspections and interviews a supplier certification will be issued by Hardwoods Specialty Products to the producer or vendor in question. The producer or vendor in question will be expected to uphold the expectations given to them through the certification processes. The Compliance Manager is the person responsible for the issue of all supplier certifications.

Foreign suppliers, particularly from East Asia, represent the most risk for forced and child labour. It is where our compliance program focuses the strongest effort on training our procurement team. Only a limited number of Geographical Buyers are authorized to purchase from countries in East Asia. These Geographical Buyers are trained more intensely in identifying forced and child labour prior to assuming their roles.

REMEDATION MEASURES FOR THE LOSS OF INCOME TO THE MOST VULNERABLE FAMILIES

Currently, we have no remediation measures in place that would provide income for those who have suffered under forced and child labour.

REGULAR REVIEW AND POLICY UPDATE

Our Compliance Team annually reviews and assesses our compliance strategies and policies to ensure they remain practical and relevant to the needs of the communities we impact. This includes updating our risk assessments and remediation plans as part of our ongoing commitment to ethical practices.

TRAINING PROVIDED TO EMPLOYEES ON FORCED LABOUR AND CHILD LABOUR

All employees are required to review and sign our *Code of Corporate Conduct and Behavior* which covers forced and child labour upon their hiring or when the *Code of Corporate Conduct* undergoes substantial changes.

All procurement and contract employees receive regular guidance and direction from our Compliance Manager and our Vice President of Imports. In addition to this, we conduct annual forced and child labour specific in-house training for procurement employees and our East Asia contracted employees inspect our producers' mills. We also provide annual forced and child labour training to our Geographical Buyers (who focus on North American supply) on forced and child labour.

ASSESSING THE EFFECTIVENESS OF OUR PLAN IN FIGHTING FORCED AND CHILD LABOUR

Every year, Hardwoods Specialty Products Compliance Team holds a review of all documentation, training materials and programs, and any supplier certifications. This includes review and possible amendments of the *Compliance Manual*, *Lacey Act SOP*, *Code of Corporate Conduct*, and supplier certifications to reflect changes to the regulations related to Fighting Against Forced Labour and Child Labour in Supply Chains Act. The Compliance Team will also assess changes in Fighting Against Forced Labour and Child Labour in Supply Chains Act regulations to see if any in-house processes or certification process need to be amended.

CLOSING STATEMENT

At Hardwoods Specialty Products LP, we remain firmly committed to ethical sourcing and maintaining the highest standards of supply chain integrity. Through rigorous monitoring, proactive supplier engagement, and ongoing improvement initiatives, we are dedicated to advancing our practices to eliminate forced and child labor across our operations.

We also recognize the critical importance of transparency and accountability in this effort. As such, we are committed to openly communicating both our progress and the challenges we face in addressing forced labor. Upholding the dignity and rights of all workers within our supply chain remains a core priority, and we will continue to work diligently in pursuit of this essential objective.

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 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: Jason West

Title: Vice President-Canada

Date: April 25, 2025

Signature: *JASON WEST*

I have the authority to legally bind 'Hardwoods Specialty Products LP.'