

Fighting Against Forced Labour and Child Labour in Supply Chains: 2024 Report

Introduction

This report represents the first formal disclosure by Maxan Drywall Ltd. ("Maxan") under the *Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act"). It covers the company's financial year ending April 30, 2025.

While Maxan has not yet implemented specific measures under the Act, this report outlines our current internal practices - primarily led by our Procurement, Human Resources, and Health & Safety teams - and serves as a foundation for future actions aimed at assessing and addressing risks related to forced labour and child labour in our operations and supply chains.

Maxan does not engage in or support the use of forced or child labour in any part of our operations to the best of our knowledge. Likewise, we make reasonable efforts to ensure that the materials and services we procure are not sourced from suppliers involved in such practices. That said, we recognize that the presence of forced and child labour remains a significant global concern - particularly within complex, multi-tiered supply chains that may extend beyond our direct visibility. Maxan is dedicated to upholding ethical labour practices and protecting the safety, dignity, and human rights of everyone involved in our supply chain.

Structure, Activities, and Supply Chains

Structure

Maxan operates under the name Maxan Interior Systems and is a privately held company incorporated under the Canada Business Corporations Act and governed by the laws of Canada. Maxan employs a workforce of over 160 employees across Ontario.

Our operations are organized into key functional areas, including Construction (drywall, acoustics, ceilings), Architectural Products (demountable partition systems), Service and Repairs, and centralized shared services support teams such as Human Resources, Health & Safety, and Finance.

This structure enables collaboration and consistency across our teams. The Maxan Way - our values-driven framework - guides how we lead, support employees, and deliver projects across all areas of the business.

Activities

Maxan is an interior systems contractor with two office locations across Ontario - Mississauga (Head Office) and Kitchener. Maxan specializes in the industrial, commercial, and institutional construction sector.

Our activities span the full project lifecycle - from estimation and procurement to field execution and final turnover. In all that we do, we embed The Maxan Way by prioritizing safety, fostering strong partnerships, and continuously improving how we operate and collaborate.

Our main service offerings are as follows:

- **Drywall:** Framing, insulating, and installing drywall, followed by completing all levels of wall finishing to properly prepare surfaces for painting or the application of other finishing products.
- **Ceilings:** Installation of standard and specialty ceiling systems, including T-bar grid with acoustic and decorative ceiling tiles, drywall ceilings, aesthetic baffles and more.
- **Acoustics:** Installation of acoustic solutions to improve the sound quality of a space.
- **Service Division:** Drywall repairs and remediation, including wall, ceiling, and acoustic systems.
- **Architectural Products:** Supply and installation of various demountable partition systems.

Supply Chains

Maxan maintains a centralized procurement process, led by a dedicated team that oversees the sourcing and coordination of materials for our project sites. This approach allows us to optimize pricing, ensure timely delivery, and build consistent, reliable relationships with our suppliers.

We primarily work with suppliers based in Canada and the United States - regions where labour laws and enforcement standards are strong and well-established. While most of our materials are sourced through Canadian vendors, many of these suppliers operate or manufacture across North America.

As Maxan continues to expand, particularly through our Architectural Products division and in the Kitchener-Waterloo region, we engage a mix of specialized local vendors and North American manufacturers to support our construction and installation operations.

Policies and Due Diligence Processes

Maxan is committed to operating with integrity, professionalism, and respect for human rights across all aspects of our business. We believe that ethical and responsible conduct is essential to our continued growth and success. Upholding

these values is central to The Maxan Way and underpins how we engage with employees, partners, and suppliers.

Oversight of Maxan's broader approach to social responsibility and responsible business practices rests with our Board of Directors, who play a key role in setting expectations and monitoring progress in this area. As part of our due diligence process, Maxan conducts regular reviews of procurement practices and holds ongoing internal meetings across departments to stay informed. We also engage with suppliers and vendors to ensure alignment on industry standards and best practices.

Maxan maintains centralized and dedicated Human Resources and Health & Safety teams, among other shared services. These groups are responsible for managing compliance, delivering training, and monitoring worker safety and human rights across our operations. These teams regularly attend seminars and webinars to stay up to date on evolving legal requirements and industry best practices. Key compliance updates and relevant legislative changes are consistently communicated to Maxan's leadership team to ensure alignment, shared accountability, and informed decision-making across all levels of the organization.

Forced Labour and Child Labour Risk

Health & Safety is a core pillar of The Maxan Way, and we are recognized as a leader in this area. Our commitment is demonstrated through robust safety programs, daily site inspections, regular training, and a proactive culture of risk prevention across all job sites.

Recruitment is managed directly by our in-house Human Resources department, providing oversight into the hiring process and candidate selection. This centralized approach limits reliance on third-party recruiters. When external providers are engaged, Maxan applies a thorough vetting process to ensure compliance with all legal and ethical standards. Detailed candidate reports are submitted to Maxan and our in-house Human Resources department remains actively involved throughout the entire recruitment process.

Maxan is a voluntary signatory to multiple collective agreements with labour unions across our areas of operation and has a strong track record of successfully delivering projects with unionized workforces.

Maxan's risk management efforts have primarily focused on direct operations - ensuring a safe, well-supported workforce through strong hiring practices, human rights legislation, and embedded standards for health, safety, and employee well-being. As we broaden our focus, we recognize that complex supply chains present additional challenges, especially where there is limited transparency into upstream sourcing and labour conditions.

Maxan is committed to enhancing its understanding of the risks associated with forced and child labour within the supply chain. This includes engaging more closely with suppliers and manufacturers, reviewing sourcing locations against publicly available risk data, and continuing to evolve our practices accordingly.

Assessment and Management of Risk

Maxan has not yet conducted a formal assessment of the risk of forced labour or child labour within our supply chain. However, we recognize the importance of identifying and mitigating these risks and are committed to taking meaningful steps in the coming fiscal year.

As part of our future efforts, we plan to:

- Conduct a risk mapping exercise of our supply chain
- Review supplier and subcontractor agreements to evaluate whether updates are needed to clearly communicate our standards and comply with the requirements of the Act
- Have conversations with our suppliers and vendors to better understand their supply chain protocols
- Review hiring practices to ensure age and other vulnerabilities are thoroughly reviewed

These actions will help us better understand our exposure to potential risks and implement appropriate mitigation strategies as part of our evolving due diligence framework.

Remediation Measures, Including Loss of Income

As of April 30, 2025, Maxan has not identified any instances of forced labour or child labour within its supply chain. While we have not yet conducted a formal risk assessment, no concerns have been raised through our existing supplier relationships or internal processes to date.

Employee Training

Maxan's Human Resources and Health & Safety teams play a central role in promoting awareness and accountability through employee training. This includes education on core policies such as Workplace Violence and Harassment, along with obligations related to labour standards, workplace safety, and human rights. These policies are formally outlined in Maxan's Health & Safety Program, which is reviewed and updated annually to ensure compliance and ongoing relevance.

Employees are expected to understand and comply with these standards, which are reinforced through internal policies and the collective agreements to which Maxan is a signatory. These frameworks also provide clear channels for reporting concerns and outline procedures for investigation and resolution.

Effectiveness Assessment

To date, Maxan has not formally assessed the effectiveness of its efforts to prevent and reduce the risks of forced labour and child labour in its operations and supply chains. While certain measures - such as reviewing procurement practices, meeting with vendors and suppliers regularly, and policy acknowledgments - are in place, we recognize the need for a more structured approach to evaluating impact.

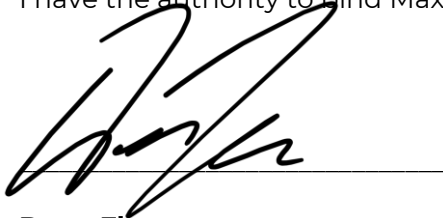
As part of our goals for the upcoming fiscal year, we plan to develop clearer review processes and introduce more structured tools to better monitor and evaluate the effectiveness of our due diligence practices.

Approval and Attestation

This report has been approved by the Board of Directors of Maxan. In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I, in the capacity of President & General Manager, attest that I have reviewed the information contained in the report on behalf of the governing body of 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 within this report.

Signed in the City of Mississauga, the 31st day of May 2025

I have the authority to bind Maxan

A handwritten signature in black ink, appearing to read "Dane Flynn", written over a horizontal line.

Dane Flynn
President & General Manager