

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

Introduction

This report has been prepared by Pacific Capital Real Estate Ltd. (“**PCRE**”) 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, 2024.

PCRE owns and controls companies who develop commercial and residential properties in Canada and the United States. This report describes the activities of PCRE and the entities that we control. Unless specifically noted, the terms “we” and “our” apply to the activities of this group.

PCRE’s approach to preventing and reducing the risk of forced labour and child labour in our business activities and supply chains has focused on monitoring the health and safety of workers on our sites and requiring our suppliers and contractors to comply with applicable laws relating to Canadian employment, labour relations, human rights and safety.

Organizational Structure, Activities, and Supply Chain

PCRE is a private company that has operated for more than 20 years in Canada and the United States. Our head office is in Vancouver, British Columbia.

Our group of companies develop commercial and residential properties in British Columbia, Alberta and Washington State. We are committed to the highest standards of quality, design, and operational efficiency. We are an active member of various industrial associations, including the BC Construction Association and Vancouver Island Construction Association.

Our subsidiaries in Alberta and the United States have independent management teams who are responsible for managing risks associated with their operations and supply chains. One of our subsidiaries is a reporting entity and is filing its own report under the Act. PCRE oversees strategy and governance of these entities but is not involved in the day-to-day operations. PCRE is actively involved in the management of our commercial and residential development operations in British Columbia, which are described in more detail below.

PCRE employs approximately 20 permanent employees. We employ co-op and summer students, which are hired through programs and events at post-secondary institutions in British Columbia or through internal referrals. We also outsource work on our projects to qualified subcontractors in Canada. Our employees, co-op students, subcontractors, and their workers are required to comply with our workplace policies and applicable employment standards and safety laws.

PCRE engages a series of professional consultants and a general contractor in order to execute the development of its projects. Through the general contractor, the project procures a series of goods to support construction activities. These goods are procured by our general contractor, through a series of Canadian distributors. We have a long-term relationship with our general contractor and consultants used on our projects. Our general contractor contracts with subtrades and suppliers that are mostly located on Vancouver Island.

Steps to Prevent and Reduce the Risks of Forced Labour and Child Labour

In this reporting year, PCRE has taken the following steps to prevent and reduce the risks of forced labour or child labour in our British Columbia operations and supply chain:

- Maintaining workplace safety in accordance with applicable regulations.
- Our general contractor employs a health and safety officer who is responsible for ensuring compliance with applicable site safety and health regulations.
- Using industry standard contracts with our general contractor, which contain clauses relating to health and safety compliance, a breach of which is a cause for termination of the contract

With respect to our operations in Alberta and Washington State, PCRE's approach to preventing and reducing the risks of forced labour and child labour involves conducting risk assessments and engaging with the independent management teams at a governance level. We rely on the management teams of these organizations to manage risks associated with their operations and supply chains.

Policies and Due Diligence Processes

PCRE's approach to governance, risk management policies and processes focus on ensuring the safety of its workers.

Our senior management team is responsible for overseeing workplace related risks in our British Columbia operations. PCRE has an internal risk management process to evaluate legal, operational, reputational, and financial risks to our operations and business activities (including in British Columbia, Alberta and Washington State) on an ongoing basis and assign responsibility for managing risk to members of our senior management team. This risk management process enables PCRE to assess and manage risks relating to responsible business practices in our operations and supply chains, and the operations and supply chains of our subsidiaries.

We use the Canadian Construction Documents Committee (CCDC) contract terms, which require our general contractor to comply with safety requirements on our worksites.

To manage risks in the supply chain of our British Columbia operations, we establish long term relationships with reputable distributors.

Assessing the Risk of Forced Labour and Child Labour

PCRE operates exclusively in Canada and the United States and conducts business with reputable long-term distributors and subcontractors. We rely on the manufacturers in our supply chain to adopt responsible business practices in their activities and supply chains. Based on the processes in place in our activities and our relationships with distributors, we have identified the risk of forced labour and child labour in our operations and direct supply chain to be low.

We do not yet have visibility over potential risks in our extended supply chain. Moving forward, with improved transparency over the Canadian supply chain, we are committed to engaging with distributors and suppliers to reduce the risks of forced labour and child labour in the extended supply chain.

Remediation Measures and Remediation of Loss of Income

In our British Columbia operations, PCRE's management team sets expectations regarding the remediation of any violation of worker rights and endeavors to ensure that complaints or concerns relating to health and safety, or other human rights protections are heard and adequately addressed. If our general contractor fails to comply with standards relating to workplace safety on our worksites, we have the right to stop the work until corrective actions are implemented.

To date, PCRE has not received reports or identified incidents relating to forced labour or child labour in our operations or supply chain, and as such has not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

Employee Training

Workers visiting active job sites are required to undergo site safety briefings prior to entering site. Our general contractor employs a health and a safety officer, who administers these briefings, and is responsible for ensuring compliance with these briefings. To date, we have not provided training to employees specifically on the risks of forced labour or child labour in our supply chains.

Assessing Effectiveness

Safety inspections are periodically completed by WorkSafe BC and governing municipalities. Beyond their safety assessments, to date, we have not adopted any specific assessment mechanisms to assess, measure and track the effectiveness of steps taken to prevent or reduce the risks of forced labour or child labour in our supply chain.

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 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.

Dated in the City of Vancouver, British Columbia, this 26th day of May, 2025.

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Mark Shuparski, Chairman of the Board of Directors

I have the authority to bind Pacific Capital Real Estate Ltd.