



WELCO



The Fighting Against Forced Labour and Child Labour in Supply Chains Act (2023) (the “Act”) requires certain entities to report on the steps the entity has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity. This report is prepared by Welco Lumber Corp. (“Welco” or the “Company”) with respect to its fiscal year ending **October 31, 2024**.

BACKGROUND

Welco is one of North America's leading manufacturers of building products. Welco is committed to acting ethically and with integrity in all business dealings. This includes ensuring that effective systems and controls are in place to prevent the use of forced or child labour in our supply chain.

PREVENTION AND RISK REDUCTION

Welco has policies in place prohibiting the use of forced or child labour for itself and its supply chain partners. The Company has mapped its activities and supply chains for the purpose of identifying and assessing potential areas of risk. Further, the Company has reviewed its existing policies and procedures to ensure they are suitable for reducing and preventing the risk of forced or child labour in its supply chain.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Welco is a Corporation with 23 employees in Canada and the United States, and is one of the largest providers of lumber and related building products in North America, with physical office and partner locations in Canada and the United States. The Company supplies customers primarily within North America.

The majority of the Company's purchases come from North America with a small amount of materials that originate in Europe. These are typically suppliers with which Welco has an established and trusted history. This supply includes select lumber used for the production of our lumber building products.

POLICIES AND DUE DILIGENCE

Welco is committed to operating in a legal and ethical manner. The Company has a variety of policies in place to guide its business in this direction. These policies include its “Corporate Ethics



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Policy”, which sets the standards with which all Directors, Officers and Staff are expected to comply in the performance of their duties. These standards are designed to ensure that business is operated fairly and honestly and in compliance with applicable laws, rules, and principles of society.

In addition, the Company has a “Human Rights & Labour Standards Policy” which reflects Welco’s aim of respecting human rights in compliance with all applicable laws and regulations of the countries in which the Company operates. This specifically includes a prohibition of both forced and child labour.

Further, the Company has a “Supplier Code of Conduct”, which articulates Welco’s expectations of our suppliers, designed to ensure alignment with the ethical standards with which Welco holds itself. This code sets out Welco’s expectations with respect to compliance with a variety of laws, business ethics, environmental impact, health and safety and human rights standards. This specifically requires compliance with all applicable laws concerning both forced and child labour. Further, it encourages our suppliers to further drive these provisions down their own supply chain.

RISK OF FORCED OR CHILD LABOUR

Welco has assessed both its own operations as well as our supply chain for risks of forced or child labour. Considering the Company’s policies and procedures, and the geographical location in which Welco primarily operates, we consider the risk of forced or child labour to be low.

Welco acknowledges that the risk increases when dealing with a global supply chain. Activities that carry an increased risk relate primarily to purchases from overseas mills, including secondary and tertiary suppliers to those mills.

The policies that Welco has implemented are designed to help mitigate this risk, although cannot be guaranteed to eliminate it.

REMEDATION MEASURES

Welco has not identified and is not aware of any examples of forced or child labour in our supply chain requiring remediation measures. Accordingly, the Company has not taken any remediation measures.

REMEDATION OF LOSS OF INCOME

Welco has not identified and is not aware of any examples of forced or child labour in our supply chain. Accordingly, the Company has not taken any remediation measures related to loss of income.



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TRAINING

Management staff are provided annual training on the "Corporate Ethics Policy", "Human Rights & Labour Standards Policy", as well as the "Supplier Code of Conduct". Procurement personnel are provided with training on the "Supplier Code of Conduct".

EFFECTIVENESS ASSESSMENT

In conjunction with the implementation of the Act, the Company will be regularly reviewing its policies and procedures related to forced or child labour, as well as assessing for changing risk landscape.

The lack of identified examples of forced or child labour is, in and of itself, an assessment of the effectiveness of the policies and procedures.

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 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.

Steve Conroy
President

February 25, 2026

I have the authority to bind Welco Lumber Corp.