

Hutchinson Family Holdings

Forced Labour and Child Labour in Supply Chains Company
Assessment on behalf of Daytona Homes, City Homes and Tacada

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Introduction

As a leading real estate company in Western Canada, Hutchinson Family Holdings Inc. (HFH) plays a crucial role in promoting business ethics and responsible business practices. We are committed to taking a collaborative approach with our suppliers to understand and mitigate the risk of forced or child labour within our supply chain and workforce.

This report outlines HFH's existing governance measures and the steps taken within our 2026 fiscal year (February 1, 2025 – January 31, 2026) to prevent and mitigate the potential of forced or child labour within our supply chain.

For purposes of the Act, the reporting entities covered in this Report include functions, major projects, and assets that have been wholly owned and/or operated by Hutchinson Family Holdings Inc. within the 2026 fiscal year. Non-operated assets or those which HFH does not have majority control over are not included in the scope of this Report.

Structure, Activities & Supply Chain

Structure

Hutchinson Family Holdings (HFH) is a family-owned real estate company committed to delivering quality housing and innovative solutions to the marketplace through our 3 defining pillars -- residential home building, land development and investments. Its parent company, branded "Tacada", oversees all operations and centralized functions including accounting, safety, human resources, and I.T.

HFH was founded in 2019, headquartered in Edmonton, with operations in Calgary, Regina, Saskatoon, Winnipeg and Grande Prairie. HFH employs over 200 staff, with all but one located in Canada. As of the time of this report, we have one entity located in Ireland and the remainder of our operations are located within Canada and are provincially regulated.

As a family real estate company, we have a responsibility to last generations. We're proud of our legacy of contribution to our communities through ongoing philanthropic efforts and we're positioned for the future with exciting new projects. We continue to grow strong and thoughtful leaders who will preserve our unique adaptability and resiliency.

Our corporate ethos is defined by our core values: community, responsibility, relationships, and passion. Our commitment to community is demonstrated through our dedication to giving back and enhancing the world around us, both through philanthropic efforts and ethical business practices. The value we place on relationships underscores the significance of cultivating and preserving trust with our customers, suppliers, trades, and business partners. Ethical conduct is essential in all our relationships and stands as a cornerstone of our business success.

Activities

HFH's Residential division encompasses all residential home building which includes both single-family and multi-family product. Our diverse home builders, including Daytona Homes, City Homes, Carriage Signature Homes, and Accent Infills, continue to be represented in the marketplace with their unique brands and offerings.

HFH's Communities division focuses on land development; we have active projects in Edmonton, Calgary, Lethbridge, Grande Prairie, Stony Plain, and Winnipeg. We also participate in numerous joint venture partnerships with municipalities, Indigenous groups, and other business groups.

HFH's Investments division strategically focuses on providing stable long-term cashflows from income-producing properties for the Hutchinson Family Holdings organization. Through development and strategic partnerships, the properties team has rapidly grown the portfolio of industrial and multi-family assets into many major centers across Western Canada.

Supply Chain

Hutchinson Family Holdings provides a mix of goods and services with a significant number of our sub-contractors being trades performing various services in the development of our product. Our Production and Construction teams play a key role in ensuring that we work with suppliers who meet our qualifications and quality and ethical standards. The overwhelming majority of our suppliers acquire or produce their products within Canada and North America.

Policies & Due Diligence Processes

Current Policies

Anti-Bullying, Harassment Policy:

The company is committed to maintaining a workplace free from tension, ensuring a safe environment where employees are protected from violence, bullying, and harassment. All employees are entitled to work without fear. Employees are encouraged to report any incident to their manager or HR representative. The company promises confidential investigations and asserts that no retaliatory actions will be taken against employees who report or participate in investigations. Violations of this policy are taken seriously and may lead to disciplinary actions, including termination.

Business Ethics Policy:

The Company's reputation is built on fair dealing and ethical conduct by all employees, with a focus on adhering to laws and maintaining high standards of integrity. Success hinges on maintaining customers' trust, requiring employees to act in ways that foster public confidence. Compliance with all laws, including provincial youth employment laws, is mandatory, and the Company expects ethical conduct in all business dealings, eschewing illegal or dishonest activities. Competitive advantages should arise from superior performance, not unethical practices such as misappropriating competitors' information or trade secrets. Employees are expected to treat everyone fairly and use good judgment in ethical matters.

Whistleblowing Policy:

Employees are required to report any observed or known violations of company policies or laws, including incidents of discrimination or harassment, to their manager or other management members immediately. Complaints are thoroughly investigated, including interviews with all relevant parties. Employees who report violations or cooperate with investigations are protected from reprisals or retaliation. Full cooperation in any investigation related to company affairs is expected from each employee.

Diversity, Equity and Inclusion Policy:

Hutchinson Family Holdings upholds a family-oriented culture and entrepreneurial spirit, uniting all stakeholders—including employees, trades, suppliers, customers, and partners—around core values of passion, win-win relationships, responsibility, and community. Committed to diversity, equity, and inclusion (DEI), Hutchinson Family Holdings promotes workforce diversity, strives for equity across its companies, and fosters an inclusive culture where diverse backgrounds and experiences contribute to a sense of belonging and collective success. The company views its people as its greatest asset, valuing the variety of their life experiences, knowledge, and talents which significantly enhance its culture, reputation, and achievements. In commitment to DEI, Hutchinson Family Holdings ensures non-discrimination in all employment practices and company activities based on legally recognized grounds.

Open Door Policy:

At Hutchinson Family Holdings, we have an open-door policy where employees have full access to all levels of management as well as a human resources department should they have any concerns or want to share grievances. Should an employee have concerns regarding forced labour or child labour within our organization or supply chain, we would follow the same steps as any other grievance, including a thorough investigation of the claim by interviewing all parties involved and taking specific performance improvement measures up to and including termination should the circumstances dictate.

Due diligence

Supplier Contracts/Onboarding:

All suppliers are required to undergo a comprehensive onboarding process, overseen by our Health and Safety Manager, which includes the execution of a supplier contract. This contract mandates that suppliers agree to meet specific performance standards and acknowledge that their work will be regularly inspected to ensure compliance. Furthermore, the contract outlines that the relationship between the trade partners and our company is mutually collaborative, with provisions allowing either party to terminate the agreement, provided that adequate notice is given to the other party. Additionally, the contract explicitly states that individuals under the age of 18 are not permitted on active job sites, reinforcing our commitment to safety and regulatory compliance.

Recruitment:

Except for the one employee based in Ireland, all other recruitment has been done in Canada. We strictly adhere to all provincial legislation as well as the Human Rights Commission in our hiring and retention practices. When possible, we enact panel interviews or multi-stage interviews to remove personal biases in our hiring processes.

Employee Engagement Survey

Annually we conduct a confidential employee engagement survey through an independent third party.

This allows our team members to anonymously share their experiences and thoughts about working at Hutchinson Family Holdings. The survey results are presented to the senior leadership team, who carefully review them and use the insights to develop initiatives aimed at enhancing our corporate culture and aligning it more closely with our employees' aspirations.

Trade/Supplier Survey

Similarly, we extend an annual survey to our trades and suppliers, also facilitated by a third party. This survey provides an opportunity for them to offer frank feedback about their interactions with our company, with specific emphasis on their experiences across various departments including office, safety, warranty, and field operations. We are pleased to report that in 2025, our trades and suppliers gave us an 89.6% overall positive experience rating.

Supply Chain Risk Assessment

Personnel:

The risk of forced labor or child labor within our organization is exceedingly low. We strictly adhere to all provincial laws and regulations regarding staff recruitment and comply with provincial human rights legislation in all hiring and employment practices. Our rigorous selection process for candidates, including panel interviews to reduce biases and thorough reference checks, further ensures the integrity and legality of our employment practices including adherence to Alberta's youth employment laws.

Supply Chain:

In 2025, we followed up on the initial work performed in 2023 and 2024 and further inquired about the origins of our suppliers' products. The overwhelming majority indicated that their supplies were sourced from Canada or the United States, regions considered by both the Walk Free Foundation and U.S. Department of Labor to be low risk for child or forced labor. Suppliers who reported sourcing from overseas were noted, and we will conduct further investigations into these cases.

When detecting the risks of forced labour or child labour in the Company's activities and supply chain, HFH primarily focuses on identifying the operations and supply chain of our Tier 1 suppliers. We have evaluated the inherent risk of the goods that make up a material amount of our procurement spend and using the U.S. Department of Labor and Walk Free Foundation Report, we have assessed our risk in the various products we use to be the following:

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Good	Risk Assessment
Lumber	Low
Shingles	Low
Doors/Windows	Low
Concrete	Low
Flooring	Low
Paint	Low
Cabinetry	Low
Siding	Low
Countertop	Medium
Asphalt	Low
Eaves/Soffit/Facia	Low
Drywall	Low
Lighting	Medium
Sinks/Toilets	Low
Tiling	Low
Appliances	Low
Carpet	Low

Remediation of Forced & Child Labour and Vulnerable Family Income Loss

Hutchinson Family Holdings is in the process of discovering the full depth of our supply chain and is continuing to review procurement practices to enhance the rigor of our due diligence processes, including raising awareness with our suppliers. We have not detected any instances of forced labor or

child labor within our supply chain to date. As such, no remediation measures were required in fiscal 2026, either in respect to any instances of forced labor or child labor, or to address any potential income loss to vulnerable families resulting from measures to eradicate such practices. We will persist in monitoring our supply chain and developing remediation strategies that we can implement should we identify and need to eliminate any forced or child labor in the future.

Awareness Training

Annually, our Corporate Responsibility (CR) committee engages with external consultants in a strategic planning session to refine our CR strategy and tactics for the coming year. This session places particular emphasis on ethical business practices and social concerns. Following this planning phase, we conduct an annual training session for our senior leadership team to discuss the updated strategy. This ensures that our CR initiatives are effectively integrated into our business operations.

Additionally, all internal employees, as well as suppliers and trades, participate in safety training during their onboarding process with the company. This training encompasses a review of our ethical standards and performance metrics. Moreover, during the onboarding of our internal staff, we thoroughly discuss the core values of our organization—relationships, responsibility, community, and passion. We elaborate on the significance of each value to our organization and stress the importance of aligning with these values as an employee of Hutchinson Family Holdings.

Assessing Effectiveness

HFH conducts annual supplier surveys to inquire about the origins of their materials, allowing us to pinpoint high-risk areas. 2023 marked the first survey of this kind, establishing a baseline that will enable us to track improvements in the sourcing of materials and the ethical standards of our suppliers year over year. Going forward, we plan to incorporate these findings as a criterion in our supplier performance evaluations and use them as a key metric for selecting trades for our projects. We plan to expand on these surveys to understand the specific risk areas we may face within our supply chain regarding forced and child labour and if necessary, put steps in place to eradicate any risk of it within our operations.

Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

Addressing and eradicating forced and child labor in the global supply chain is a complex challenge. The resolution requires effective partnerships and collaboration among industries, suppliers, and governments. One of HFH's core values is relationships, considering our supply chain partners as vital to creating collective solutions. This commitment involves deepening relationships with these partners, enhancing contractual terms with Tier 1 suppliers, and increasing transparency across the supply chain to devise solutions that offer broad value. As we move forward, we will persist in refining our strategies to recognize emerging risks and bolster our due diligence policies and processes. This sustained effort is aimed at preventing the use of forced and child labor in both our operations and our entire supply chain.

Agreement 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.

I have the authority to bind Hutchinson Family Holdings Inc.

A handwritten signature in black ink, appearing to be 'Tally Hutchinson', with a large, stylized initial 'T' and 'H'.

Tally Hutchinson
Executive Chairman
Dated: May 14, 2026