



WARMAN LP

HOME CENTRE



Forced Labour and Child Labour Supply Chain

May 22, 2024

Introduction

Warman Home Centre LP (“WHCLP”) is committed to the protection of human rights in all our business practices and operations. This includes the prevention of modern slavery, forced labour and child labour in both our internal business practices and supply chain operations. WHCLP abides by Canadian regulations established under the governing occupational health and safety legislation and employment standards regarding the minimum age of work.

Located in Warman, Saskatchewan operating with 5 distinct divisions. WHCLP employed 202 people at December 31, 2023. Since its formation, WHCLP continues to develop a community of like-minded people, who share a commitment to corporate social responsibility. WHCLP’s culture is built on values of:

1. **Integrity** - acting ethically, maintaining a professional level of honesty, respect, and transparency.
2. **People** – building relationships with our customers, vendors, and employees.
3. **Community** – support and invest in community through employment opportunities, partnerships, volunteer contributions and sponsorships.
4. **Commitment** – WHCLP is committed to the purchase and supply of affordable, high-quality products while providing excellent customer service.
5. **Health & Safety** – built into our culture, our employees and subtrades are encouraged to keep safety at the forefront of every action, whether in the office, at the jobsite, or personal time.

Structure, Activities & Supply Chain

WHCLP operates as a private partnership (business number: #828129684) at 601 South Railway Street, Warman, Saskatchewan S0K 4S0. Our organization’s financial reporting year covered in this report is January 1st, 2023, to December 31st, 2023. WHCLP satisfies the definition of an Entity within the Act by having a place of business in Canada, conducting business in Canada, having assets in Canada, and meeting both asset and revenue thresholds.

Structure

WHCLP is a private partnership, operating since 2012. We are a prominent Saskatchewan business in the construction and home building industry.

There are 5 divisions operating under registered business names of Warman Home Centre, Warman Metals, Warman Truss, Warman Cabinets and Warman Homes. The divisions within our business have been in operation prior to the formation of the partnership, with 40 years being the longest operational milestone.

There are no other reporting requirements in other jurisdictions.

Activities

WHCLP operates within the construction, manufacturing, and retail sector of the lumber, building materials, hardware, metal, cabinets, and truss building supplies industry, purchasing goods associated with the building and construction sector for customers, within Canada. The Homes division constructs residential real-property. There are 30 categories of goods in WHCLP's portfolio.

Supply Chain

WHCLP directly procures goods from companies operating within Canada and the United States. It is possible that some of the vendors have parent companies residing outside of Canada and the United States. We have analyzed the office addresses of all our vendors and found that they are mostly Canadian. WHCLP currently has limited visibility on the full geographical reach of its suppliers' locations and limited knowledge of the origination of where suppliers source their goods.

Of WHCLPs many suppliers, all of them are operating from Canada and the United States. In fiscal year 2023, WHCLP procured goods directly from entities exclusively in Canada and the United States. In reviewing goods imported through Canadian and US companies, products manufactured in China have been identified. WHCLP has not yet performed an analysis of indirect suppliers, for the purposes of reporting under the Act.

Policies & Due Diligence

WHCLP has the following internal policies in place relevant to this Act:

Policy	Description	Support in Mitigating Forced and Child Labour
Hiring Philosophy	Establishes principles to ensure equality and promote diversity in the workplace.	Supports WHCLP standards for what constitutes fair treatment and sets out the minimum standards in avoiding and preventing discrimination and promoting diversity, equity, and inclusion.
Code of Business Conduct	Principles that define desired behaviour and ethical standards for WHCLP's employees and staff. The code promotes integrity, professionalism, ethical decision-making, and good judgement.	A code of conduct sets cultural standards and a dedication to be accountable for doing what is right. Employees are required to speak up if they identify any injustices in WHCLP's operations or code of ethics.
Workplace Harassment and Violence	Outlines WHCLP's stance against harassment and violence and establishes procedures and guidelines for reporting incidents of violence, intimidation, harassment, sexual harassment and bullying on company premises, at company events or while	A clear harassment policy establishes a safe and respectful work environment which attributes to safe working conditions. WHCLP's harassment policy outlines the method for reporting any issues encountered by an employee.

	conducting company business.	WHCLP's workplace violence policy communicates our commitment to the prevention of workplace violence and the protection of all employees from violence in the workplace, clearly outlining procedures to speak out and commitment to confidentiality.
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Due Diligence with the Suppliers

WHCLP is a member of the Castle Building Centres Group Ltd. Castle is a buying group which WHCLP purchases the majority of goods held for retail sale or use in our manufacturing of goods. Castle is one of the largest national buying groups for lumber, building materials and hardware in Canada. They are responsible for the procurement, payment and aspects of distribution of goods for their Members. In 2023, WHCLP purchased from 96 suppliers that are member-owners of the Castle buying group. Castle has policies in place, supporting their commitment to the protection of human rights and has communicated with their members, compliance requirements.

Other suppliers are bound by verbal and/or written agreements. Within the terms of the agreement, our organization maintains the right to terminate an agreement immediately should we have grounds to believe a vendor engaged in acts that do not follow WHCLP values of integrity, acting ethically, with honesty, respect, transparency, and in compliance with our business code of conduct.

WHCLP suppliers are communicated with regularly/annually. Our organization maintains the right to terminate an agreement immediately should we have grounds to believe a vendor engages in acts of moral turpitude.

On an annual basis, WHCLP hosts discussions with key suppliers, focusing on aspects related to overall performance and supply. This provides WHCLP the opportunity to discuss issues related to this Act with suppliers. Our largest vendors are met with annually in person at various group meetings/functions where discussions on overall performance, and evaluation of the relationship occurs. The review may address any other concerns brought from any division of the business. Though these conversations have not historically assessed supplier compliance in relation to the Act, doing so in the future will allow us to identify emerging supply chain risks and raise awareness of forced labour and child labour with our vendors.

WHCLP incorporates occasional on-site visits of supplier operations and reviews vendor performance. These visits aim to strengthen supplier relationships, increase visibility into vendor operations and establish open lines of communication.

Risk Assessment

As a company, WHCLP divisions operate in the following industries: manufacturing, construction, wholesale, and retail trade, for the home building and renovating business sector.

These industries are deemed as having low inherent risk of forced labour or child labour by Walk Free's Global Slavery index.

A risk assessment of the goods procured by WHCLP and countries from which the goods are procured from has been performed in relation to the Act. This risk assessment used two separate indices to conclude on inherent risk of forced labour and child labour related to goods and countries — Walk Free’s Global Slavery Index and the US Department of Labor’s List of Goods Produced by Child Labour or Forced Labour.

While we know that some of our vendors purchase goods from foreign countries, we do not know the full extent to where our vendors purchase their goods from. We are also aware that we purchase highly finished goods built with multiple materials and that each material may contain a different risk profile for supply chain risks.

Goods Procured

WHCLP offers 30 categories of products which have been procured from various vendors. For the purposes of assessing risk associated with goods in WHCLP’s supply chain, evaluation of vendor procurement spends in 2023 making up at least 1 percent of total procurement spend for fiscal year 2023 was performed. Any vendor procurement spend below 1 percent of total procurement is deemed immaterial for this assessment and excluded from the analysis.

Castle was identified as the main supplier of materials. The categories of goods evaluated for forced labour and child labour risk are doors, flooring, hardware, insulation, lumber, plywood, OSB, metal products, mouldings, roofing, and windows.

Inherent risks of forced and/or child labour within certain goods or products have been identified through a risk assessment of WHCLP material product categories purchased. These include:

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| • Timber | • Copper | • Ceramics |
| • Gypsum (mineral) | • Zinc | • Carpets |
| • Iron | • Sand | • Silver |
| • Cement | • Stones | • Brassware |
| • Glass | • Gravel (crushed stones) | • Cobalt (in batteries) |
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WHCLP does not procure all the listed goods directly. For example, when procuring cordless power tools, the batteries may contain cobalt. Therefore, WHCLP has identified risks associated with certain materials that are used in the production of finished goods that our company purchases and redistributes.

WHCLP purchases all its timber products from vendors in North America, mitigating the associated risk of forced labour and child labour. Additionally, due to the material’s inability to travel well over long distances, gravel, stone, and sand products procured for roofing are manufactured in North America. This mitigates some of the far-reaching supply chain risk associated with these materials.

Other high-volume goods procured by WHCLP through Castle include laminate, vinyl, cellulose, fiberglass, aluminum, and plastic polymers. These remaining goods were not directly identified within the two noted indices; therefore, they carry low inherent risk of forced labour and child labour.

Countries of Procured Goods

For assessing country associated risks of forced labour or child labour, WHCLP evaluated all vendors we purchased goods from in fiscal year 2023. Our analysis found that all our vendors are from Canada and the United States. According to both global benchmarks, there is low inherent

risk exposure or forced labour and child labour identified since our major supplier is Castle, and Castle's vendors are from Canada and United States. This does not mean that forced labour or child labour does not exist in the supply chains of our vendors.

WHCLP is aware that some of its vendors have headquarters in foreign countries and that these vendors may procure their goods from other regions or other vendors, but at this time, WHCLP does not know the full extent of where all vendors' goods are sourced from.

Manufactured Goods

WHCLP manufactures trusses, (roofing, wall, and flooring systems), cabinets for residential and commercial spaces and constructs ready to move homes and site houses. Each division is in Warman, Saskatchewan and follow Saskatchewan and Federal labour legislation, thereby eliminating the risk of child labour or forced labour in the manufacturing process.

Materials purchased for the manufacturing process based on vendor procurement spend in 2023 making up at least 1 percent of total procurement spend for fiscal year 2023 was performed. Any vendor procurement spend below 1 percent of total procurement is deemed immaterial for this assessment and excluded from the analysis.

The categories of goods evaluated for forced labour and child labour risks are lumber, windows, metal products, appliances, flooring, and cabinet products.

A internal risk assessment has been conducted of WHCLPs manufacturing material product categories and identified inherent risks of forced and/or child labour within certain goods or materials from which products are made. They include:

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| • Timber | • Copper | • Ceramics |
| • Brassware | • Zinc | • Carpets |
| • Iron | • Sand | • Silver |
| • Cement | • Stones | |
| • Glass | • Gravel (crushed stones) | |
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Timber products procured in the manufacturing process are purchased from vendors located in North America, mitigating the associated risk of forced labour and child labour. North America vendors are also used for the procurement of windows, glass, doors, countertops, bathroom, and kitchen hardware. This mitigates some of the far-reaching supply chain risk associated with these materials.

Any remaining goods were not directly identified, due to low volume spend.

Mitigating Activities

WHCLP has not identified any forced labour or child labour in our activities or supply chains.

To mitigate the risk of forced labour and child labour within supply chains, WHCLP incorporates the following mechanisms for supplier onboarding and supplier monitoring:

1. Onboarding of suppliers
 - a. Castle Suppliers: With most procurement performed through Castle buying

group, WHCLP's risk of forced labour and child labour within the supply chain is reduced/mitigated by Castle's requirement for all suppliers to sign Castle's Vendor Buying Agreement. The agreement contains a clause providing Castle the ability to terminate the vendor relationship if there is reason to believe the vendor has engaged in unethical acts or displayed immoral behaviour.

2. Ongoing management of suppliers
 - a. Develop policies and procedures to mitigate risk of forced labour and child labour in the supply chain.
 - b. Annual meetings discussing overall performance and the vendors commitment to addressing forced labour or child labour.
 - c. Scheduling regular onsite visits to key suppliers, for visibility into supplier operations and verify whether suppliers are adhering to labour laws and regulations, specifically to forced labour and child labour.

Measures to Remediate Loss of Income to the Most Vulnerable Families

WHCLP to date has not identified or detected, nor do we have any reason to suspect instances of forced labour or child labour within our operations or those of suppliers. As a result, no remediation measures were required in fiscal 2023. Therefore, no loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains, has been identified.

Training

WHCLP did not have specific training in place in 2023 relevant to forced labour or child labour. However, WHCLP requires all new employees to review WHCLP's Employee Handbook. All WHCLP employees are required to signoff that they have read and understand the contents of the employee handbook.

Onboarding new employees will include specific discussion on code of conduct which includes our statement on modern slavery, and WHCLP's commitment to the fight against forced labour and child labour.

WHCLP will evaluate in 2024, further training opportunities for employees.

Assessing Effectiveness

WHCLP will track procedures to mitigate the risk of forced labour and child labour and the effectiveness by measuring the following:

Activities:

1. Employee training – training will be provided to Managers and all new employees on forced labour and child labour.
2. Harassment incidents – reporting on harassment incidents will be included in the quarterly safety reports. WHCLP has zero-tolerance for workplace violence and harassment,

3. Governance – WHCLP will review policies in 2024 and assess compliance thereof.
4. Supplier diligence – as noted above, WHCLP will focus on developing policies and procedures related to forced labour and child labour.
 - a. Tracking of questionnaire submission and completions
 - b. Supplier visits to observe supplier operations whenever possible.

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

The following steps to prevent and reduce the risk of forced labour or child labour have been or will be implemented:

1. Implementing reporting policies and procedures that create a culture where employees feel safe and capable of reporting instances of forced labour and/or child labour or any other form of suspected exploitation.
2. Addressing practices in our organization's activities and supply chains that increase the risk of forced labour and child labour: Remediation efforts related to due diligence processes have been identified to reduce the risk of forced labour and/or child labour within the supply chain.
3. Developing due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains.
4. Monitoring suppliers: WHCLP will use periodic onsite visits to key suppliers to monitor supplier relationships. This has been identified as opportunity to verify whether suppliers are adhering to labour laws and regulations, specifically in relation to forced labour and child labour.
5. Developing and implementing training and awareness materials on forced labour and child labour: WHCLP has identified the opportunity to develop employee training relevant to forced labour and child labour.

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that the Board of Directors of Warman Home Centre Inc., General Partner for Warman Home Centre LP has reviewed the information contained in the report. 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.



Rob Connolly

Board Chair, Warman Home Centre Inc. (GP of Warman Home Centre LP)

Date: May 27, 2024