

PRODUITS DE CONSTRUCTION

DERBY

BUILDING PRODUCTS

NOVIK[®]

Tando[®]
COMPOSITES



Modern Slavery Report 2024

Structure and activities



**Prevention and
risk mitigation
measures**



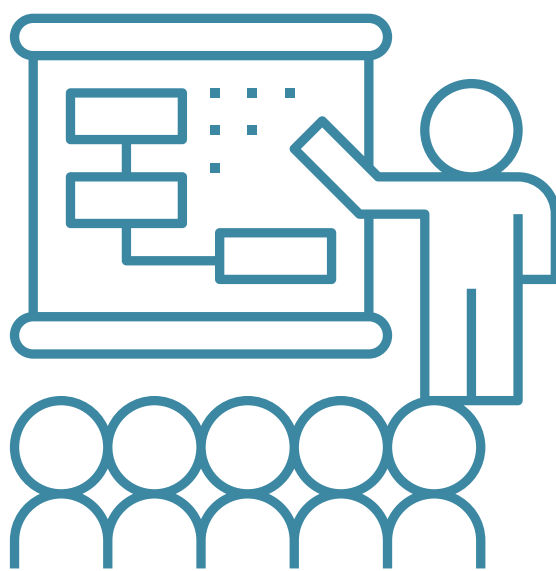
**Policies,
governance and
due diligence**



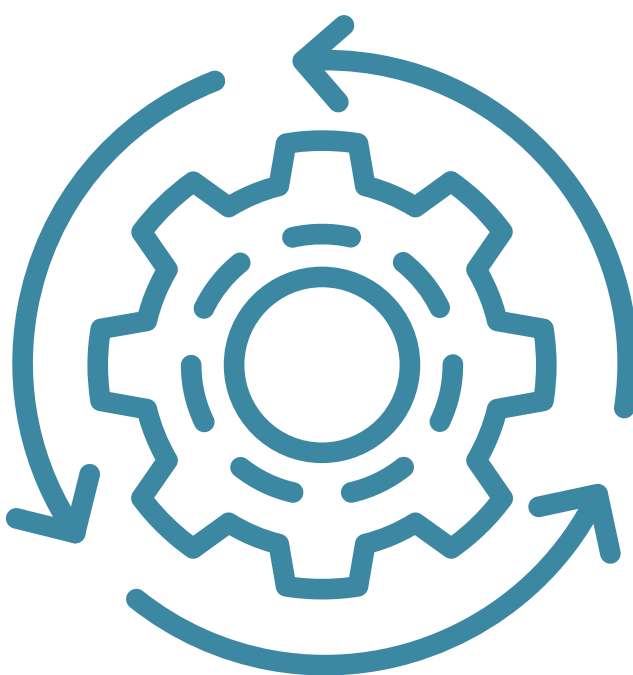
**Risk assessment and
management**



Remediation



Training



Assessment of effectiveness

Structure and activities

About

This report concerns Derby Building Products Inc., registered under the Quebec business corporations Act, during the reference period from January 1, 2024 to December 31, 2024.

This report sets out the measures taken and that will be taken by our company to mitigate risks relating to modern slavery, including forced and child labour in its operations and supply chains, in accordance with the Canadian Act to fight against Forced and Child Labour in Supply Chains.

Derby Building Products Inc. has retained the services of a third party, Groupe Conseil C-TPAT Inc. (GCC), specialized in supply chain risk assessment which, with the help of a diagnosis, supports us in the various analyzes, improvement of our processes and raising our general awareness related to modern slavery in supply chains.

Derby Building Products in Brief

Derby Building Products, manufacturer of exterior composite stone and shake cladding, redefines these categories with unmatched color technologies and unrivaled realism for the new construction, replacement, and remodeling markets.

A dual-brand strategy supplies Tando® and Novik® brands through distinct channels – Tando is marketed through 2-step distribution to the builder and pro contractor markets, while Novik is more DIY-focused in home improvement retail as well as siding manufacturer distribution.

Both brands feature products that are impervious to moisture, easy to install and perfect for mixed material style trends. Derby Building Products manufacturing facility at 160, Grands-Lacs street, St-Augustin-de-Desmaures (Quebec) Canada G3A 2K1 and have over 200 employees.



Prevention and risk mitigation measures



Derby Building Products is certified in the voluntary public-private partnership program, Customs Trade Partnership Against Terrorism (CTPAT) led by the United States Customs and Border Protection Agency, focused on improving border security in supply chains. CTPAT certified entities therefore collaborate with US Customs to protect, implement a set of preventive measures to reduce the risks of all forms of illegal trafficking throughout the cross-border supply chains.

Among the criteria to be respected, there are also obligations to carry out checks on Derby Building Products business partners, to reduce the risk of the use of modern slavery in our activities and supply chains.

Following the diagnosis carried out by our team with the assistance of Groupe Conseil C-TPAT Inc (GCC), we developed an action plan and did implement new mitigation measures during the year of 2024 to improve our practices to prevent and reduce the risk of modern slavery in our operations, as well as in its supply chains, such as:



Establishment of a steering committee to assess the effectiveness of the governance structure, policies and procedures to address risks and determine the impact of forced or child labor.



Conducting due diligence assessments across our operations and supply chain to proactively identify, address, and mitigate risks. This includes a risk assessment of our main suppliers and own operations.



Implementation of a Supplier Code of Conduct and signature for acknowledgment from our main suppliers aimed at raising awareness among our partners and strengthening our strict position against any form of forced labor and/or child labor in our supply chains..

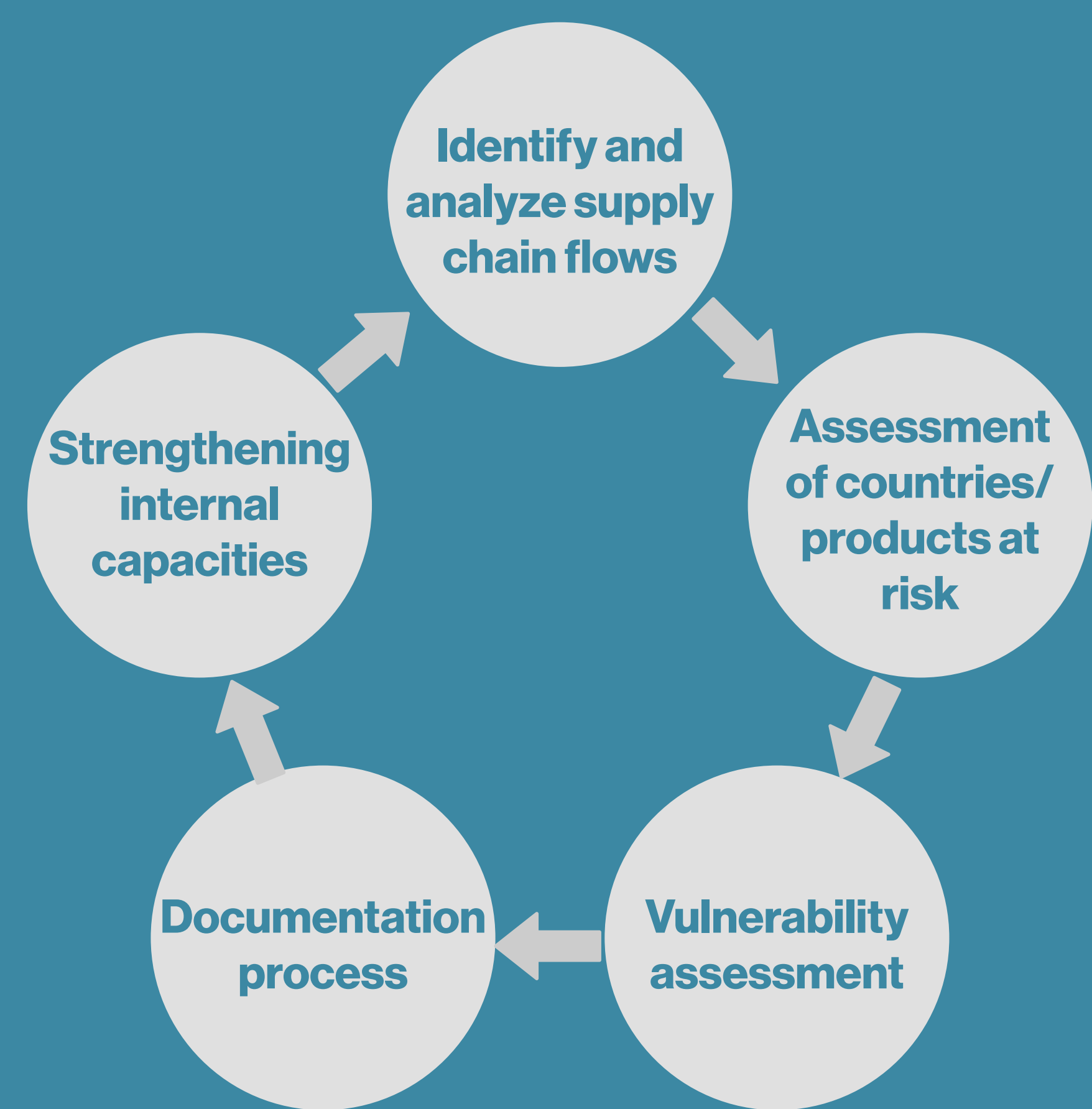


Modern slavery questionnaires were sent to analyze our top Tier 1 suppliers. This allow us to better identify vulnerabilities in our operations and supply chains related to modern slavery.

Supply Chain Risk Assessment and Management

Methodology

Groupe Conseil C-TPAT's 5-step risk analysis is based on the proven method of the CTPAT program and adapted to assess the risks of use of forced labour and child labour in operations and supply chains.



Supply chain analysis

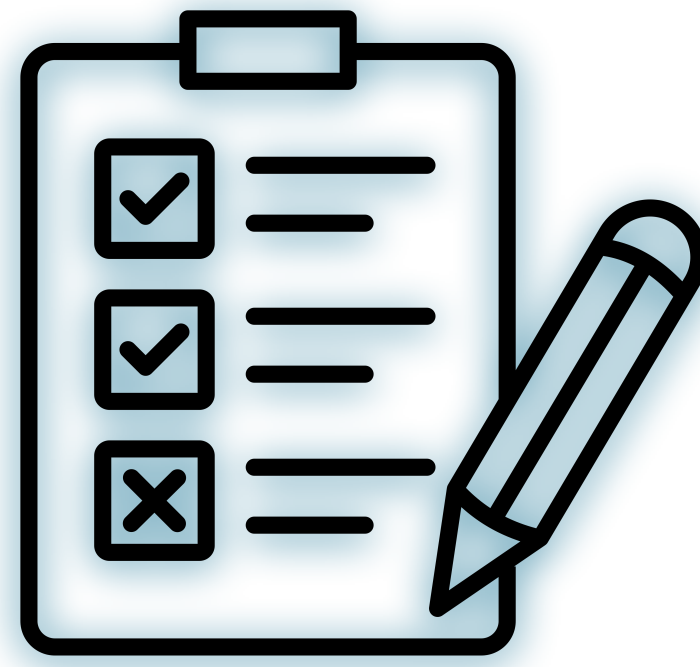
We carry out an in-depth diagnosis of direct international procurement, starting by analyzing samples of customs entries into Canada and countries of origin. This analysis is supplemented by an evaluation of our top Tier 1 suppliers, both local and international involved in our supply chains.

Based on this analysis, we developed strategic recommendations and deploy targeted action plans to mitigate modern slavery across all our operations and supply chains. Our goal is to ensure ethical and legal compliance across all our Derby Building Products activities, reinforcing our commitment to rigorous corporate social responsibility.

Derby Building Products source 99% of most of its procurement of goods and raw materials from North American and less than 1% comes from Europe and Asia-Pacific regions, under its direct importation into Canada.



Representative table of the distribution of the location of all countries of origin when Derby Building Products makes purchases from these suppliers



Analysis Summary

We assess that the direct inputs of our supply chain for the manufacturing of our products come largely from North America, as low risk and that no form of modern slavery is identified in our Tier 1 supply chains. We also analyzed our supply chain of certain countries of origin to better target risks on an ongoing basis and remain vigilant in our verification process.

Assessment of suppliers

We did send modern slavery auto-evaluation questionnaires to our top Tier 1 suppliers and made them acknowledge and sign our supplier's code of conduct which will allow us to better identify risks in our supply chain. We will continue on a yearly basis to evaluate more of our suppliers always based on our supplier's assessment.

Temporary foreign workers

In Canada, Derby Building Products, hires foreign labour and reduces these risks by having a rigorous hiring process in place. We use a law firm to support us with the candidate working permit and we hire them internally according to our high standards and their desire to settle long-term in Canada.

Working conditions respect the human rights of all employees, including temporary foreign workers.

Our company is committed to respecting the human rights that protect all workers, including temporary foreign workers who have the same rights and protections as Canadians and permanent residents.

Policies, Governance and Due Diligence

We did establish a governance structure and enhance the enforcement of our policies aimed at protecting human rights and preventing the use of modern slavery in our operations and supply chains.

Our Modern Slavery Steering Committee monitor these practices, ensuring rigorous risk management. These efforts are integrated into all Derby Building Products activities to ensure the measures taken are aligned with the high standards of governance of our company and the regulations relating to the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Derby Building Products leverage its well-established leadership and governance, strict compliance standards to ensure the rights of its customers, employees, and workers in its supply chain are protected. This commitment to human rights stems from a deep belief in the importance of integrity and ethics, aimed at creating a safe and inclusive work environment for all stakeholders.

Derby Building Products is firmly committed to tackling modern slavery in its supply chains by conducting rigorous due diligence-based assessments to identify, address, and mitigate risks related to modern slavery and rights violations of the person. Our approach include periodic audits, awareness among our procurement's team, and reporting mechanisms to ensure constant monitoring and continuous improvement of our ethical practices.

Modern Slavery Policy

Derby Building Products has zero tolerance in relation to any form of modern slavery. We are resolutely committed to preserving human dignity and attaches great importance to promoting equality and the protection of human rights in all its activities, supply chains and commercial relationships. This commitment is reflected in our Modern Slavery Policy, which draws on international best practices and standards.



Supplier Code of Conduct



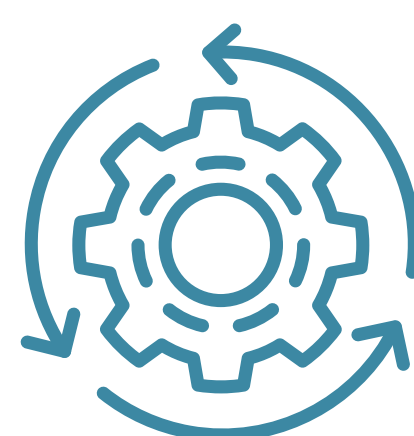
Derby Building Products developed and implemented a Supplier Code of Conduct and signature for acknowledgment from our main suppliers aimed at raising awareness among our partners and strengthening our strict position against any form of forced labor and/or child labor in our supply chains.

Modern slavery questionnaires were sent to analyze our top Tier 1 suppliers. This allow us to better identify vulnerabilities in our operations and supply chains related to modern slavery.

Derby Building Products values productive collaboration with all stakeholders, including suppliers, government authorities, and clients, to enhance the effectiveness of its modern slavery risk mitigation efforts. We remain committed to upholding the highest standards of ethics and integrity in its operations and relationships, continually adapting to maintain these principles.

Our employees interacting with suppliers are required to report any potentially illegal or unethical behavior that may come to their attention, including the presence of modern slavery in the supply chain.

Assessment of Effectiveness



For this period of reference, Derby Building Products has implemented mitigation measures and focused on direct suppliers in its supply chain.

To minimize and prevent the risks of modern slavery more widely across all our activities and our supply chains, a continuous improvement process is place to participate in the fight against modern slavery to evaluate the effectiveness of our initiatives including the supervision by our steering committee, to conduct periodic audits, review of our risk assessment, and we will continue to work on the improvement of our monitoring performance indicators.

Additionally, integrating modern slavery concepts into our supplier selection and evaluation process will also provide us with indicators that can be evaluated and improved.

Reporting



In the coming year, we will establish clear guidelines on the actions to be taken in the event of a situation of modern slavery. This guidance will help employees identify and report such situations, while also outlining the measures to be implemented to prevent or remedy them, thus ensuring the protection of vulnerable workers.

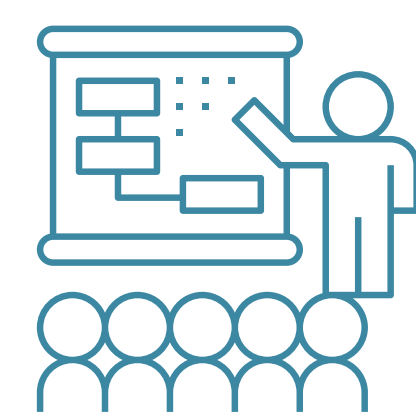
Our employees who work with suppliers are required to report any potentially illegal or unethical behavior that may come to their attention, including the presence of modern slavery in the supply chain.

Remediation



So far, we have not identified any forms of modern slavery in our operations and supply chains which, in turn, has allowed us to determine no loss of income among vulnerable families.

Training



Currently, modern slavery training is partially covered as part of U.S. Customs CTPAT compliance training. In 2024, an Modern Slavery awareness session was held to familiarize our the procurement's management team with modern slavery.

The aim to raise awareness is to collectively respect and protect human rights, thereby contributing to the global effort to eradicate all forms of modern slavery.

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.

I have the authority to bind Derby Building Products Inc.

A handwritten signature in blue ink, appearing to be 'Clarke Coccari', written over a horizontal line.

Clarke Coccari
Chief Financial Officer
May 16, 2025