

Forced Labour in Canadian Supply Chains Report

Executive Summary

Structure

This report is for Cardel Homes Inc., business number 849788294, a corporation operating in the construction sector in Canada for the 2023 reporting year. Our head office is in Calgary, Alberta, and we provide construction services in Alberta and Ontario. We meet the size thresholds requiring reporting of minimum \$40 million in revenue and minimum \$20 million in assets. This is not a revised report or a joint report. Cardel Homes Inc. has no reporting obligations outside of Canada.

Activities

Cardel Homes Inc. is a home builder. Cardel Homes Inc. acts as a general contractor for home construction, partnering with vendors and subcontractors to facilitate the completion of building forms. Subcontractors adhere to Cardel's "Subcontractor Agreement" policies but are otherwise not employees of Cardel. Products, materials, and supply chains, in general, are reviewed and considered based on multiple factors, including quality, pricing, and availability from our trade partners. Materials that go into the construction of homes may be manufactured/sourced from outside Canada by Cardel Homes Inc. and its suppliers.

Supply Chains

Cardel Homes Inc. strives to work with suppliers, agents, consultants, and other third parties and business partners, as well as their respective employees, directors, and officers (collectively "Suppliers") who share our commitment to social, ethical, and environmental responsibility.

Our main Suppliers provide a wide range of goods and services, which include:

- Earthworks – erosion control measures
- Underground Construction – piping, manholes, hydrants, catch basins
- Surface Construction – aggregate materials (gravel), asphalt, concrete
- Shallow Utilities – wiring, transformers, pedestals, gas pipe
- Foundations – excavating, cribbing, weeping tile, foundation protect
- Structure & Exterior Finishes – lumber, floor joist & roof truss, precast step, framing, interior stair, windows & doors, concrete flatwork, overhead door, eavestrough, aluminum rail, parging, stucco, masonry, brick, paint, landscaping
- Mechanical Rough-Ins – plumbing, roofing, fireplace, HVAC, electrical, structured wire
- Interior Construction Finishes – spray foam, drywall, cabinets, granite, railing, paint, carpet & lino, tile, hardwood, LVP, mirrors & shower door, wire shelving, light fixtures, appliances
- Furniture and home décor
- Information, technology and office products/services

Prevention and Risk Reduction of Forced and Child Labour

Cardel Homes Inc. conducted an initial preliminary assessment of risks of forced or child labour in our business activities and supply chains.

To prevent the risk of forced or child labour in our delivery of services in Canada, Cardel Homes Inc. has begun the process of identifying risks to the best of our knowledge and will continue to identify emerging risks related to forced or child labour in our supply chains.

We have policies and management systems to support responsible business conduct, including but not limited to:

- Maintaining policies on ethical business conduct, employment equity and environmental compliance.
- Ensuring due diligence in our hiring practices, including verification of the worker's identification and legal status to work in Canada, third-party background screening, and the completion of professional employment references.
- Paying market rates to employees and ensuring compliance with minimum wage requirements.
- Providing paid statutory holidays, vacation, and federal/provincial tax remittances to employees.

Cardel Homes Inc. has a zero-tolerance approach to modern slavery: no form of forced labour, such as slave, bonded, indentured, or prison labour, will be used in our operations. Work must be voluntary, and contractors and employees will be free to leave work or terminate their relationship with Cardel Homes Inc. in accordance with applicable employment or contract law requirements.

Remediation

Cardel Homes Inc. has not identified forced labour or child labour in our activities and supply chains, and therefore, remediation is considered not applicable.

Training

Cardel Homes Inc. provides all employees with training in human rights. The training is approximately 60 minutes in length. Forced labour and child labour are not explicitly addressed.

Monitoring and Continuous Improvement

Leadership at Cardel Homes Inc. will continue to undertake assessments of our business activities and supply chains to identify new and emerging threats related to forced labour and child labour. In addition, our policies and management systems will be reviewed to assess the effectiveness of our existing strategies.

Summary

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.



Ryan Ockey, President & CEO

May 29, 2024

I have the authority to bind Cardel Homes Inc.