



Modern Slavery Report: Upper Canada Forest Products Ltd.

Executive Summary

Upper Canada Forest Products Ltd. (UCFP) does not tolerate modern slavery, forced labour, or child labour in any part of our business or supply chain. We have had a strong stand against these practices long before Canadian legislation required it, and we continue to lead with proactive policies and training for our teams.

We promote continuous improvement in our due diligence, risk assessment, and training to protect workers' rights throughout our supply chain.

UCFP fully supports the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights. We do not knowingly use or accept products or services involving forced or child labour, and we require the same from all our suppliers.

This report details the steps we have taken and the challenges we have faced in the past year, covering the period from May 1, 2025, to April 30, 2026.

Organization's structure, operations, activities and supply chain

UCFP is committed to strong corporate governance, ensuring that business ethics and human rights are overseen with clearly defined roles. The Board of Directors oversees the company's strategies, policies, and procedures related to ethics and human rights, focusing particularly on the rights of workers impacted by the company's operations. The Board is responsible for ensuring compliance with these principles.

This year, the company appointed two Chief Operating Officers for Canada and the U.S. with the purpose of addressing the different dynamics and needs of both countries for long-term success in both markets while continuing to operate as one company. The Chief Operating Officers will lead efforts to enhance operational efficiency and deliver process improvements across key areas of the business, including supply chain, warehouse operations, fleet management, operational strategy, and project management.

The company's structure is based on a matrix reporting model. The Chief Financial Officer ("CFO"), the Chief Human Resources Officer / Chief Administrative Officer ("CHRO/CAO") and the President report to the company's Founder and CEO, Warren Spitz. The President leads the Commercial and Operational sectors, with the Regional Vice-Presidents, functional Vice-Presidents, the Chief Operating Officers and the General Counsel under his direction. The Regional Vice-Presidents manage the Division Managers who directly oversee each of the company's locations across North America.

UCFP was established 40 years ago and operates as a leading distributor of an extensive range

of products including hardwood lumber, specialty softwoods, panel products, laminates, and exterior products across Canada. The company's purpose is to provide materials for spaces that enhance people's lives and the health of the planet. UCFP's business conduct and its identity are intertwined, with its values of Professionalism, Integrity, Commitment, Innovation, and Sustainability serving as foundational principles. These values guide UCFP in 'Delivering the Difference' to its customers daily.

UCFP was incorporated under the Ontario Business Corporations Act ("OBCA") and is governed by the laws of Ontario. As of April 30, 2026, the Company employs 211 people across our Canadian operations. Our Business Number is 105461529.

Working with its sister company, Sierra Forest Products, Inc. ("Sierra Forest Products") in the U.S., UCFP shares management resources to provide exceptional service.

UCFP's head office is located in Mississauga, Ontario and operates with physical locations in other cities within Ontario, Alberta, and British Columbia and ships to other Canadian provinces and territories, including Manitoba, Saskatchewan, and the Northwest Territories.

Suppliers overview

Our network of wholesale suppliers spans across North America, the European Union, and Asia Pacific regions.

UCFP is aware that some wood products imported into Canada originate from countries with a high risk of forced labor, and that illegal logging is often linked to modern slavery, as well as other unlawful activities including militias, child soldiers, organized crime, and terrorism. The company continues monitoring information and assessments coming from regions or areas that have high-risks practices of illegal logging and the use of forced and child labour. The company systematically disseminates information about the lumber supply chain through its memberships in pivotal industry associations and assumes a leadership position in several of these groups. Leveraging its extensive industry expertise, UCFP refrains from procuring lumber from nations notorious for illegal logging practices and the exploitation of forced or child labor, as well as human trafficking.

Fortunately, based on our due diligence efforts, our findings indicate that our imports, whether direct or indirect, do not appear to originate from high-risk areas or conflict zones.

Policies in relation to modern slavery, forced labour and child labour

UCFP has developed numerous Policies relevant to this report and subject matter.

1. **Forced Labour & Child Labour in Supply Chain Act**

UCFP is committed to preventing forced and child labour in all our operations and supply chains, in full compliance with anti-slavery laws. We act with integrity and enforce strong systems to ensure modern slavery has no place in our business or among our suppliers. We are dedicated to transparency and meeting all public disclosure requirements under the Act.

This policy applies to everyone working for or on behalf of UCFP, including team members, directors, contractors, consultants, and business partners.

2. Recruitment and Hiring Policy for Upper Canada Forest Products Ltd.

The Recruitment and Hiring Policy is based on Equal Employment Opportunities as a fundamental right for all employees and applicants for employment in our company. In all cases, each applicant for employment is recruited, hired, and assigned based on merit, and without discrimination based on race, ancestry, place of origin, color, ethnic origin, citizenship, creed, sex, sexual orientation, gender identity, gender expression, age, marital status, record of offences, family status, disability, or any other protected ground under legislation in Canada.

3. Human Rights Policy for Upper Canada Forest Products Ltd.

This policy prohibits harassment in employment based on Prohibited Grounds ("Prohibited Grounds"), which include race, ancestry, origin, color, ethnicity, citizenship, creed, sex, sexual orientation, disability, and other grounds protected under applicable human rights legislation, and states the corporate commitment to provide applicants and team members with equal employment opportunities as follows:

- To recruit, hire, train, promote, and treat individuals without regard to all the Prohibited Grounds including race, ancestry, origin, color, ethnicity, citizenship, creed, sex or sexual orientation, disability.
- To ensure that employment actions such as those relating to compensation, benefits, transfers, layoffs, return from layoffs, company-sponsored training, education, educational assistance, and social and recreational programs comply with all applicable human rights laws and regulations; and to ensure that team members and applicants shall not be subjected to harassment, intimidation, threats, coercion, reprisals or threats of reprisals, or discrimination because they have engaged in or may engage in any of the following activities:
 - a. Filing a proper complaint of discrimination or harassment under this policy; or
 - b. Properly assisting or participating in an investigation, complaint or proceeding relating to a complaint of discrimination or harassment.

All team members at every level must comply with our policies, procedures, and applicable laws. Every member of the Management Team is required to provide equal employment opportunities to all applicants and team members and treat them with dignity and respect.

4. Forest Stewardship Council (FSC®) Core Labour requirements Policy Statement

FSC® is an independent entity certification that verifies that products are handled correctly at every stage of production. For a product to carry the FSC® label, every step in the supply chain between the forest and the final product must be FSC® Chain of Custody certified.

UCFP is proud to be FSC® Chain of Custody Certified. UCFP carries products that are FSC® Certified or FSC® Certified Available Upon Request.

The FSC® Chain of Custody standards (FSC-STD-40-004 & FSC-STD-20-011) include the FSC® core labour requirements, which are auditable social compliance requirements.

The FSC® core labour requirements include effective abolition of child labour, elimination of all forms of forced or compulsory labour, the elimination of discrimination in respect of employment

and occupation, respect of freedom of association and the effective recognition of the right to collective bargaining. The FSC® core labour requirements means that consumers know that FSC®-certified products come from companies that are audited for their respect for workers' rights.

UCFP is committed to a work environment where all individuals are treated with respect and dignity, in a professional atmosphere, where equal employment opportunities are promoted and discriminatory practices, including harassment, are prohibited.

Based on our current risk assessments and available information, we have identified that there is a very low risk of forced and child labour in our Canadian and U.S. operations and from our suppliers that are FSC® certified as well.

5. Anti-Slavery and Anti-Trafficking Policy for Upper Canada Forest Products Ltd.

Before the new Prevention of Forced and Child Labour legislation passed in Canada, UCFP had in place its Anti-Slavery and Anti-Trafficking Policy which was duly approved and authorized by the Board of Directors. This corporate policy states that modern slavery and human trafficking are abhorrent practices that will not be tolerated in our operations or in our supply chain.

The policy also commits to work ethically and with integrity and that we require our business partners to do the same.

In areas of our supply chains where risk indicators have been identified, we have taken appropriate due diligence to satisfy ourselves that our suppliers follow ethical employment practices that comply with all relevant legislation including, where applicable, the making of an Anti-Slavery statement.

UCFP will continue to monitor the risk of slavery and human trafficking in its supply chains and its own business, and we will act and report accordingly.

6. Speak Out Program

UCFP is committed to healthy and positive environments. The company promotes open communication and wants every member of the team to feel empowered to do their part in promoting this environment and ask for assistance or raise concerns in case an employee observes or suspects any inappropriate, unethical, or unsafe behavior. The employee is encouraged to discuss any safety concerns with her/his manager or an HR representative. Alternatively, the team member may submit a Speak Out Reporting Form which will be reviewed by the Chief Human Resources Officer, with all reports protected under applicable whistleblower protection laws.

Description of risk management processes in place to assess and address the risk of modern slavery, forced labour and child labour practices in the supply chain

UCFP is a wholesale distributor of the following product categories:

1. Hardwood Lumber
2. Specialty Softwoods

3. Panel Products
4. Laminates
5. Exterior Products

UCFP purchases from manufacturers, wholesalers and distributors of the products above and then delivers those products to our final customers to manufacture a variety of goods such as cabinets, furniture, moldings/millwork, doors, windows etc.

As a wholesale distributor operating in Canada, we take pride in our logistics capabilities, delivering products predominantly through our own fleet of trucks. Our clientele, comprising manufacturers of diverse products, relies on us for timely and efficient delivery services.

Suppliers standards and expectations

UCFP requires all suppliers to comply with minimum standards relating to labour rights, including:

- Prohibition of forced, bonded, or involuntary labour, including retention of identity documents or recruitment fees
- Prohibition of child labour in accordance with minimum legal working age requirements
- Payment of wages meeting or exceeding applicable legal standards
- Working hours aligned with applicable laws and industry standards
- Freedom for workers to leave employment without penalty

All vendors are required to sign off on our policy regarding the Fighting Against Forced Labour and Child Labour in Supply Chains Act as part of our vendor onboarding and renewal process.

Suppliers review

We also send a questionnaire that we have developed as a tool in this process. The questions are designed to help:

- Identify forced and child labour risks in our supply chain,
- Identify mitigation efforts to prevent or address forced and child labour in our procurement, and
- Collaborate with our suppliers to address these risks.

We ask our suppliers to complete this questionnaire honestly and with as much detail as possible. This year, we conducted another review of all our suppliers using an updated list.

While the initial response rate for completed questionnaires stood at 28% by number of suppliers, these respondents represent 59% of our total product volume purchased during the reporting period. We have prioritized engagement with suppliers representing the highest purchase volumes and recognize that further outreach to the remaining suppliers is a key priority for enhanced due diligence.

To mitigate risks associated with non-responsive suppliers, we have plans to implement a tiered follow-up protocol:

1. **Direct Outreach:** Our Purchasing team will conduct targeted phone calls and personal meetings at trade shows for high-volume non-respondents to explain the importance of the assessment.
2. **Alternative Verification:** For suppliers unable or unwilling to complete the questionnaire, we will rely on alternative due diligence measures, including review of their public FSC® certifications, analysis of public watch lists, and verification of their own supply chain policies during site visits.

Moving forward, we aim to significantly increase the direct questionnaire response rate by the next reporting period through these enhanced engagement strategies, supplemented by alternative due diligence measures for non-responsive suppliers.

We are pleased to report that, based on the questionnaire responses received from the responding suppliers during this reporting period, no responding suppliers were categorized as high-risk, and no indications of forced or child labour were identified among them.

Suppliers accountability

UCFP expects its suppliers to apply equivalent standards to their own suppliers and, where feasible, to maintain traceability of their supply chains and confirm compliance through documentation or certification.

Due Diligence processes in relation to modern slavery, forced labour and child labour in its supply chains

In the face of escalating legal and compliance challenges, and heightened global awareness of illicit activities, UCFP is proactively adapting to the dynamic regulatory environment as we venture into new markets and foster innovation. We instituted a comprehensive Vendor Onboarding process a few years ago. This serves as the cornerstone of our corporate risk prevention and compliance due diligence efforts. Among other requirements, we mandate that our vendors consent to comply with our Health and Safety Policy, the Lacey Act and our Forced and Child Labour Policy in Supply Chain.

We have solicited detailed information from our current suppliers regarding their policies and practices aimed at preventing forced and child labor within their operations and supply chains. Where possible, we have scrutinized these policies. Our assessment also extends to on-the-ground practices observed during supplier site visits, and analyses of public records, including watch lists.

Our Purchasing team members conducted site visits during the reporting period. The visits were designed to verify material sourcing and reporting protocols. As part of our commitment, we require suppliers to affirm their adherence to ethical employment practices and to ensure that their own suppliers uphold these same standards.

Our company's legal, financial, purchasing and compliance teams diligently conduct a comprehensive risk assessment for each new inventory supplier, along with a continuous review

process. We have established stringent financial controls to guarantee that payments are made to legal entities and only made to verified suppliers.

During the reporting period, UCFP established a Compliance and Risk Committee to ensure effective compliance and risk management across the company. The Committee oversees policies, procedures, and monitoring to meet all federal and provincial legal requirements, as well as private agreements. Its mandate includes identifying and managing risks and ensuring operations remain compliant. The Committee continuously reviews compliance activities, particularly those related to forced and child labour legislation, reinforcing our ongoing commitment to transparency and ethical business with vendors and customers.-

Training provided to employees on modern slavery, forced labour and child labour

We have developed an online course internally with the support of our Learning and Development Manager focused on modern slavery and human rights. This initiative is particularly aimed at educating our employees about the nature of modern slavery, its various manifestations, the types of conduct, Fighting Against Forced Labour and Child Labour in Supply Chains Act and its regulations, the potential risks within our operations and supply chain, and the measures we're taking to address these risks.

In the previous report, we planned to complete a comprehensive training needs assessment by the end of the summer. This assessment was completed, and based on the results, we implemented a work plan that includes not only the Purchasing and Recruitment teams but also all management staff. The objective is to deliver mandatory modern slavery prevention training and to incorporate this training into the onboarding process for new team members.

The training provided to employees includes a mandatory assessment and requires participants to sign an acknowledgment statement confirming their understanding and commitment to compliance. This year, the training was attended by 100% of the target group of the Canadian management staff, purchasing and recruitment team representing 75 employees.

Employees at UCFP are guided by the company's Code of Conduct & Ethics, which each employee acknowledges during their onboarding process and that reflects our corporate values. All UCFP team members are hired in full compliance with all Canadian labour laws.

Upon hiring, our Purchasing and Talent Acquisition team members receive training based on the following corporate policies:

- Anti-Bribery and Anti-Corruption policy
- Anti-Slavery and Anti-Trafficking policy
- Canada Human Rights Policy
- Training and Development Policy
- Code of Conduct and Ethics

Assessing the effectiveness of the actions taken to prevent and respond to

modern slavery, forced labour and child labour

UCFP has established measures to evaluate the effectiveness of the program with different methods and tools, as follows:

1. Rate of response of Due Diligence Questionnaire
2. Number of staff who receive training on modern slavery.
3. Actions taken in response to identification of risks.

Additional metrics under development include:

- Percentage of suppliers subject to enhanced due diligence
- Number of identified risks and corrective actions implemented
- Percentage of suppliers contractually committed to anti-slavery requirements

UCFP is committed to implementing and regularly evaluating specific measures to assess program effectiveness and identify potential risks, with quarterly reviews of these measures by our compliance team.

Prevention, Remediation and Mitigation Efforts. During the reporting period, no instances of forced or child labour were identified in UCFP's operations or supply chain that required remediation. Nevertheless, UCFP maintains the following proactive measures:

1. Require Tier 1 suppliers to verify and provide documented evidence that their suppliers maintain and enforce policies against forced labour and child labour.
2. Provide mandatory training to high-risk suppliers on identifying and preventing modern slavery and establish clear criteria for evaluating and potentially terminating commercial relationships with non-compliant suppliers.
3. Continuous evaluation of the compliance activities that will address any risks related to the application of the Forced and Child Labour legislation.

Future Steps

Optimization: This constitutes our third annual report pursuant to Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act, summarizing our efforts and accomplishments in compliance with this legislation. We have implemented and will continue to enhance our comprehensive internal processes to monitor, identify, and address risks of forced and child labour within our supply chain, in accordance with the requirements set forth in the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Stakeholder Engagement: Our company maintains extensive industry expertise and knowledge through our staff. Many of our senior executives and employees have numerous years of experience in the industry. We will continue leveraging this experience by actively engaging with industry associations and peers, government agencies, and NGOs to continue to develop relationships,

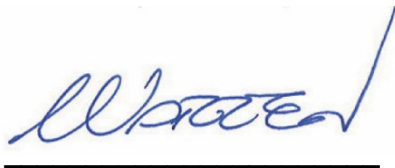
educational initiatives, exchange supplier information, share best practices and strengthen our community with the industry at large.

Conclusion

UCFP recognizes the importance and urgency of the objective to prevent and eliminate forced and child labour throughout our supply chain.

UCFP is committed to continuous improvement in its supply chain practices and will periodically enhance its policies, supplier engagement process, and risk mitigation strategies to align with evolving regulatory expectations and industry best practices. This report has been approved by the Board of Directors of Upper Canada Forest Products Ltd. in accordance with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

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.



Warren Spitz

Founder & CEO, Upper Canada Forest Products, Ltd.