



# Forced Labour and Child Labour Supply Chain Assessment

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## Introduction

Lake Scugog Lumber is firmly committed to protecting individuals from the exploitations of illegal labour practices, such as child labour, forced labour, slavery, and human trafficking; such practices are not tolerated by Lake Scugog Lumber and are strictly prohibited in all forms.

Lake Scugog Lumber holds itself accountable to the highest ethical standards and complies with and exceeds all relevant and applicable local and international laws pertaining to illegal labour practices. In doing so, Lake Scugog Lumber never knowingly contracts with or carries on a business relationship with any organization or employer that does not adhere to the same standards or is in violation of any relevant or applicable labour laws.

## Structure, Activities & Supply Chain

Lake Scugog Lumber is a privately owned incorporated company (Business #102943586) at 11 Vanedward Drive, Port Perry, ON L9L 1G3. Our organization's financial reporting year covered in this report is November 1, 2024 to October 31, 2025. Lake Scugog Lumber Inc. satisfies the definition of an Entity with 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 for one of its two most recent financial years.

### Structure

Lake Scugog Lumber was founded in 1931 and has grown to become one of Ontario's largest suppliers of building materials, manufactured roof trusses and floor systems.

There are no other reporting requirements in other jurisdictions.

### Activities

Lake Scugog Lumber operates as an independent Roof Truss Manufacturer, and sells building materials in conjunction with our buying group (Castle Building Centres Group Ltd.). The production of roof trusses and sale of building materials only services customers in Ontario (within a 200 km delivery range of Port Perry).

## **Supply Chain**

Lake Scugog Lumber purchases all its goods for sale from Canadian companies. We do not import any goods for sale. Our buying group, Castle, procures goods from companies operating out of North America. They have analyzed the office addresses of all vendors and found that they are mostly Canadian. Castle currently has limited knowledge of the origination of where suppliers source their goods. They have not yet performed an analysis of indirect suppliers, for the purposes of reporting under the Act.

## **Policies & Due Diligence**

Lake Scugog Lumber has the following policies in place relevant to this Act.

Illegal Labour Policy – developed to address child labour, forced labour, human trafficking, and slavery. This policy supports the need to address forced labour and child labour in our supply chains. Through compliance and due diligence we can help mitigate the effects of forced labour and contribute to the global effort to eradicate modern slavery.

Equal Pay for Equal Work Policy – developed to ensure that all compensation provided is equitable and that equal pay is provided for equal work (aiming to eliminate gender, or racial discrimination). Knowing discriminated groups are more vulnerable to exploitative work, this policy aims to ensure all groups have equal rights with respect to work opportunities, hiring processes and pay. This is the first step in being a role model for global companies.

Workplace Violence and Harassment – developed to ensure that employees have a safe, productive and healthy working environment based on mutual respect. The policy outlines the method for reporting any objectionable or unwelcome issues employees may encounter. Conditions that create forced intimidation, harassment, sexual harassment and bullying on company premises will not be tolerated.

Open-Door Policy – developed to give employees easy access to managers or ownership with respect to voicing their concerns, ideas or giving feedback. This culture fosters transparency and openness to discuss or report instances before they escalate or become a bigger problem. This also makes way for bigger issues like forced labour or any other form of suspected exploitation to be discussed openly.

## **Due Diligence with the Suppliers**

Lake Scugog Lumber will continually monitor its direct Canadian suppliers.

Our buying group, Castle Building Centres Group Ltd. bounds their suppliers by contracts, which are reviewed annually and have the right to terminate an agreement immediately should they have ground to believe a vendor is engaged in illegal acts. Reviews and on-site visits are incorporated into the annual review process of vendors to strengthen supplier relations, and increase visibility into vendor operations. Though these reviews have not historically assessed supplier compliance in relation to the Act, moving forward they will be able to raise

awareness of forced labour and child labour, which will help to identify emerging supply chain risks.

## Risk Assessment

Lake Scugog Lumber is a privately owned company who does not import any goods directly. Our lumber wholesalers are all Canadian based companies, therefore mitigating the associated risk of forced labour and child labour.

As a retailer of building materials, through Castle Building Centre Group Ltd., it has been determined that our industry is deemed as having a low inherent risk of forced labour or child labour by the Walk Free's Global Slavery Index. Castle has performed a risk assessment of the goods procured and the countries from which they are imported from in relation to the Act. The inherent risk of forced labour and child labour has been measured by the Walk Free's Global Slavery Index and the US Department of Labor's List of Goods Produced by Child Labour or Forced Labour. While Castle is aware that some of their vendors purchase goods from foreign countries, they do not know the full extent to where the vendors purchase their goods from. They are also aware that while the goods may not be manufactured using forced or child labour, the raw materials that go into the goods may.

All vendors Lake Scugog Lumber purchased goods from during the 24/25 fiscal year were from Canada. All vendors Castle deals with are from Canada and the United States. Thus there is a low inherent risk exposure of forced or child labour in our direct supply chains. However this does not mean that it does not exist in the supply chains of our vendors. Castle is aware that some of its vendors have headquarters in foreign countries but at this point they have not determined the full extent of where all goods are sourced from.

## Mitigating Activities

To mitigate the risk of forced labour and child labour within our supply chains, Castle has the following mechanisms to screen suppliers. The first is Supplier onboarding, where vendors are required to sign a Vendor Buying Agreement. These contracts have a clause that allows Castle to terminate a vendor if there are reasonable grounds to believe that the vendor has engaged in unethical acts, or displayed immoral behaviour, which contravenes Canadian law. Supplier monitoring is also being performed through Annual Reviews, Onsite Visits and developing new policies to mitigate the risk of forced labour and child labour within our supply chain.

## Remediation Forced & Child Labour & Vulnerable Family Income Loss

Castle is in the process of discovering the full depth of our supply chain and is continuing to review procurement practices to raise awareness of this issue with suppliers. To date, Castle has not identified or detected or had any reason to suspect instances of forced labour or child labour within our supply chain. Hence, no remediation measures with respect to forced & child labour & vulnerable family income loss, were required in the past fiscal year.

## Awareness Training

Lake Scugog Lumber Inc. does not have any specific awareness training in place for Forced Labour or Child Labour mainly because we are a small family business with only a handful of buyers. As stated earlier, we do have an Illegal Labour Policy, Equal Pay for Equal Work, Workplace Violence & Harassment Policy and Open Door Policy which enforces the corporate values of the company. We believe the best training is making our staff aware that this practice is happening in the world, and being open with our suppliers, that we will not tolerate suppliers that knowingly use this type of labour to gain a competitive advantage.

## Assessing Effectiveness

The only means we have of assessing effectiveness is taking the supplier's word. Since Canada has laws in place for the reporting of Child Labour, we do not see this as being an issue with our Canadian suppliers that we buy from directly.

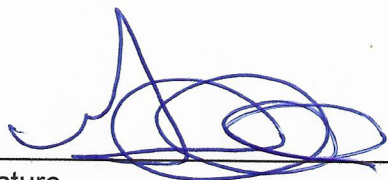
For all other supplier's, Castle has the following mechanisms in place. Through a zero-tolerance for workplace violence and harassment, to initiating employee training on forced labour and child labour, and reviewing policies annually. Castle also has the following procedures to mitigate the risk of forced and child labour through supplier contracts, supplier visits and supplier performance reviews, through the Vendor Buying Agreements.

## 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 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 Lake Scugog Lumber Inc.

President  
Title

  
Signature

April 30, 2026  
Date

Ian Griffen  
Full Name