

Goodfellow Inc.
Report on Forced and Child Labour in Supply Chains and
Modern Slavery Statement
Fiscal Year 2024

Slavery and human trafficking is a far reaching and important issue. Goodfellow considers the respect of human rights to be a fundamental corporate responsibility and has zero-tolerance for forced labour and child labour within the organization and its supply chain. Goodfellow is committed to implementing measures to prevent and reduce the risk of forced labour or child labour, including any other forms of modern slavery, in its operating activities and in those of its supply chain.

1. ABOUT THIS REPORT

This report relates to the financial year ending November 30, 2024. It is published by Goodfellow Inc. (the “**Company**”) in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Canadian Act**”) and the UK Modern Slavery Act 2015 (the “**UK Act**”).

The scope and information provided in this report applies to Goodfellow Inc. and to its subsidiaries, Goodfellow Distribution Inc. (USA) and Quality Hardwoods Ltd., and its employees, collectively referred to herein as “Goodfellow” and “the Company”.

This report highlights the key actions of the Company within the last financial year to prevent and reduce the risk of forced labour or child labour in its operating activities and in those of its supply chain.

As outlined in this report, Goodfellow has implemented several priority action items in fiscal year 2024 to prevent and manage human rights risks. These actions include evaluating internal processes to enhance transparency regarding third-party sources, updating internal policies to uphold human rights across operations and supply chains, and initiating a formal risk assessment project to identify, assess, and prioritize overall risks facing the Company.

2. ABOUT GOODFELLOW

Goodfellow is a diversified manufacturer of value-added lumber products, as well as a wholesale distributor of building materials and floor coverings. With a distribution footprint from coast-to-coast in Canada and in the Northeastern U.S., Goodfellow effectively serves commercial and residential sectors through lumber yard retailer networks, manufacturers, industrial and infrastructure project partners, and floor covering specialists. Goodfellow also leverages its value-added product capabilities to serve lumber markets internationally.

Goodfellow Distribution Inc. (USA) is a wholly owned subsidiary of Goodfellow Inc. and operates as a distributor of lumber, forestry products and other building materials in the United States. In the UK, Goodfellow’s products are distributed through a third-party agent.

The Company reports annual turnover of approximately \$509M in sales (to the nearest million) and employs approximately 800 people, subject to seasonal demand. The Company’s head office is located in Delson, Quebec, where its main distribution and remanufacturing plants are located. The Company operates in sixteen (16) other locations across Canada, where it conducts sales, distribution, warehousing, and wood transformation activities, as well as five (5) locations in the US.

3. SUPPLY CHAINS

Goodfellow recognizes that goods manufactured in Canada, the US, Europe and Australia have less risk of forced labour or child labour. During the fiscal year 2024, Goodfellow purchased goods from approximately 2,950 suppliers. Of these suppliers, 98.6% were located in Canada, the US, Europe and Australia, and the remaining 1.4% of suppliers are in South America, China and other Asian countries.

However, the Company also recognizes these suppliers may have in turn purchased goods originating, remanufactured or distributed from other countries. In 2024, Goodfellow evaluated internal processes to increase transparency regarding these third-party sources.

While Goodfellow also recognizes that suppliers may source *elements* of their products, components, treatments, packaging and ingredients from overseas manufacturers, which may have higher prevalence of labour rights abuses, improving transparency in this area is more difficult. However, Goodfellow will monitor the practices within the industry for opportunities to improve transparency and reduce the potential risks from these areas as well.

Lumber and Other Forestry Products

Lumber and other forestry products represent approximately 75% of total turnover at Goodfellow. These products include, but are not limited to, mass timber; pressure treated lumber and plywood; coated or stained exterior wood and engineered wood siding; hardwood, softwood and laminated veneer panel products; engineered wood products; rough and dressed imported and domestic hardwoods; wood flooring products; and various grades, species, and sizes of softwood lumber, such as cedar and pine.

The location of suppliers of wood and forestry products is largely dictated by the species that is harvested. For example, much of the Maple, Oak and Walnut species grows in North America, therefore the labour needed to process these products is geographically limited to North America. Generally speaking, most of the Company's lumber and wood products originate in North America and is processed at domestic sawmills.

4. POLICIES AND DUE DILIGENCE PROCESSES

For many years, Goodfellow has been certified Forest Stewardship Council® (FSC® C008114) and Sustainable Forestry Initiative® (SFI-01692). As part of these certifications, annual assessments and audits of their Core Labour Requirements are conducted, which cover the abolition of child labour, elimination of all forms of forced or compulsory labour, elimination of discrimination with respect to employment and occupation, upholding freedom of association, and the effective recognition of the right to collective bargaining. Goodfellow has continually demonstrated conformance to this standard and been granted renewal of its certifications year after year, including again in 2024.

As part of its commitment to continuously improve practices with regards to preventing and managing human rights risks, in fiscal year 2024 Goodfellow updated its Code of Ethics and Business Conduct ("**Code**"). The new Code includes the following sections specifically on Forced and Child Labour:

FORCED LABOUR

While exercising your functions at Goodfellow, under no circumstances will you use or in any other way benefit from forced or compulsory labour, nor be involved, in any form of human trafficking or slavery. Likewise, the use of labour under any form of indentured servitude is prohibited, as is the use of physical punishment, confinement, threats of violence or other forms of harassment or abuse as a method of discipline or control. You will not cause or permit the utilization of factories or production facilities that force work to be performed by unpaid or indentured labourers, nor will you contract for the manufacture of products with direct or indirect suppliers that engage in such practices or utilize such facilities.

CHILD LABOUR

In accordance with applicable Laws, and more specifically the International Labour Organisation (ILO) Conventions, you are strictly forbidden from making use of Child Labour on behalf of Goodfellow.

The Board of Directors of Goodfellow (the “Board”) also revised and published more robust charters of the Board and its committees which will help refine governance practices and better reflect its role in upholding human rights through ethical and sustainable business practices across its supply chains.

One of the most important ways to ensure ethical business practices is to encourage employees, directors, officers, shareholders and other stakeholders to speak up or ask questions about situations that may violate laws, internal policies or the Code. The Board is responsible for overseeing enforcement of the Code in accordance with applicable laws and regulations, as well as Goodfellow’s whistleblowing policy and procedure. In 2024, the Board approved and oversaw the implementation of a new and more robust whistleblowing policy and procedures, as well as a third party reporting channel allowing all stakeholders to submit confidential reports of potential wrongdoing, including Forced and Child Labour in the supply chain.

Although Goodfellow has not yet implemented a formal system of due diligence and controls within its procurement structures, in 2024 the Company sent an attestation letter to its largest suppliers asking them to learn about and comply with the Canadian legislation, as well as collaborate with Goodfellow to fight against forced and child labour. This attestation letter was sent to Goodfellow’s main suppliers of products it sells, including lumber, wood and other forestry products, flooring, panels and other building materials it distributes. This supplier group of over 300 companies from around the world represents approximately \$325M of \$558M total purchases made by the Company in the previous 12 months. Over 50% of these suppliers signed and returned the attestation to date.

Over the next months and years the Company is committed to continuing to adjusting processes so that risks of forced labour and child labour in business and supply chains is identified and properly addressed.

5. RISK ASSESSMENT & REMEDIATION MEASURES

Goodfellow believes that establishing long term and trusted business relationships with business partners and suppliers can enhance overall performance and the Company will continue to collaborate closely with them to assess and address any risk of forced and child labour in shared supply chains.

In 2024, Goodfellow started a formal risk assessment project to identify, assess and prioritize overall risks facing the Company. Goodfellow acknowledges that the risk of forced labour and child labour in the industry exists, given that supply chains, including those of suppliers, extend into regions potentially facing greater risk of forced labour and child labour. Goodfellow also acknowledges that instances of human rights abuses have occurred in the lumber sector and as such, the Company recognizes that it has a responsibility to take a strong approach to addressing forced and child labour risks, and this will be reflected in any future risk mitigation process.

In that context, Goodfellow values large suppliers that are well-established and reputable organisations with a history of good relations with the Company, whether they are local, domestic or from overseas. The Company's most important suppliers generally have high human rights standards, as well as procurement policies that discourage the use of forced and child labour.

In 2024, the Company was not made aware of specific instances of forced labour or child labour with any its suppliers; therefore no measures were taken during the reporting period to remediate forced labour or child labour or loss of income in our activities and supply chains.

6. TRAINING

During the reporting period, the Board participated in information sessions to gain better understanding of the role of the Company with regards to Canadian legislation on forced and child labour. Goodfellow did not provide employee training with regards to human rights issues but remains committed to acting ethically and with integrity in all business relationships, and will continue to examine ways to enhance its human rights training practices.

7. ASSESSING THE EFFECTIVENESS OF THE COMPANY'S APPROACH

Goodfellow has not implemented a method to assess its effectiveness in ensuring that forced and child labour are not being used in its supply chains. However, Goodfellow will monitor the policies and procedures adopted within the industry for opportunities to improve in this area.

This report was approved by the Board of Directors of Goodfellow Inc. on March 27, 2025 pursuant to subparagraph 11(4)(b)(ii) of the Canadian Act and section 54(6)(a) of the UK Act and constitutes our group's report and statement for the financial year ending November 30, 2024.

In accordance with the requirements of the Canadian Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the 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 Canadian Act, for the reporting year indicated above.

I have the authority to bind Goodfellow Inc.

(Signed) "Robert Hall"

Chair of the Board of Directors
Goodfellow Inc.

March 27, 2025

Date