



**REPORT ON FIGHTING AGAINST FORCED LABOUR AND
CHILD LABOUR IN SUPPLY CHAINS ACT REPORT**

For the Financial Year Ended September 30, 2023



• 1320 Stone Church Road East, Hamilton, Ontario L8W 2C8

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Complete Supply of Drywall, Insulation, Metal Studs & Ceiling Systems

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ABOUT THIS REPORT

This report is produced by Clare (“Company”, or “our”) for the financial year ended September 30, 2023. It is the first report (“Report”) to meet the requirements of Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023) (the “Act”).

The Report summarizes the policies and procedures performed by Clare to prevent and reduce the risk that forced labour or child labour is used at any step of the production and delivery of goods both domestically and internationally.

ABOUT OUR BUSINESS

Clare is a privately owned and operated interior construction supply business with locations in Hamilton and Toronto, Ontario. We have been serving the Golden Horseshoe and surrounding area for over 30 years. At Clare we maintain a full line of gypsum, steel framing, insulation, drywall finishing products and ceiling system products that we offer for customer pickup or delivery to various construction sites.

Clare is committed to acting ethically and with integrity in all its operations, business, and transactions to minimize the risk of forced labour and child labour in its business and supply chains. Forced labour and child labour are contrary to our purpose, vision and values. We do not tolerate forced labour and child labour in our organization or in those of our suppliers and subcontractors. We hold ourselves to the highest standards and expect employees, contract workers and directors of Clare to act with integrity and to comply at all times with the letter and spirit of the laws, regulations and rules applicable in the jurisdictions where we operate and in particular with respect to the Act. If instances arise where these expectations are not met, we will strive to respond in an appropriate manner.

OUR STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Our structure

Clare comprises of two privately owned corporations:

1. Clare Interior Supplies Ltd.
2. Clare Toronto Inc.

Our activities

Clare is a distributor of interior construction products. As noted above, the majority of products sold comprise of gypsum, steel framing, insulation, drywall finishing products and ceiling system products. The purchase of, and subsequent sale and distribution of these products are conducted with a commitment to sustainable, environmental and social best practices.



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Our supply chains

Clare relies on a diverse pool of suppliers to provide goods and services to support our business activities. Some of Clare's suppliers have supply chains extending beyond Canadian borders.

Clare's procurement operations are conducted through a dedicated procurement function.

In 2023, the largest category of goods and services procured by Clare included: gypsum, steel framing and insulation products. The vast majority of these products are purchased through the buying group TIM-BR Mart. In addition to Clare's vetting process in procurement, TIM-BR Mart similarly ensures that suppliers through the group provide and produce their products in an ethical manner.

OUR POLICIES AND DUE DILIGENCE PROCESSES

Clare's policies establish our dedication to conducting business in a lawful, ethical, and responsible manner and our commitment to prevent forced labour and child labour in our activities. Our policies outline the Company's standards for acceptable business conduct and are reviewed and updated annually by ownership and our executive team. Clare's policies are accessible to employees, management, third-party suppliers, and all other relevant third-party stakeholders. We require our business partners and suppliers within our supply chain to abide by Clare's standards and policies.

The below summarizes the Company's key policies and standards relating to human rights and recognizing and addressing risks related to forced labour and child labour within our operations and supply chains. These policies and standards apply across all of Clare's operations:

Code of Ethics

Clare requires its employees adhere to and comply with the Company's Code of Ethics and Conduct. Additionally, our employees renew compliance to the Code of Ethics and Conduct annually. The Code of Ethics and Conduct requires, among other commitments, our employees, ensure the following:

- a healthy working environment and safe working conditions;
- non-discriminatory, equal employment opportunities; and
- the respect of individuals, their integrity and dignity.

Additionally, the Code of Ethics and Conduct forbids the offering of bribes and improper payments and sets out regulations for the giving and receiving of gifts and donations. These commitments help our employees, directors, and officers reduce the risk of forced or child labour in our operations and supply chains.



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Whistleblowing Policy

Clare advocates for a zero-tolerance policy towards retaliation against whistleblowers. The Whistleblowing Policy:

- promotes an ethical work environment and culture;
- mandates the reporting of any confirmed or suspected breaches of laws, regulations, or our policies; and
- protects whistleblowers from retaliation.

Contractual terms and conditions

Clare makes commercially reasonable efforts to have our contractors and suppliers comply with the Code of Ethics and Conduct.

POTENTIAL SUPPLY CHAIN RISKS OF FORCED LABOUR OR CHILD LABOUR

Clare recognizes that the risk of forced labour and child labour is greater within our supply chains compared to our own operational activities. Furthermore, certain individuals, sectors, and geographic locations within our supply chains may be at higher risk of forced labour and child labour.

As such, the Company has identified the following categories of goods as being the most notable potential risks of forced labour and child labour within our supply chains:

- raw material processing of steel and gypsum products outside of Canada;
- clothing and personal protective equipment;
- other goods manufactured in regions considered at higher-risk of forced labour or child labour. clothing and personal protective equipment.

The measures Clare takes to mitigate the risk of forced labour and child labour in our operations include our policies and procedures outlined above, in addition to other risk management strategies.

To the best of our knowledge, we have not identified risks of forced labour and child labour in our operations and supply chains. Our risk assessment process is reviewed annually with the goal of identifying possible gaps in our assessment.

REMEDATION MEASURES AND LOSS OF INCOME

In 2023, Clare did not implement any remediation measures as no instances of forced labor or child labor were identified in our operations or supply chains.

In the event of forced labour or child labour occurring despite our preventative efforts, we will address the situation in accordance with our commitments, policies and standards.



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ASSESSING EFFECTIVENESS

Clare is dedicated to ensuring that neither forced labor nor child labor is present within our operations or our supply chains. To assess the effectiveness of our diligence processes, Clare is committed to:

- reviewing periodically our supplier base to identify potential risks;
- identifying and mitigate risks wherever they arise; and
- annually reviewing our policies related to child and forced labour prevention.

TRAINING

Clare is committed to ensuring that its employees have access to training pertaining to our Code of Ethics and Conduct. Annual training will be provided to all employees and management.

ATTESTATION AND APPROVAL

This Report was approved by the ownership of Clare on May 30, 2024.

In my capacity as a Vice-President of Clare and not in my personal capacity, I make this 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 Clare.

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.

DATED on this 30 of May 2024.

Greg Daly, Vice-President
Clare