

ZyTech Building Systems LP

2023 REPORT UNDER THE FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

1 Introduction

This report constitutes the first report prepared by ZyTech Building Systems LP (“**ZyTech**”) pursuant to Canada’s new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”).

This report relates to steps taken by ZyTech to prevent and reduce the risk that forced labour or child labour was used at any step of the production of goods in Canada or elsewhere, or of goods that we imported into Canada for the financial year ended December 31, 2023 (the “**Reporting Period**”).

2 Activities, supply chains, and structure

Activities

ZyTech is a manufacturer and seller of building materials for the residential and commercial construction industry. Our primary business is the design and manufacturing of engineered wood products such as trusses, floor systems, wall panels, and stairs. The organization also sells lumber products and accessories such as insulation, poly, adhesives, hangers, and fasteners. Our customers are largely other businesses in the construction industry.

ZyTech is headquartered in Alberta and has operations in eight locations in Alberta and Saskatchewan. The company employs a total of approximately 300 people in those locations. We also have one contractor who works remotely from the United Kingdom.

Supply chains

ZyTech sources lumber and other supplies from Canada and the U.S. All of our tier 1 suppliers are in Canada or the U.S. In terms of the goods we buy for use in our business or for resale to customers, approximately 95% are lumber and manufactured woods, and 5% are accessories such as hardware and related products. We import lumber and other forest products from the U.S. All other purchases are from Canadian manufacturers and distributors.

Structure

ZyTech is a limited partnership formed under the laws of Alberta and is managed by its general partner, ZyTech Building Systems (GP) Inc., which is incorporated under the *Business Corporations Act* (Alberta). Zytech’s sole limited partner is RONA inc. (“**RONA**”) and its general partner is a wholly-owned subsidiary of RONA.

RONA has filed a separate modern slavery report pursuant to the Act.

3 Policies and due diligence processes

ZyTech’s Code of Ethics and Business Conduct (the “**Code**”) requires all employees (including executives, managers, and supervisors) to observe high standards of business and personal ethics in the conduct of their duties and responsibilities.

The Code sets forth ZyTech’s policies and procedures in areas of key legal and ethical importance. It sets out requirements for compliance with all laws, rules, and regulations where the organization does business,

as well as requirements for compliance with the organization's own policies. The philosophy and policies outlined in the Code include the following:

- ZyTech is committed to creating an environment where all employees are treated with dignity and respect, free from all types of abusive, offensive, or harassing behaviour.
- ZyTech is dedicated to maintaining a healthy and safe working environment.
- Every employee should feel comfortable to speak their mind, particularly with respect to ethics concerns.

The Code provides that in every instance where unethical behaviour is found to have occurred, the organization will take appropriate action and will not tolerate retaliation against employees who raise genuine ethics concerns in good faith.

Given the recent adoption of the Act as well as the nature of our operations in Alberta and Saskatchewan, ZyTech does not yet have any policies or due diligence processes in place specific to the issues of forced labour or child labour, or any requirements for our suppliers to have in place such policies and procedures.

4 Risks of forced labour and child labour in our operations and supply chains

(a) Operations

While ZyTech has not formally begun the process of identifying risks in our operations or supply chains, we consider there to be a low risk of modern slavery risks in our operations. We do not employ anyone under the age of 18. All of our employees work in Canada and our sole contractor provides IT services remotely from the United Kingdom.

(b) Supply chains

We strive to work with suppliers who share our commitment to meet the highest standards.

While we have not yet undertaken any specific supplier mapping activities or any formal processes to identify risks of forced labour and child labour in our supply chain, we consider such risk among our tier 1 suppliers to be relatively low as they are all located in Canada and the U.S. The Responsible Sourcing Tool does not identify forestry in the U.S. as being at high risk for forced labour or child labour. That said, we acknowledge that the migrant workforce used in the forestry and logging industry in the U.S., as well as the presence of labour brokers and other middlemen, may create a risk of forced labour.

5 Steps taken to assess and manage the risk of forced labour and child labour

As provided in our Code of Ethics and Business Conduct, ZyTech believes in displaying honesty and integrity and reaching company goals solely through honourable conduct. While we have not yet taken any formal steps to assess the risk of forced labour and child labour in our supply chains, we are committed to respect for the individual and to promoting a safe and healthy environment for ourselves and others who could be potentially affected by our actions or decisions.

6 Remediation measures

During the Reporting Period, ZyTech did not identify or receive any reports of forced labour or child labour in our operations or supply chains. As a result, we have not had to take any measures to remediate any forced labour or child labour or any loss of income to vulnerable families.

7 Training

ZyTech has not yet offered any training to its employees on the issues of forced labour and child labour.

8 Assessing the effectiveness of our actions

Given the newness of the Act and the fact that ZyTech is still in the beginning stages of understanding the issues and risks of forced labour and child labour, the organization is not in a position to assess the effectiveness of any actions taken to prevent and reduce risks of forced labour and child labour in our business and supply chains.


9 Approval and attestation

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the board of directors of ZyTech Building Systems (GP) Inc. in its capacity as general partner of ZyTech Building Systems LP.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for the entity specified above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate, and complete in all material respects, for the purposes of the Act, for the Reporting Period.

I make the above attestation in my capacity as a director of the board of directors of ZyTech Building Systems (GP) Inc., as general partner of ZyTech Building Systems LP (the "ZyTech Board") for and on behalf of the ZyTech Board.

I have the authority to bind ZyTech.

Per: 
Full Name: Andrew Iacobucci
Title: President and Chief Executive Officer
Date: May 15, 2024