



C.P. LOEWEN ENTERPRISES LTD.

May 23, 2024

# 2023 MODERN SLAVERY REPORT

## ABOUT THIS REPORT

### REPORT INTRODUCTION

Modern slavery refers to forms of contemporary slavery such as forced or compulsory labour, child labour, human trafficking or any other internationally recognized exploitative labour practices. It is a significant global issue impacting different industries, sectors and geographic locations. The Canadian government has committed to preventing and reducing these risks and has established legislation to require certain entities to report on the measures taken in this regard.

C.P. Loewen Enterprises Limited (“Loewen” or “the Company”, or “it”) recognizes that modern slavery, including forced labour and child labour is a complex issue that can exist in a variety of forms through global supply chains. As a Company that has been in operation for nearly 120 years, Loewen is committed to the delivery of exceptional products and services without compromising its core values.

Loewen has an important role to play in safeguarding the rights of its workers, advancing its supply chain transparency, and mitigating risks of modern slavery. Accordingly, the Company has developed a zero-tolerance approach to modern slavery by:

- committing to act ethically and with integrity in all of its business dealings and relationships; and
- implementing and enforcing effective systems and controls to detect and prevent modern slavery from taking place anywhere within its own business or in any of its supply chains.

### REPORT SCOPE, DEFINITIONS AND BOUNDARIES

This joint Modern Slavery Report is provided in relation to Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) and related guidance from Public Safety Canada, for the reporting period of January 1, 2023, to December 31, 2023. The Report outlines Loewen’s current actions related to the prevention and detection of modern slavery within its business activities and supply chain and identifies areas where Loewen intends to refine its reporting and risk management practices in the near term.

This Report has been prepared by Loewen as the main reporting entity on behalf of the following affiliates as noted below:

- 6699058 Manitoba Ltd.
- C4SJ Developments Inc.
- CP Loewen Enterprises Ltd.

For the purpose of this Report, the terms “Loewen” or “the Company” may be used interchangeably to refer to the business.



## **STEPS TAKEN TO PREVENT AND REDUCE THE RISKS OF FORCED LABOUR AND CHILD LABOUR**

Through the latter part of 2023 and early 2024, Loewen started to take steps to better understand its modern slavery risks within its operations and supply chains. For the remainder of 2024, the Company intends to strengthen its policies related to business conduct and supplier due diligence to better address modern slavery risk. This Report details the steps that Loewen has taken to date and its intended actions for the coming year.

## **OUR STRUCTURES, ACTIVITIES AND SUPPLY CHAINS**

### **BUSINESS**

Loewen is the leading manufacturer of premium windows and doors for the luxury architectural market in North America and abroad. With more than 700 employees and several hundred dealers across North America, Loewen handcrafts products that enhance beautiful architecture. Extending beyond its core business, Loewen is an innovative organization that has evolved into a design-driven, technologically advanced company of the modern age.

### **COMPANY HISTORY**

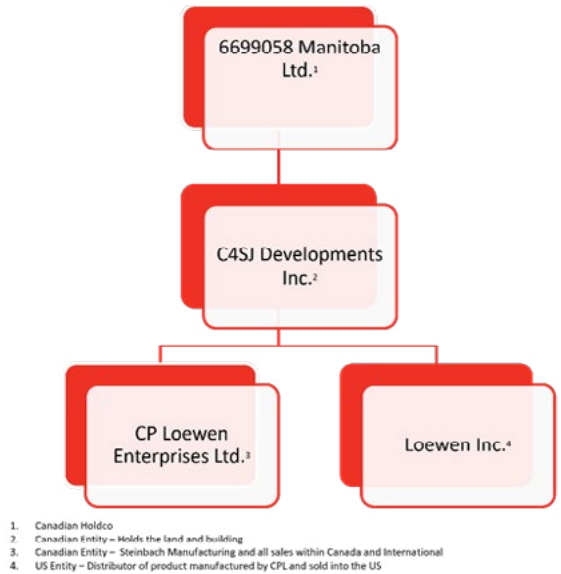
Loewen's history spans 119 years, with roots developed by C.T. Loewen in 1905 through the establishment of Loewen Millwork at a small lumber yard and sawmill located in Steinbach, Manitoba.

Among the Company's early products were items such as church pews and beekeeping equipment. From the 1930s through the 1940s, Loewen shifted to manufacturing pre-built windows and doors to supply the post-war boom in housing construction. In the 1990s the Company followed this period of innovation with the cultivation of an exclusive dealer network into the United States (US), helping to achieve its status as one of the leading suppliers of high-end custom wood windows and doors in North America.



### CORPORATE ORGANIZATIONAL STRUCTURE

The corporate structure at Loewen consists of one Canadian holding company and two Canadian entities. The Canadian entities undertake all primary manufacturing activity, as well as sales activity in Canada and Internationally (Caribbean). Sales to the US are facilitated through Loewen Inc., an affiliate not subject to the reporting requirements under the Act.



### ACTIVITIES

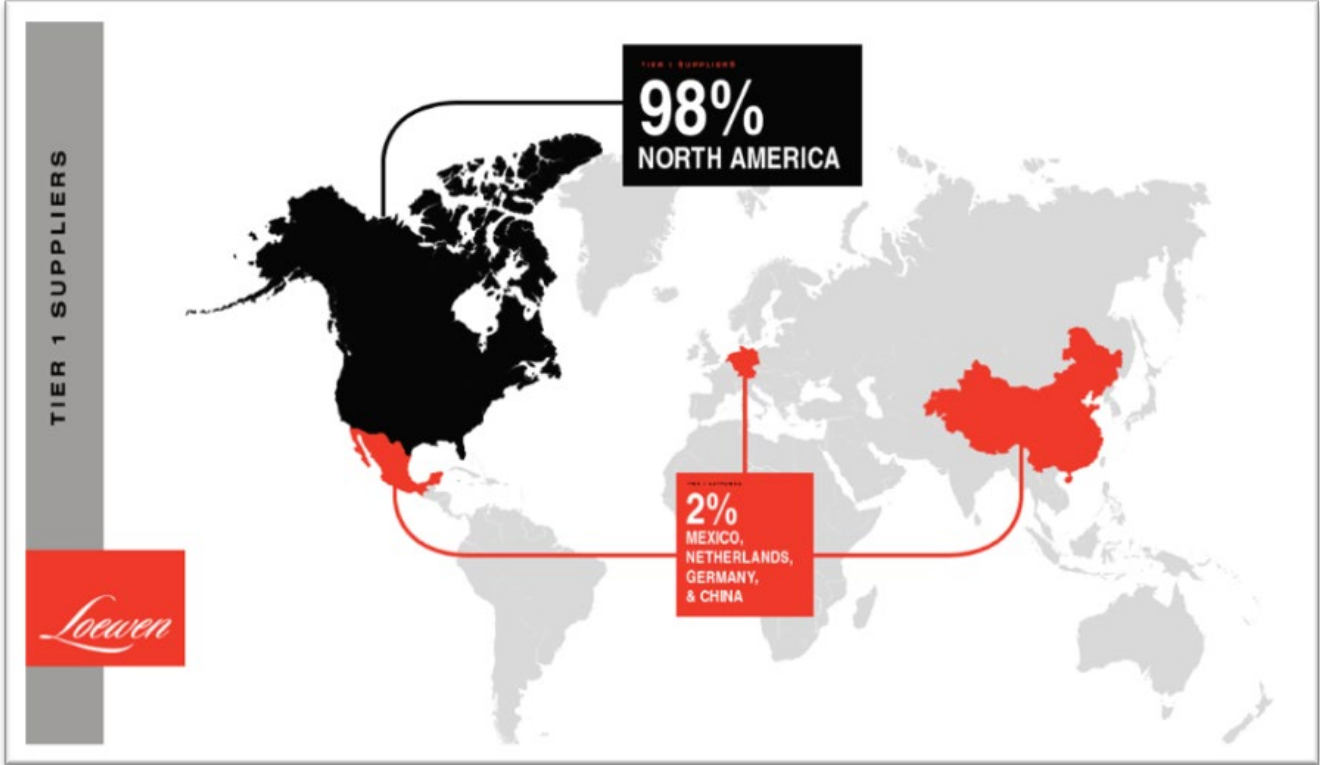
From the origins of Loewen’s first 57,000 sq/ft manufacturing facility, built after the end of World War II, the Company has grown substantially with the operation of a 600,000 sq/ft manufacturing facility today.

Loewen continues to use high quality authentic materials to provide custom designs and configurations. The majority of its products are made with wood or wood with exterior cladding. The Company prioritizes innovation and has been successful bringing numerous products to market, including pushout casements and awnings, the copper and bronze Cyprium collection, LiftSlide and MultiSlide doors, Timber Curtain Walls and the Swinging Door.

The majority of Loewen’s 700+ employees are based in Canada. Sales specific to Canada are made through the Company’s Canadian entity: CP Loewen Enterprises Ltd, while the Company’s US and International (Caribbean) sales are made through Loewen’s network of 200+ independent dealers that are located throughout the US.

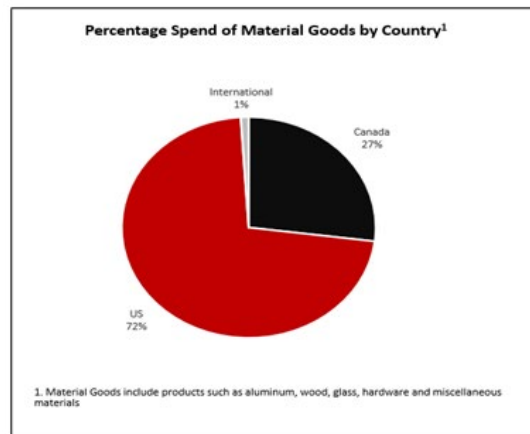
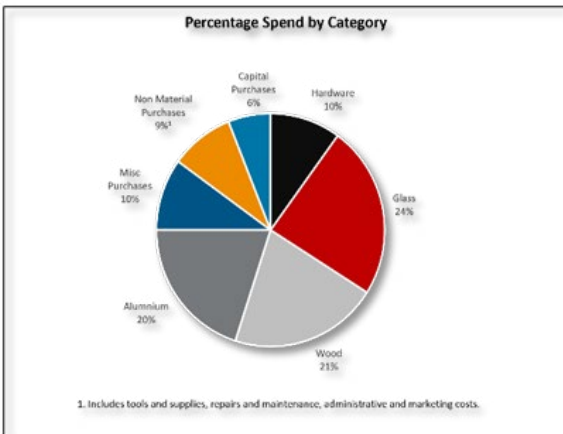
**SUPPLY CHAIN**

Loewen’s supply chain includes third party contractors, service providers, consultants, raw material producers and transportation companies. In 2023, Loewen had approximately 170 active vendors.



The majority of Loewen’s Tier 1 Suppliers (98%) operate within Canada and the US (54% and 44% respectively), while the remaining 2% consist of one supplier from each of the following countries: China, Germany, Mexico and the Netherlands.

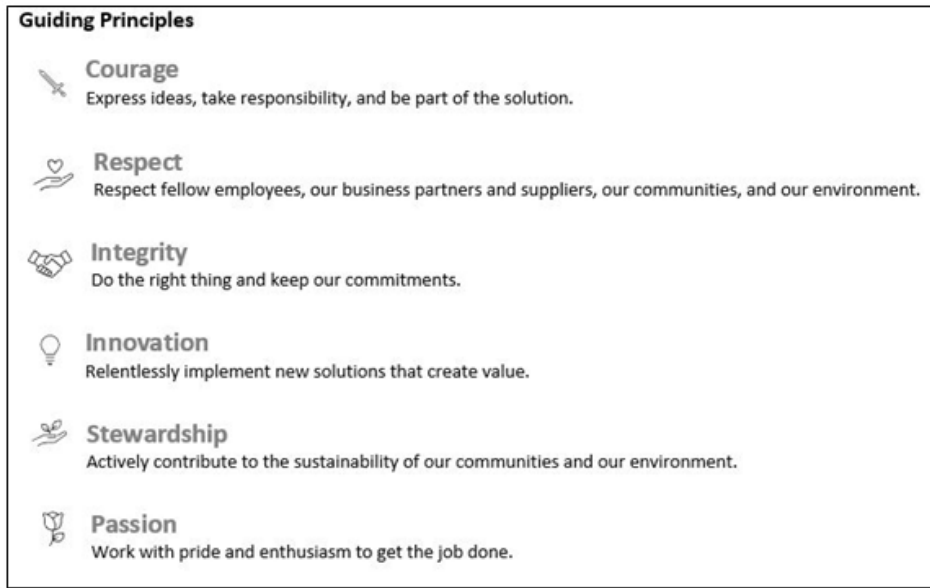
Due to the geographic composition of its present supply chain, Loewen is considered to have a low-risk supply chain country profile. This is attributable to having the majority of its Tier 1 Suppliers located within North America, where labour and anti-modern slavery laws and regulations have already been established









## OUR VALUES, POLICIES AND DUE DILIGENCE PROCESSES IN RELATION TO FORCED LABOUR AND CHILD LABOUR

### VALUES

Loewen’s guiding principles of courage, respect, integrity, innovation, stewardship and passion provide the foundation of its culture and the way the Company expects to conduct its business. These principles are evident in the way Loewen interacts with its people, its customers, its suppliers and through the many decisions it makes. Loewen endeavors to apply these principles to maintain the highest standards of conduct and behaviour in its operations both in Canada and abroad when managing its supply chain.



**Guiding Principles**

-  **Courage**  
Express ideas, take responsibility, and be part of the solution.
-  **Respect**  
Respect fellow employees, our business partners and suppliers, our communities, and our environment.
-  **Integrity**  
Do the right thing and keep our commitments.
-  **Innovation**  
Relentlessly implement new solutions that create value.
-  **Stewardship**  
Actively contribute to the sustainability of our communities and our environment.
-  **Passion**  
Work with pride and enthusiasm to get the job done.

### POLICIES

Loewen is committed to maintaining the highest standards of ethical conduct in all of its dealings with employees, customers, suppliers and the communities it serves. Loewen acknowledges that modern slavery is a crime and a violation of fundamental human rights and has commenced development of a “Modern Slavery in the Supply Chain, Anti-Slavery and Human Trafficking Policy” which will become effective later this year. This Policy demonstrates Loewen’s commitment to transparency in its business and approach towards tackling modern slavery throughout its supply chain, consistent with the disclosure obligations under the Act. Oversight of this Policy will sit with Loewen’s Board and will apply to all persons working for the Company or on its behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives, and business partners. Management at all levels of the Company will be responsible for providing appropriate training and ensuring overall compliance to the new policy.

Furthermore, Loewen’s commitment to the highest standards of openness, honesty, integrity and accountability, is also demonstrated through its ongoing development of a Whistleblowing Policy. This Policy provides an avenue for employees or third parties (suppliers or contractors) to report serious concerns or suspicions about any wrongdoing or malpractice, including allegations of violations of modern slavery, human trafficking or human rights obligations under applicable law, on the part of any employee of Loewen, or any representation of Loewen in its supply chain.



While many of Loewen’s current policies address human rights matters, they do not currently include forced labour and/or child labour matters. These company policies, as detailed below, demonstrate the Company’s commitment to align with applicable laws and the Human Rights Code to foster safe work practices and an ethical and respectful working environment. Loewen intends to review each of its existing policies in 2024 to determine how elements of the new Modern Slavery Act may need to be incorporated moving forward.

- **Health and Safety Policy Statement:** Loewen utilizes a collaborative approach to ensure that a safe and healthy work environment is maintained, and every reasonable precaution is in place to reduce the risk of illness or injury to all Loewen employees.
- **Workplace Harassment Policy:** Loewen is committed to building and preserving a safe, productive, and healthy working environment for its employees based on mutual respect in accordance with Manitoba’s Workplace Safety and Health Regulation. With respect to violence and harassment in the workplace and employee’s rights set out in the Human Rights Code, Loewen has zero tolerance for harassment against or by any employee and believes that every employee is entitled to a workplace that is free of harassment.
- **Violence Prevention Policy:** Loewen is committed to providing a safe work environment for all employees. Actions have been taken to identify possible sources of violence and to implement a violence prevention program to eliminate or minimize risk. Loewen ensures that this Policy aligns with Canada’s Criminal Code and The Workplace Safety and Health (WPSH) Regulation, M.R. 271/2006.
- **Fit for Duty Policy:** This Policy supports Loewen’s commitment to create and maintain a safe and healthy work environment, promote an effective safety culture, remain in compliance with all government and regulatory requirements, and ensure the health, safety and wellness of all employees. As part of this commitment, all individuals in the Company’s workplace are required to be fit for duty, which includes being free from impairment from alcohol and/or drugs, as impairment negatively impacts safety, productivity and/or efficiency.

All Loewen employees are expected to review these policies and perform an attestation to ensure that they understand and support Loewen’s various commitments as outlined in the various policies included within the Employee Handbook.

## DUE DILIGENCE PROCESSES

Loewen is committed to ensuring there is transparency in its own business and its approach to tackling modern slavery through its supply chains. The Company expects the same high standards from its contractor, suppliers, and other business partners. At Loewen, there are due diligence policies in place which ensure that the Company’s employees involved with the procurement process and its suppliers display ethical conduct in alignment with Loewen’s values and principles. A sample of these policies include:

- **Procurement and Supplier Selection Policy:** Loewen ensures that there is an orderly and efficient purchasing process, while at the same time giving fair and equitable treatment to current and potential suppliers. The procurement of goods and/or services is conducted with integrity, in compliance with applicable laws, without favoritism, ensuring best value, and in a manner that excludes personal gain.
- **Other Supplier Qualification and Evaluation documents:** Loewen’s supplier qualification process focuses primarily on supplier capabilities, processes, quality and service. Documents used by Loewen for this process include a Supplier Survey to document key supplier information. In addition, the Company has a supplier evaluation matrix which is an ongoing



assessment of the supplier's performance against various criteria including evaluation of the supplier's commitment to sustainability and its adherence to environmental laws and best practices.

Although the above policies do not currently specifically address modern slavery, to further improve the existing due diligence process in its supply chain, Loewen is currently developing a "Modern Slavery in the Supply Chain Self-Assessment Questionnaire (SAQ)" to help identify potential modern slavery risks within its supply chain and work together with vendors to prevent or address any potential risks to compliance with the Act. Through the latter part of 2024, Loewen intends to prioritize the roll-out of the SAQ to select suppliers that have been assessed to carry a higher risk of forced labour and/or child labour. Loewen is also planning to update its approach for validating risks within its supply chain by developing a risk assessment methodology that is informed by the responses received from its suppliers on the SAQ.

The Company is also planning to update its current supplier audit and evaluation processes and documents to incorporate modern slavery requirements. These updates in the supplier audit and evaluation process will enable ongoing monitoring of modern slavery risks within Loewen's supply chains such that it can respond to risks in a timely manner.

Furthermore, as part of the Company's contracting processes, Loewen intends to include specific prohibitions against the use of forced labour and child labour and expects that its suppliers will hold their own suppliers to the same high standards.

## **ASSESSING THE RISKS OF MODERN SLAVERY IN LOEWEN'S OPERATIONS AND SUPPLY CHAIN**

In 2023, Loewen did not have a formal process in place to assess risks of modern slavery in its operations and supply chains, however, Loewen does have an established procedure currently in place to evaluate the quality, delivery, and service provided by its suppliers.

In early 2024, Loewen engaged the support of a third-party consulting firm to identify potential vulnerabilities in its supply chain with respect to modern slavery. Through this scoping exercise, Loewen has enabled the development of a comprehensive approach to identify risks in its operations and supply chains. Moving forward, the identification of these risks will allow Loewen to implement tailored and effective remediation and mitigation strategies.

## **COMPONENTS OF THE BUSINESS AND SUPPLY CHAIN THAT CARRY A RISK OF FORCED LABOUR AND CHILD LABOUR**

As part of the scoping exercise completed in early 2024, Loewen assessed all active direct suppliers by examining risk at both the country and sector levels. Details of this assessment are noted below.

### **COUNTRY RISK**

The country risk assessment portion of the scoping exercise was informed by:

- the [Walk Free Global Slavery Index](#) specific to forced labour risks; and
- the International Labour Organizations' (ILO) [Child Labour Data](#) specific to child labour risks.

Loewen's present supply chain consists of Tier 1 suppliers located primarily in Canada and the US (98%) with the remaining 2% comprised of one supplier in each of the following countries: China (Shanghai), Germany, Mexico and the Netherlands. Loewen's



overall country risk profile is deemed to be low as the majority of its suppliers are expected to comply with modern slavery legislation in their own jurisdiction. Only two of Loewen's suppliers have been flagged as high risk by country of operation because they are operating in countries where modern slavery regulations, if present, may not be to the same standards or expectations as in Canada or the US. These countries include China (specifically Shanghai) and Mexico. Loewen has made note of these two suppliers and will be performing a deeper risk analysis to ensure that they abide by the Company's modern slavery policies moving forward.

### SECTOR/CATEGORY RISK

The sector/category risk assessment portion of the scoping exercise was informed by the United Nations Global Marketplace [Sustainability Risk Ratings](#).

Since Loewen procures certain goods from sectors that have a higher modern slavery risk, such as the manufacturing sector for materials; including wood, glass, and aluminum, Loewen's overall supply chain risk by sector has been elevated.

These sectors, in combination with the higher country risk scores for select suppliers in China and Mexico, were identified as higher risk as protections for workers may not be the same extent as those in North America.

### FINDINGS

Loewen is committed to increasing supplier engagement activities to deepen its understanding of company policies and due diligence processes to prevent and detect modern slavery risks within its supply chains. As such, Loewen will prioritize additional due diligence activities with the identified high-risk suppliers in the remainder of 2024, including the requirement for the suppliers to complete the SAQ. These activities will enable the Company to better assess the risks of modern slavery practices and determine if remediation actions may be required.

As of the date of this Report, there has been no identified instances of forced labour and child labour in Loewen's business or supply chain, and Loewen has not been subject to any investigation related to these matters.

## MEASURES TAKEN TO REMEDIATE FORCED LABOUR AND CHILD LABOUR INCLUDING REMEDIATION OF THE LOSS OF INCOME TO THE MOST VULNERABLE FAMILIES

Loewen has not identified any instances of forced or child labour in its activities and supply chains within the financial year ended December 31, 2023. As such, there have been no remediations taken in the current year. The Company acknowledges the importance of ongoing monitoring to ensure that modern slavery risks remain mitigated within its operations and supply chains. Loewen is committed to regularly reviewing its risk assessments and implementing appropriate measures should the need arise in the future.

### TRAINING

While no training modules specific to modern slavery were established by Loewen for the fiscal year 2023, a number of its employees have attended seminars on modern slavery specific to the new Act and its requirements within the reporting period. In addition, the Company has plans to develop and implement modern slavery awareness training in 2024 for all senior leadership, buyers and Board members.





## ASSESSING EFFECTIVENESS

As this is Loewen’s first Modern Slavery Report, it is too early to assess and report on the effectiveness of the anti-modern slavery measures it has planned to implement this year. In future reports, Loewen intends to identify measurable key performance indicators that can be monitored on a year-over-year basis, adjusting as necessary to assess its effectiveness.

Responsible corporate governance is crucial to Loewen’s commitment to prevent and reduce modern slavery risks. Loewen has a Management Committee, comprising of management representation from finance, procurement, and human resources which meets regularly with the mandate to address various strategic and operational objectives of the company including ensuring quality of product, supply chain resilience, manufacturing capacity and other emergent situations.

Since supply chain resilience is included in this Committee’s mandate, the Committee provides an avenue for Loewen to provide oversight of actions taken related to modern slavery, and present Loewen’s adherence to Bill S-211 compliance reporting to the Board on an annual basis. Through this Committee, the Company will also evaluate methods to assess its effectiveness in the prevention and detection of modern slavery risks.

## APPROVAL OF ATTESTATION

This Report was approved by the Board of Directors of Loewen on behalf of itself and each of the Reporting Affiliates.

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.

**I HAVE THE AUTHORITY TO BIND LOEWEN AND THE LOEWEN REPORTING AFFILIATES.**

**Neil Fast**

*President and CEO*

*May 31, 2024*