

APEX Group of Companies



2024 Report Under the Fighting Against Forced Labour And Child Labour in Supply Chains Act

Introduction

This report has been jointly prepared by the Apex Group in response to the requirements under Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") for our financial year ending December 31, 2024. This joint report is filed on behalf of the following members of the Apex Group, which are reporting entities under the Act: Apex Limited Partnership, Excel Homes Limited Partnership, and Royal Bay Holdings Limited Partnership (collectively referred to as "Apex Group", "we", and "our" in this report).

The Apex Group is a residential construction company operating in Western Canada. Our approach to responsible business conduct has focused on local sourcing, community sustainability and the health and safety of workers in our operations.

Organizational Structure, Activities, and Supply Chain

The Apex Group has operated throughout Western Canada for more than 35 years. Our head office is located in Calgary, Alberta.

We are residential property builders that are dedicated to building livable, healthy, and vibrant neighbourhoods. Our business activities consist of land purchasing, land development, designing customized floor plans, selling and constructing new residential homes. We operate exclusively in Western Canada.

We employ approximately 175 employees. We occasionally hire workers through a temporary agency. We also out-source work on our projects to qualified subcontractors in Western Canada. Our employees, the temporary agency, our subcontractors and their workers are required to comply with our workplace policies and applicable employment standards and safety laws. We undergo a vetting process to ensure all workers on our sites are properly trained in accordance with Canadian health and safety laws.

We procure a range of goods to support our construction services, such as appliances, bricks, cabinet materials, carpet, concrete, drywall, fireplace, floorings, garage doors, granite, HVAC, lumber, stone, plumbing sinks, tile and windows. In our financial year ending December 31, 2024, all of our procurement spending was with domestic trade partners.

Our procurement and subcontractor decisions are based on the reliability and reputation of the supplier or subcontractor to deliver high quality goods and services. We have long-term, ongoing and repeat relationships with the majority of our suppliers and contractors.

Steps to Prevent and Reduce the Risk of Forced Labour and Child Labour

Our approach to preventing and reducing the risk of forced labour and child labour in our business activities and supply chains has focused on monitoring the health and safety of workers on our sites and requiring our suppliers and contractors to comply with applicable laws relating to Canadian employment, labour relations, human rights and safety.

APEX Group of Companies

In the financial year ending December 31, 2024, the Apex Group has taken the following steps to prevent and reduce the risks of forced labour or child labour in our operations and supply chain:

- Maintaining high standard of workplace safety, which is audited at least once a year in accordance with the provincial Certificate of Recognition program requirements
- Continuing to adopt and enforce health and safety management systems to protect workers' safety
- Training our managers and supervisory personnel to ensure they receive instruction, training, and are equipped with the tools to direct, monitor, and control safe working conditions on our sites
- Educating workers and contractors on our general and specific safety policies through orientations and on-boarding training, and providing ongoing training and development to keep workers' knowledge and skills up to date bench-marked to current industry standards relating to health, security, safety and environment
- Developing contractual clauses for direct suppliers and subcontractors to comply with employment, human rights and safety laws
- Engaging a third-party to administer a whistleblower reporting process to encourage reporting of complaints or concerns relating to violations of labour rights

Policies and Due Diligence Processes

We consider safe work practices to be at the core of preventing risks of forced labour and child labour in the Canadian construction industry. To date, our risk management policies and processes have focused on ensuring the safety of workers in our construction activities in Western Canada and engaging with our direct suppliers and contractors to ensure compliance with applicable employment, human rights and safety protections.

Our **Code of Business Conduct** applies to all employees, contractors, officers and directors of the Apex Group. The principles set out in our Code of Conduct include acting with honesty, integrity and respect, and uphold the letter and spirit of the law. We expect our managers, workers and contractors to uphold high moral and ethical principles and have zero tolerance for any form of abuse to workers or human rights violations.

Our **Occupational Health and Safety Program** affirms our commitment to safe working conditions at our sites, by setting an expectation that each site will carry out workplace safety audits, identify hazardous practices and hazardous conditions, make necessary changes to correct conditions, and provide employees with information to enable them to work safely.

Our **Corporate Whistleblower Policy** establishes reporting processes for any violation of, *inter alia*, safety or ethical concerns that involve our employees, contractors, vendors or any other parties with a business relationship with the Company.

Our **Safe Work Practices and Safe Job Procedures** implement health and safety standards specific to the risks of the construction project. Our Health and Safety Management System is a comprehensive program to support workers in performing their tasks safely and gain knowledge and competency in the industry, through orientation, education, training, and inspections. The Apex Group participates in the Certificate of Recognition (COR) program in Alberta, which is awarded to employers who develop health and safety programs that meet established provincial safety standards. The Apex Group is audited by an independent, certified auditor once every three years, in conjunction with annual internal audits completed by our own certified auditor, to maintain its status under the COR program requirements.

The Apex Group has developed contractual clauses for our direct suppliers and subcontractors, which requires them to ensure site safety and security and comply with employment, human rights and safety laws.

APEX Group of Companies

Assessing the Risk of Forced Labour and Child Labour

The Apex Group operates exclusively in Western Canada and conducts business long-term reputable suppliers and subcontractors who are responsible for complying with Canadian employment and safety laws. For these reasons, we have identified the risk of forced labour and child labour in our operations and direct supply chain to be low. Any risks associated with forced labour or child labour would be through indirect suppliers. We have not yet received information or reviewed risks beyond our operations and direct suppliers, but since the Act came into effect in 2024, we have started to request further information about the origin of goods and raw materials procured in our supply chains. We are aware that there is a greater risk of forced labour and child labour outside of Canada, in the global construction supply chain, including an increased prevalence of forced labour and child labour in certain countries of origin and sectors as described by the International Labour Organization and other international and governmental organizations.

Remediation Measures and Remediation of Loss of Income

The Apex Group's safety policies and processes set expectations regarding the remediation of any violation of worker rights and to ensure that complaints or concerns relating to health and safety, or other human rights protections are heard and adequately addressed. If any of our suppliers or contractors fail to comply with standards relating to workplace safety, we have the right to stop the work until corrective actions are implemented.

We have established a complaint procedure in our Whistleblower Policy, to enable anonymous reporting of suspected violations through a confidential email address administered by a third party. Our Human Resources Director and the Chair of our Board of Directors receives information about the reports for appropriate follow up.

To date, the Apex Group has not received reports or identified incidents relating to forced labour or child labour in our operations or supply chain, and as such has not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

Employee Training

The Apex Group is committed to educating workers on our compliance standards and identifying hazards and indicators of unsafe working conditions. All employees and contractors undertake a range of onboarding training and ongoing education, delivered online and on-the-job. This training is designed to share information and build knowledge on how to comply with our standards, expected conduct when interacting with others, and channels for raising and resolving issues and complaints. To date, we have not provided training to employees specifically on the risks of forced labour or child labour in our supply chains.

Assessing Effectiveness

The Apex Group monitors compliance of our workers, contractors and suppliers with the standards set out in our Health and Safety Management System. We have adopted an internal assessment mechanism, including regular safety audits of our sites, to ensure compliance with our safety policies on our work sites.

Beyond our safety assessments, to date, we have not adopted any specific assessment mechanisms to assess, measure and track the effectiveness of steps taken to prevent or reduce the risks of forced labour or child labour in our supply chain.

APEX Group of Companies

Approval and 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 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.

Dated in the City of Calgary, Alberta, this 24 day of May, 2025.

DocuSigned by:



243A0D0D809A423...

Mark Shuparski, Chairman of the Board (I have the authority to bind the Apex Group.)