



2023 Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

Introduction

This report has been prepared by Ames Tile & Stone Ltd. (“**Ames**”) in response to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) for our financial year ending December 31, 2023.

Ames is committed to promoting labour practices that protect the human rights of workers in our operations and supply chains, including preventing and mitigating risks of forced labour and child labour. We will collaborate with our workforce and business partners to identify and eliminate, or otherwise control, risks to people and the environment in which we operate.

Organizational structure, activities, and supply chain

Ames is a private company incorporated under the laws of British Columbia. We have been supplying and distributing tile, stone, and other materials in Canada for over 100 years. Ames’ head office is located in New Westminster, British Columbia. We employ approximately 130 employees in our operations and distribution facilities and occasionally hire qualified subcontractors. Our branches are located across Canada, in Burnaby, Calgary, Edmonton, and Winnipeg. Our distribution center is in New Westminster, British Columbia.

Ames is a member of the Tile Council of North America and the Terrazzo Tile and Marble Association of Canada, which provide quality standards for our industry. We actively participate in the welfare of our community, providing funding and volunteers to charities and offering financial support to students at education institutions.

Our products include ceramic and stone tile (floor, wall and exterior), vinyl and stone plastic composite (**SPC**) flooring and related installation materials and accessories. Ames does not manufacture goods or offer installation services. Ames primarily sells to architects, designers, contractors and retailers in British Columbia, Alberta, Manitoba, and Saskatchewan. In some of our markets, we sell directly to end use customers, and we occasionally sell products to customers in the United States.

In this reporting year, the source of our materials included ceramic tiles from Italy, Spain, Germany, the Netherlands, Turkey, India, China, Malaysia, and the United States; setting materials, tools, trims, heating products and accessories from the United States; and vinyl and SPC flooring from China. We have long-standing relationships with our suppliers and visibility over the manufacturers in our supply chain. Most of our supplier relationships are directly with manufacturers, and we request information about manufacturers when we purchase through distributors.

Steps to prevent and reduce the risks of forced labour and child labour

In this reporting year, our approach to preventing and reducing the risks of forced labour or child labour in our operations and supply chain included:

- Maintaining high standards of workplace safety
- Upholding the values and ethics set out in our Employment Policies
- Providing orientations, ongoing training and development to keep worker knowledge and skills up to date with current industry standards relating to health, security, safety and environment
- Continuing to enforce safe working conditions and fair and equitable compensation
- 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
- Monitoring our suppliers and subcontractors through regular visits to their manufacturing facilities

Policies and due diligence processes

We consider safe work practices to be a critical part of preventing risks to workers. Our risk management policies and processes have focused on protecting our employees' safety and human rights and engaging with our suppliers to verify compliance with our expectations relating to quality and acceptable labour practices.

Our **Team Member Handbook** applies to all employees, contractors, and officers of Ames. Our handbook includes our Code of Conduct & Business Ethics and Health and Safety policies. The principles set out in our Team Member Handbook include building an environment of individual trust and respect, providing team members with safe working conditions with fair and equitable compensation, and conducting business practices in a professional, honest and ethical manner. We expect our managers, workers and contractors to uphold the standards of workplace health and safety, and demonstrate zero tolerance to any forms of violence.

Ames participates in Certificate of Recognition (**COR**) programs in British Columbia, Alberta and Manitoba, which is granted to employers who develop health and safety programs that meet established provincial safety standards. Ames is audited by an independent, certified auditor at least once a year to maintain our status under the COR program requirements.

The Workplace Guidelines & Resolution Process described in the Handbook ensures that our employees, workers, supervisors, and managers understand their rights and responsibilities to maintain workplace health and safety. We encourage our employees to raise concerns about conduct and conditions at the workplace. In 2024, we amended the Handbook to include a new confidential complaints process.

To manage our supply chain, Ames has centralized responsibility and governance over procurement. All product supplier relationships are established and managed by our Corporate Head Office. Our procurement team has established long-standing relationships with our suppliers. Our procurement team is responsible for qualifying our vendors and conduct annual visits to certain manufacturers and the manufacturing partners of our distributors, primarily in Italy and China, to ensure product quality and compliance to ISO standards. Our review processes enable Ames to review the operations and working conditions of manufacturers in our supply chain.

Assessing the risk of forced labour and child labour

The policies and due diligence processes described above enable Ames to identify hazards and mitigate the risks of unsafe or unlawful working conditions for our operations. To date, we have not identified any risks of forced labour and child labour in our operations or the operations of the manufacturers of the products we sell.

We are aware that publicly available information has identified risks of forced labour and child labour relating to raw materials in the global supply chain, in materials such as bricks, cement and timber. To date, Ames has no knowledge that any of these risks exist in our extended supply chain. However, we are committed reviewing available information to improve our awareness and approach of any human rights risks that exist in the extended supply chain.

Remediation measures and remediation of loss of income

Ames' safety policies and processes include remediation processes to ensure that complaints or concerns relating to health, safety or other human rights are heard and adequately addressed. We recently amended our Team Member Handbook to establish a new confidential complaint procedure in our Workplace Guidelines & Resolution Process to enable our employees and contractors to disclose suspected wrongdoings in the workplace. Our Human Resources Department and the Chief Executive Officer receive information about the reports for appropriate investigations and review and make a final decision.

To date, Ames 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

Ames provides training to our workers with respect to compliance with our Team Member Handbook and safety standards. 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

Ames monitors compliance of our workers, contractors and suppliers with the health and safety standards set out in our Team Member Handbook. We have adopted an assessment mechanism, including regular internal and external safety audits of our sites, to ensure compliance with our safety policies on our work sites. As part of our commitment to continuous improvement, we review our safety programs regularly, through learnings, inspections and open communication with our workers.

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

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 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 this 24th day of May, 2024.

A handwritten signature in black ink, appearing to read 'A. Ames', written in a cursive style.

Andrew Ames
Chief Executive Officer

I have the authority to bind the company.