

**FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT
REPORT
("Report")
MAY 2024**

Introduction

Brookfield Residential Properties ULC ("**BRPU**") is a leading land developer and homebuilder in North America. We entitle and develop land to create master-planned communities, build and sell lots to third-party builders, and conduct our own homebuilding operations. We also participate in select, strategic real estate opportunities, including infill projects, mixed-use developments, and joint ventures. We are the flagship North American residential property company of Brookfield Corporation (NYSE: BN; TSX: BN), a global alternative asset manager.

Brookfield Properties Development LP, provides certain property management, real estate management and corporate services to BRPU and its subsidiary entities, Brookfield Residential (Alberta) LP and Brookfield Residential (Ontario) LP.

This Report has been prepared as a joint statement, made by BRPU, Brookfield Properties Development LP, Brookfield Residential (Alberta) LP and Brookfield Residential (Ontario) LP (together, the "**Reporting Entities**").

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") imposes an obligation on the Reporting Entities to report on the measures taken to prevent and reduce the risk that forced labour or child labour is used in their supply chains. This Report is made in accordance with the Act and relates to the period January 1, 2023 to December 31, 2023. This is the first report under the Act.

This Report has been prepared as a joint report among the Reporting Entities. In this Report, references to "we", "us" or "our" refer to the Reporting Entities.

Commitment

We are committed to supporting and enhancing the communities in which we operate.

We continue to work to align our business practices with leading frameworks for responsible operations and are an active participant in industry forums and other organizations. Our parent corporation, Brookfield Corporation, is a signatory to the United Nations-supported Principles for Responsible Investment ("**PRI**"), which is part of our ongoing commitment to responsible investment and sustainability best practices.

We are committed to conducting business in an ethical and responsible manner, including by carrying out our activities in a manner that respects and supports the protection of human rights, including but not limited to:

1. operating with leading health and safety practices to support the goal of zero serious safety incidents;
2. striving to ensure that the interests, safety and well-being of the communities in which we operate are integrated into our business decisions;
3. the elimination of discrimination in employment;

4. the prohibition of child and forced labour; and
5. the eradication of harassment and physical or mental abuse in the workplace.

We recognize that the risks of forced labour and child labour are complex and evolving, and we continue to work to address these in our business. Our approach and processes are periodically reviewed and, where appropriate, updated as necessary to reflect changes in circumstances and practice.

Summary of Key Activities in 2023

We performed vendor screening procedures on all new vendors with additional due diligence procedures performed based on a risk-based approach including assessing a country's corruption risk score utilizing the Corruption Perceptions Index per Transparency International's website. The diligence performed generally includes adverse media screening, which would identify if the subject counterparty has a history of corrupt or illegal actions.

Our Business Activities

Assessing forced labour and child labour risk

Our approach to addressing forced labour and child labour is designed to be commensurate with the risks we face, which vary based on several factors, including jurisdiction, industry and sector.

Forced Labour and Child Labour Risk Profile

1. Third-Party Vendors

Given the nature of our business and the geographic locations in which we operate, third-party suppliers and vendors used across the Reporting Entities' businesses generally fall under the below categories:

<p>Outsourcing Where a business activity or professional service is outsourced to another organization.</p>	<p>Professional Services Includes consulting, legal, human resources, accounting, training, tax, audit, banking and education.</p>
<p>Vendor Software Providers This includes off-the-shelf software, that is hosted in our data centers, including hardware vendors used to facilitate business processes.</p>	<p>Property and Facilities Maintenance Includes building repairs and maintenance, cleaning, security, utilities, and public services.</p>
<p>Cloud/Hosted IT Services Encompasses a range of IT services provided in various formats.</p>	<p>Hotels and Lodging Travel, including accommodation, is generally booked through an approved travel management company.</p>
<p>Data Providers Organizations that provide data, which feed into our systems or terminals that provide access to market data.</p>	<p>Construction Contractors, Sub-Contractors Includes third-parties who manage day-to-day construction activities in the development of our managed residential communities.</p>

The Reporting Entities continuously strive to achieve excellence with respect to our contracting practices because we believe that adequately compensated and trained workers, operating in fair working conditions deliver high-quality products and services. We believe that the risk of forced

labour and child labour within the majority of our third-party vendors is low, this assessment is based on the regulated industries in which they operate and the skill of the professionals providing such services. We recognize that each of our suppliers has its own supply chain, and our vendor assessments consider this risk where appropriate and possible.

2. Employees

Our people drive our success. All employees of the Reporting Entities are employed in Canada and the majority are professional and administrative staff. The Reporting Entities have human resources policies, procedures and processes in place designed to protect against forced labour and child labour in its employee population. These include:

- Employment conditions;
- Processes for reporting and resolving staff concerns and grievances;
- Non-discriminatory hiring practices;
- Employment screening (including work eligibility checks); and
- Appropriate workplace behavior.

Based on the above, we consider that there is a low risk of forced labour and child labour within our employee population.

3. Business Operations

The Company proactively seeks to identify material sustainability risks and opportunities and continuously monitors operations to ensure that sustainability principles are integrated into the construction and business management processes. Where required, we perform deeper due diligence, working with internal experts and third-party consultants as needed.

Management of Forced Labour and Child Labour Risks

1. Governance

We recognize that strong governance is essential to sustainable business operations, and we aim to conduct our business according to the highest ethical and legal standards. Our approach to addressing forced labour and child labour is designed to be commensurate with the risks we face, which vary based on several factors, including jurisdiction, industry and sector. Key supporting policies and guidelines (together, the "**Policy Framework**") include, but are not limited to:

Code Of Business Conduct and Ethics ("Code of Conduct")

Our Code of Conduct outlines our commitment to conducting business in an ethical and responsible manner, including by carrying out our activities in a manner that respects and supports the protection of human rights. Employees are required to certify annually that they have read and complied with the Code and the protocols incorporated therein.

Whistleblowing Policy ("Policy")

We are committed to conducting business with honesty and integrity and staff are expected to maintain high standards. This Policy clearly sets out the expectations of reporting and responsibilities, and outlines whistleblowing procedures addressing how to raise a concern, confidentiality, as well as remediation, external disclosures and our zero tolerance for retaliation or malicious acts.

Vendor Management Procedures

In connection with any vendor engagement, employees are required to comply with our policies and procedures.

Our approach to addressing high-risk, third-party vendors includes conducting enhanced due diligence checks and the use of specific contract clauses in legal agreements.

Financial Crime Policies

Our financial crime policies include an anti-bribery and corruption program and anti-money laundering program designed to prevent financial crime and the movement of money derived from crime (including crimes relating to forced labour and child labour).

Forced labour, child labour and financial crime are closely linked, as proceeds from forced labour and child labour need to be 'cleaned' before entering the mainstream economy. Therefore, preventing the onboarding of those involved in financial crime, identifying suspicious or criminal activity and making reports to the relevant authorities not only supports the fight against money laundering, but also the fight against forced labour and child labour by association.

Positive Work Environment Policy

This policy outlines our commitment to providing a workplace free of discrimination, violence and harassment and summarizes the responsibilities of employees to understand: (i) what constitutes workplace discrimination, violence and harassment; (ii) their obligations to maintain an environment where these behaviors are not tolerated; and (iii) how to report incidents following proper procedures. Employees are required to certify annually that they have read and complied with this policy.

Our policy framework is reviewed periodically and updated as necessary.

2. Training

Our employees receive annual anti-bribery and corruption training. Additional training relevant to applicable roles, particularly in higher-risk functions, is provided every two years.

3. Risk Assessment

Risk assessments are important to our efforts to promote the eradication of forced labour and child labour. The forced labour and child labour risk varies based on the nature of our business operations. The risk-based approach enables us to focus efforts where most required.

4. Remediation

As the risk of risk of forced labour and child labour being used within our activities and supply chains are low, no measures were taken to remediate forced labour and as such there were no instances of vulnerable families experiencing a loss of income resulting from measures taken.

5. Whistleblowing Hotline

We maintain an anonymous reporting hotline ("**Hotline**") for employees, vendors and other parties to anonymously report, among other things, any matters relating to suspected unethical, illegal, unsafe or other unwanted behaviors. Forced labour and child labour issues are reportable on the Hotline. The Hotline is managed by an independent third party and is accessible 24/7 by telephone (toll free) at 1-800-665-0831 or by submitting an anonymous report online at www.brookfield.ethicspoint.com. The Hotline is available in multiple languages to mitigate any language barriers and to provide information to those intending to report.

6. Measure of Effectiveness

We acknowledge that forced labour and child labour are possible risks within our operations and supply chain. Various steps are undertaken to address these risks in our business, including reviewing our policies and business practices to ensure they reflect our commitment to:

- Implementing and enforcing effective systems and controls designed to reduce the risk of forced labour and child labour in our business and supply chains.

We monitor and assess the effectiveness of our forced labour and child labour controls as part of our overall risk management, including through:

- Regular engagement and feedback from key stakeholders, including through active promotion of our reporting Hotline; and
- Operational risk and mitigation plan reporting to the relevant boards and senior executives.