

TWELVE OAKS FOREST PRODUCT INC.

Sustainability Action Plan

Organizational Commitment to Sustainable Practices

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This Sustainability Action Plan is a publicly available statement of Twelve Oaks Forest Product Inc.'s organizational commitments to sustainable practices. It covers six core topic areas: Energy, Carbon, Water Use, Waste Reduction, Responsible Sourcing, and Ethical Labor Practices. A dedicated section documents the Zero to Landfill Flooring Recovery Program in partnership with Third Party Processor. This document does not constitute a marketing or promotional communication.

1. About This Document

Twelve Oaks Forest Product Inc. ("Twelve Oaks") is a 100% Canadian-owned, family-operated designer and distributor of flooring products serving residential and commercial markets across Canada and the United States. Our portfolio spans engineered hardwood, luxury vinyl, and laminate collections. The SureWood Collection is our flagship product in the resilient flooring category, the PurTerra PVC-free Resilient Flooring is our latest collection manufactured in Southeast Asia, and distributed through our regional operations in Markham, Ontario and Calgary, Alberta.

This Sustainability Action Plan documents Twelve Oaks' organizational commitments to sustainable practices across our operations and product supply chain. It is intended to be read alongside the Environmental Product Declaration for SureWood Collections and PurTerra PVC-Free Resilient Flooring (EPD 1153, ASTM International, March 18, 2026), which provides verified, third party-reviewed life cycle assessment data underpinning the quantitative disclosures in this document.

This document is publicly available on the Twelve Oaks corporate website and will be reviewed and updated no less than every three years, or sooner if material changes occur to our operations, product portfolio, or commitments.

2. Organizational Commitment Statement

Twelve Oaks Forest Product Inc. is committed to conducting its business in a manner that respects environmental limits, supports the well-being of the people who make and use our products, and contributes to a built environment that is healthier and more sustainable. We recognize that the flooring industry has measurable environmental and social impacts, and we accept our responsibility to understand, disclose, and continuously improve those impacts.

Our sustainability commitments are organized across six priority areas consistent with industry frameworks for sustainable product stewardship: Energy, Carbon, Water Use, Waste Reduction, Responsible Sourcing, and Ethical Labor Practices. A dedicated section of this document outlines our operational Zero to Landfill Flooring Recovery Program, which closes the end-of-life chapter of our products' lifecycle through a Waste-to-Energy conversion partnership. For each area, we have established a current position, defined specific actions, and set time-bound targets. We commit to tracking progress against these targets and to transparent, regular disclosure of our results.

3. Energy

Current Position

The SureWood Collections and PurTerra PVC-free Flooring Collection is manufactured in Southeast Asia. Life cycle assessment data documented in EPD 1153 (Table 8) reports non-renewable primary energy consumption of approximately 224 MJ/m² across raw material supply and manufacturing stages (A1-A3), with renewable primary energy contributing approximately

12.75 MJ/m2 over the same scope. Twelve Oaks' Canadian distribution operations in Markham, ON and Calgary, AB are governed by applicable provincial energy and emissions regulations.

Actions & Commitments

- Engage our manufacturing partner to complete an energy audit and establish a formal energy consumption baseline at the manufacturing facility by end of 2027.
- Work with the manufacturing partner to identify and implement opportunities to increase the proportion of renewable energy used in production operations.
- Monitor and report on energy intensity (MJ per m2 of flooring produced) on an annual basis beginning in 2027.
- Evaluate the feasibility of renewable energy procurement or on-site renewable energy generation at the manufacturing facility.
- Incorporate energy performance criteria into future manufacturing partner evaluations.

Targets

Target	By
Complete formal energy consumption baseline assessment at manufacturing facility	2027
Develop renewable energy integration roadmap for manufacturing facility	2028
Reduce non-renewable primary energy intensity in A1-A3 production stages by 10% relative to 2025 baseline	2030

4. Carbon

Current Position

EPD 1153 (ASTM International, March 18, 2026) discloses a verified A1-A3 Global Warming Potential (GWP) of 12.05 kg CO2-eq/m2 for the PurTerra PVC-Free Resilient Flooring Collection, independently verified by Thomas P. Gloria, Ph.D. (Industrial Ecology Consultants). The total cradle-to-grave GWP is 45.25 kg CO2-eq/m2, with the replacement cycle (Stage B4) accounting for approximately 56% of lifecycle emissions. LCA interpretation identifies product service life extension as the most effective strategy for reducing total carbon impact. The current A1-A3 GWP of 12.05 kg CO2-eq/m2 performs well against leading industry product sustainability thresholds, and the market differentiator benchmark of 10.0 kg CO2-eq/m2 represents a meaningful target for continued improvement.

Actions & Commitments

- Maintain the product-specific EPD program, renewing EPD 1153 within its 5-year validity period with updated primary manufacturing data.
- Pursue reductions in A1-A3 GWP through material formulation refinement, manufacturing process improvement, and supplier engagement.

- Invest in product durability improvements and warranty enhancements to extend in-use service life and reduce replacement-driven lifecycle emissions.
- Explore Scope 1 and 2 greenhouse gas inventory development for Twelve Oaks' North American operations.
- Evaluate carbon footprint reduction opportunities in the import and distribution logistics chain (A4 stage).

Targets

Target	By
Reduce A1-A3 GWP from 12.05 kg CO2-eq/m2 by 15% to 10.24 kg CO2-eq/m2 (approaching leading industry market differentiator benchmark)	2031
Renew EPD 1153 with updated primary data reflecting process improvements	2031
Complete Scope 1 and 2 GHG inventory for North American operations	2028

5. Water Use

Current Position

Life cycle assessment data documented in EPD 1153 (Table 8) reports freshwater consumption across the manufacturing stage (A3) of approximately 26.7 litres per m2 of flooring produced, with total freshwater use across raw material supply and manufacturing (A1-A3) of approximately 50.6 litres per m2. The PurTerra installation system specifies a water-based adhesive (Twelve Oaks TOAD Adhesive), which avoids solvent-borne adhesive formulations and their associated water-quality impacts. Twelve Oaks currently does not have a formal freshwater monitoring program at the manufacturing facility; establishing this baseline is a priority action.

Actions & Commitments

- Engage our manufacturing partner to implement freshwater consumption tracking at the production facility and establish a formal water use baseline.
- Identify and implement water conservation opportunities within the extrusion, cooling, and process water circuits in manufacturing.
- Maintain the specification of water-based adhesives for PurTerra installation to minimize water-quality impacts at the point of use.
- Assess water risk in the primary raw material supply chain, particularly for stone powder and polymer inputs.

Targets

Target	By
Establish formal freshwater consumption baseline at manufacturing facility	2027

Target	By
Reduce manufacturing freshwater consumption per m2 of flooring by 10% relative to 2027 baseline	2030
Complete water risk assessment for primary raw material supply chain	2028

6. Waste Reduction

Current Position

EPD 1153 models an installation waste rate of 10% of installed product, consistent with industry practice for resilient flooring. Manufacturing scrap is partially directed to material recovery (EPD Table 9: materials for recycling at A3 = 0.043 kg/m2 and A5 = 0.090 kg/m2). Product packaging consists of corrugated cardboard (recyclable) and a small amount of polymer film and polypropylene packing belts. Twelve Oaks has established a Zero to Landfill Flooring Recovery Program in partnership with Third Party Processor, detailed in Section 7 of this document, which provides a verified end-of-life recovery pathway for all EPD-documented product lines.

Actions & Commitments

- Direct all post-use PurTerra flooring removed from job sites through the Third-Party Processor Waste-to-Energy recovery program, as detailed in Section 7.
- Provide specifiers, installers, and end users with guidance to minimize installation waste through precision planning and offcut reuse strategies.
- Transition all product packaging to materials that are 100% recyclable in municipal recycling streams.
- Track and publicly report manufacturing scrap generation and waste diversion rates on an annual basis.
- Work with the manufacturing partner to maximize recovery of in-process trim and scrap materials.

Targets

Target	By
Achieve 100% recyclable product packaging across the PurTerra Collection	2028
Reduce installation waste rate through enhanced planning guidance and installer resources	2028
Report annual manufacturing scrap and waste diversion data publicly	2027

7. Zero to Landfill: Flooring Recovery Program

Program Overview

Twelve Oaks has established an operational end-of-life recovery program for its flooring collections in partnership with Third Party Processor. Environmental Product Declarations document the environmental impacts of raw material extraction, manufacturing, and transport — but they do not document what happens when a product reaches the end of its life. This program closes that gap. By routing post-use flooring material through Third Party Processor's Waste-to-Energy conversion process rather than to landfill, Twelve Oaks delivers a 100% Zero-to-Landfill outcome for all participating projects.

The program applies across three Twelve Oaks collections, each of which is independently EPD-documented: the SureWood Collection (resilient vinyl flooring), the Lumina Laminate Collection, and the PurTerra PVC-Free Resilient Flooring Collection. Third Party Processor was identified and engaged directly by Twelve Oaks to build a genuine, purpose-built end-of-life pathway for these product lines — not an off-the-shelf recycling arrangement, but a partnership designed specifically for this purpose.

The Recovery Process

Recovery begins at the job site. Flooring removed during installation or renovation whether offcuts, waste from existing installations being replaced, or end-of-life material is set aside and segregated from general construction waste. Third Party Processor supplies collapsible collection bins directly to the job site. Once filled, Third Party Processor arranges and absorbs the full cost of transport from the job site to their processing facility; there is no cost to Twelve Oaks or to the project team at any stage of the program.

At Third Party Processor's facility, the collected flooring material is processed and converted into an energy source product. This Waste-to-Energy pathway creates usable energy from material that would otherwise be permanently landfilled. Because the recovered material carries real fuel value to Third Party Processor, the economics of the program are self-sustaining: Third Party Processor absorbs collection and transport costs under standard processing terms without requiring a consumer rebate, credit system, or new administrative infrastructure from Twelve Oaks.

The full process sequence is as follows: flooring is removed on site during installation or renovation; it is packed into Third Party Processor's collapsible collection bins; Third Party Processor arranges and conducts collection and transport; material is processed at Third Party Processor's facility; and it is converted into energy source product, generating usable energy in place of landfill disposal.

Verification & Diversion Reporting

The program incorporates a rigorous, weight-based verification methodology. Every load is weighed at the time of job-site collection — diversion is logged by weight at pickup, not estimated. Third Party Processor reconciles the inbound weight against the quantity of material converted to energy source, confirming that nothing is landfilled. Each project receives a diversion record tying tonnage recovered to the specific job, creating an auditable trail that project teams can use directly in their own sustainability reporting — whether for LEED, WELL, design firm product sustainability submissions, or client ESG reporting.

Actions & Commitments

- Maintain the Third-Party Processor partnership as the primary end-of-life recovery pathway for all three Twelve Oaks EPD-documented collections: SureWood Collection, Lumina Laminate, and PurTerra PVC-Free Resilient Flooring.

- Communicate the Zero to Landfill program to specifying architects, designers, and sustainability teams to enable project-level participation and diversion record issuance.
- Provide project teams with weight-based diversion certificates for each project, suitable for inclusion in sustainability submissions and client reporting.
- Incorporate verified end-of-life recovery program data into future EPD renewals for all three collections, closing the end-of-life data gap currently modelled on regional disposal assumptions.
- Pursue third-party verification of the Third-Party Processor diversion data to support sustainability framework submissions and industry product standards.

Targets

Target	By
Operationalize and document the Third-Party Processor Zero to Landfill program for active project-level participation	2026
Issue weight-based diversion certificates for all participating project teams on an ongoing basis	Ongoing from 2026
Incorporate verified end-of-life recovery data into EPD renewals for all three collections	2031
Achieve third-party verification of Third-Party Processor diversion and conversion data	2028

8. Responsible Sourcing

Current Position

PurTerra's material composition is fully disclosed in EPD 1153: stone powder (64.5%), polypropylene (23.6%), PVC-free wear layer (9.2%), and minor additives totalling 2.7%. The product is formulated without PVC, phthalates, or halogenated materials. EPD 1153 confirms that no dangerous or regulated substances are associated with production. All Twelve Oaks products carry Floor Score indoor air quality certification. The life cycle assessment underlying EPD 1153 was conducted by Build Neutral Inc., an Indigenous-owned Canadian sustainability research organization. No recycled or biobased content is currently incorporated into the PurTerra formulation; this is an area of active development.

Actions & Commitments

- Maintain product composition transparency through renewal of the EPD program and development of a Health Product Declaration (HPD) for the PurTerra Collection.
- Develop and publish a Supplier Code of Conduct establishing minimum standards for environmental management, materials safety, and supply chain transparency.
- Investigate the technical feasibility and lifecycle benefit of incorporating recycled or circular content into the PurTerra material formulation.
- Conduct periodic sustainability assessments of primary raw material suppliers to evaluate environmental and social compliance.

- Continue specifying environmentally preferable installation materials, including water-based and low-VOC adhesives.

Targets

Target	By
Prepare and publish Health Product Declaration (HPD) for PurTerra Collection at 1000 ppm threshold	2027
Develop and publish Supplier Code of Conduct	2027
Complete initial sustainability assessment of primary raw material suppliers	2028
Evaluate technical feasibility of incorporating 5% or greater recycled content in product formulation	2029

9. Ethical Labor Practices

Current Position

Twelve Oaks Forest Product Inc. is a 100% Canadian-owned, family-operated company. Our warehouse, distribution, and administrative operations in Markham, Ontario and Calgary, Alberta are subject to applicable Ontario provincial and Canadian federal labour standards, including occupational health and safety requirements, employment standards, and human rights legislation. Manufacturing operations are conducted by a contracted facility in Changzhou, Jiangsu Province, China. Twelve Oaks is committed to ensuring that the people involved in making our products in Canada and internationally are treated with dignity, compensated fairly, and work in safe conditions.

Actions & Commitments

- Require all manufacturing partners to comply with applicable local labour laws and with the International Labour Organization (ILO) core labour conventions, including prohibitions on forced labour, child labour, discrimination, and restrictions on freedom of association.
- Incorporate specific labour standards provisions into the Supplier Code of Conduct currently under development.
- Ensure all Twelve Oaks Canadian employees are compensated at or above applicable minimum wage levels and work in conditions meeting all applicable occupational health and safety requirements.
- Establish a formal process by which workers and stakeholders in our supply chain can raise concerns about labour conditions without fear of retaliation.
- Engage manufacturing partners in dialogue regarding labour conditions and worker welfare as part of the supplier relationship.

Targets

Target	By
Incorporate labour standards provisions in Supplier Code of Conduct	2027
Establish a formal supply chain labour concern and grievance reporting mechanism	2028
Conduct initial manufacturing partner labour practices review	2028

10. Governance and Review

Accountability for the commitments and targets set out in this Sustainability Action Plan rests with the senior leadership of Twelve Oaks Forest Product Inc. Progress against targets will be reviewed internally on an annual basis.

This document will be updated at a minimum every three years, or sooner in the event of material changes to company operations, product formulations, or sustainability commitments. Updated versions will be made publicly available on the Twelve Oaks corporate website at <https://twelveoaks.ca/>.

Twelve Oaks welcomes questions about our sustainability commitments. Enquiries may be directed to us through our corporate website.

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This document is publicly available and reflects the organizational sustainability commitments of Twelve Oaks Forest Product Inc. as of the date of issue.