



# QUANTA SERVICES CANADA



# **MODERN SLAVERY REPORT** 2023

QUANTA SERVICES CANADA

## INTRODUCTION

Quanta Services, Inc. and its subsidiaries and affiliates (collectively, "Quanta") are committed to working ethically and responsibly with our employees, customers, shareholders, and communities. Quanta does not tolerate the use of any form of child, forced, indentured or involuntary labor ("modern slavery") and we expect our suppliers and third parties to share these principles and abide by international standards of human rights. In accordance with section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act"), certain of Quanta Canadian subsidiaries (collectively "Quanta Services Canada", "we", "us" or "our") have published this joint Modern Slavery Report (the "Report") for the 2023 financial reporting year that provides information on the steps Quanta Services Canada has taken to ensure that modern slavery is not involved in any of its supply chains and operations.



## STRUCTURE AND OPERATIONS

Quanta delivers comprehensive infrastructure solutions for the utility, renewable energy, communications, and energy industries in the United States, Canada, Australia and select other international markets.

This Report applies to the following entities in the Quanta family:

- Allteck Limited Partnership
- Arnett & Burgess Energy Services GP Ltd.
- Banister Pipelines Limited Partnership
- Catalyst Changers Inc.
- 8246408 Canada Inc. (dba G-TEK)
- OJ Pipelines Canada LP

- Phasor Engineering Inc
- TC Infrastructure Services Ltd
- Valard Construction Quebec Inc
- Valard Construction, LLC
- Valard Construction, LP

Quanta Services, Inc. is publicly listed on the New York Stock Exchange. In its financial year 2023, Quanta had total revenues of \$20.9 billion USD. \$2 billion USD was attributable to its operations in Canada. In addition, Quanta held property and equipment of \$245.7 million USD in foreign countries, primarily Canada, as of December 31, 2023. Quanta had approximately 47,200 U.S. employees and approximately 5,300 non-U.S. employees, with the majority of our non-U.S. employees based in Canada in 2023. Quanta Services Canada also has a small workforce in Trinidad & Tobago (approximately 166 employees in 2023) through its operations with Catalyst Changers Inc.

Quanta Services Canada provides engineering, procurement, construction, upgrade and repair and maintenance services for infrastructure within electric and gas utility, renewable energy, communications, pipeline, and energy industries, including:

- electric power transmission and distribution networks, both overhead and underground;
- substation facilities;
- wind and solar generation and transmission and battery storage facilities;
- communications and cable multi-system operator networks;
- gas utility systems;
- pipeline transmission systems and facilities; and
- downstream industrial facilities.

The services we perform also include:

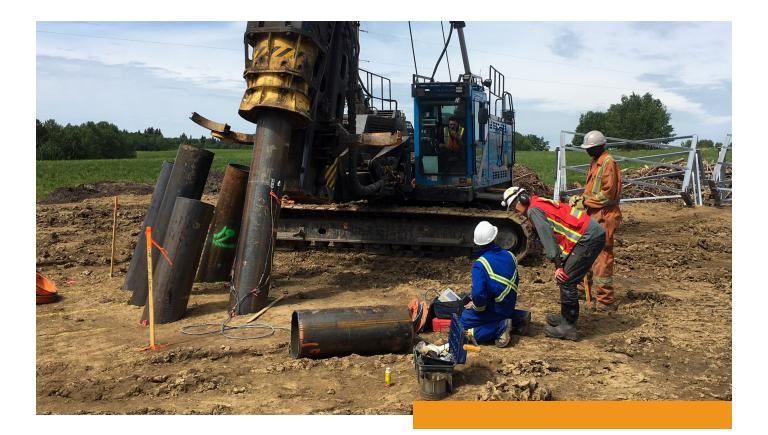
- emergency restoration services, including the repair of infrastructure damaged by fires and inclement weather;
- aviation services primarily for the utility industry, including the transportation of line workers, the setting of poles and towers, and the stringing of wires;
- catalyst replacement services, high-pressure and critical-path turnaround services, instrumentation and electrical services, piping, fabrication, and storage tank services for the midstream and downstream industrial energy markets, as well as specialty cleaning and environmental solutions for the industrial energy and petrochemical markets.



## SUPPLY CHAINS

The key supply chains that support Quanta Services Canada's operations include:

- Full-time and subcontracted skilled, semi-skilled and unskilled labor;
- Owned and leased trucks and trailers, support vehicles and specialty construction equipment, such as bucket trucks, digger derricks, sidebooms, dozers, backhoes, access mats, excavators, trenchers, generators, boring machines, cranes, robotic arms, wire pullers, tensioners and helicopters;
- Steel pipes, containment bins and machined steel fittings for the transportation and storage of hazardous waste;
- Pile installation, traffic control and waste-water management services;
- Transport, travel, and accommodation, including temporary housing encampments;
- Export and import logistics to support operations;
- Safety supplies such as personal protective equipment, specialty breathing air equipment and compressed air cylinders; and
- IT and electronic equipment, offices, and furniture



#### LABOUR

Most of Quanta Services Canada's employees are employed under the Canada Labour Code or Provincial Labour Codes, which establish minimum working conditions, including workplace health and safety standards, or individual workplace agreements (permanent, fixed term, part-time or casual contracts) that meet or exceed the minimum requirements of an applicable project. We also use third party labor providers to hire temporary labor to assist on projects as needed.

Quanta Services Canada works collaboratively with indigenous people and First Nations communities. We promote early cultural engagement practices on project sites and the provision of economic development benefits for local communities across the life of a project. We offer training, mentorship programs, and employment and subcontractor opportunities to communities in the areas where we work.

Quanta Services Canada also hires employees through a branch office of Catalyst Changers Inc. in Trinidad & Tobago for local projects and for projects in Canada. These employees are compensated in compliance with or above local wage and hour requirements. Seasonally, Catalyst Changers Inc. may supplement its Canadian workforce with these employees. In such cases, these employees' wages are based on their training, education, experience and responsibilities and the corresponding median wage under the Canadian National Occupational Classification system. Additionally, these employees receive emergency health care, travel, and accommodation during their stay in Canada.



#### MATERIALS/EQUIPMENT

In 2023, the majority of Quanta Services Canada's procurement spend was with suppliers and subcontractors located in Canada and the U.S. We recognize, however, that some of these suppliers source their products and materials overseas. For example, our supply chain includes the procurement of equipment such as current transformers, power transformers, voltage transformers, circuit breakers, cables, and other high voltage materials as well as specialty breathing air equipment. The U.S.- and Canadian-based companies from which Quanta Services Canada purchases these items often source assembled equipment overseas from regions and countries such as Western Europe, China, Japan, South Korea, and India, with a complex associated supply chain for the componentry and associated raw materials.

# RISK OF MODERN SLAVERY IN OPERATIONS AND SUPPLY CHAINS

Quanta Services Canada conducts a substantial portion of its business in Canada where there is generally a low risk of modern slavery. Our greatest exposure to modern slavery is through our suppliers, particularly through the procurement of labor, materials, and equipment in industries and geographies with a high risk of modern slavery.

In 2023, Quanta Services Canada identified the following areas of its operations and supply chains that may be exposed to modern slavery risks:

- Engagement of labor in and from Trinidad & Tobago, given that Trinidad & Tobago has an estimated 4.7 victims of modern slavery per one thousand people (compared to Canada's estimated 1.8 victims of modern slavery per one thousand people); <sup>1</sup>
- Engagement of other migrant or temporary workers, indigenous peoples such as First Nations, Métis, and Inuit, ethnic or religious minorities, or individuals with disabilities;<sup>2</sup>
- Procurement of the following materials and equipment: <sup>3</sup>
  - 1. Steel-containing materials or equipment -
    - may be procured as formed product (e.g., pipe, structural steel, or reinforcing steel) or be incorporated in plant, tools, or equipment; or
    - may have been produced using raw materials (e.g., iron or coal) extracted or refined under modern slavery conditions.
  - 2. Copper-containing materials or equipment -
    - may be procured as cabling or wire, or incorporated into manufactured goods including electronics, IT equipment, construction equipment, or tools; or
    - may have been extracted or refined under modern slavery conditions.
  - 3. IT equipment, which is procured from local wholesalers / retailers that have been assessed by Quanta Services Canada as having a low modern slavery risk but may have been assembled overseas in conditions where modern slavery may be prevalent.

<sup>1</sup> Walk Free 2023, Global Slavery Index 2023, Minderoo Foundation, available at https://www.walkfree.org/global-slavery-index/.

<sup>2</sup> Press Release, "Canada: Anchor the fight against contemporary forms of slavery in human rights, a UN expert urges", 6 September 2023, United Nations Human Rights Office of the High Commissioner, *available* at <u>https://www.ohchr.org/en/press-releases/2023/09/canada-anchor-fight-against-contemporary-forms-slavery-human-rights-un.</u>

<sup>3</sup> U.S. Department of Labor 2022, List of Goods Produced by Child Labor, or Forced Labor, *available* at <u>https://www.dol.gov/agen-cies/ilab/reports/child-labor/list-of-goods</u>.

- 4. Clothing, footwear, or branded products that may have been manufactured, or may include raw materials that have been produced, under modern slavery conditions (e.g., cotton, fabrics, yarn, or rubber).
- 5. Structural timber, which may have originated from a country with modern slavery risk for timber production.
- 6. Other rare earth minerals such as gold, tin, zinc, silver, or cobalt that have been mined to go into manufacturing of equipment.

### ACTIONS, REMEDIATION AND EFFECTIVENESS

#### POLICIES, TRAINING, AND DUE DILIGENCE

Quanta's employee **Code of Conduct** requires employees to adhere to our values, including our commitment to human rights, and holds them accountable to the highest ethical standards. We also maintain a separate **Human Rights Policy** that reiterates our position against the use of child, force, indentured or involuntary labor in accordance with the United Nations Guiding Principles on Business and Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. This policy is appliable to all employees and we expect our suppliers to adhere to the same principles. In 2024, Quanta established a **Supplier Code of Conduct** to explicitly address these expectations.

Quanta provides ongoing training on the Code and related policies to make sure that employees know the behavior expected of them, how to handle most ethical challenges, and how to escalate such situations when required. In addition to internal resources, Quanta provides a third-party managed help line for employees to report and/or discuss any concerns they have about ethical conduct at any Quanta company. Quanta does not tolerate any form of retaliation against anyone who reports any issues in good faith. Quanta continuously monitors any ethical issues or risks across the company through regular trainings and audits as well as meetings among cross-functional team leadership.

Quanta's Legal Compliance and Ethics program includes training and communications, due diligence for highrisk intermediaries and business partners, policies and procedures, reporting mechanisms, legal compliance advice, and internal investigations, among other elements. The program is informed by, and evolves according to, regular risk assessment activities designed to identify existing and emerging ethics and compliance risks. We regularly audit high risk suppliers via our Legal Compliance & Ethics Team's due diligence process, which includes screens and questionnaires concerning modern slavery.

#### RISK MANAGEMENT

The Board of Directors of Quanta Services, Inc. oversees risk management systems and internal controls across the entire consolidated group. Quanta implements an enterprise risk management program to identify, assess and monitor key business risks that could significantly impact the company's strategic objectives. Any materially significant risks and related mitigation is reported to and discussed with the Board.



In addition, where needed and applicable, our contracts with our subcontractors and suppliers will require compliance with modern slavery laws and regulations. To the extent that we are made aware of a subcontractor's or supplier's non-compliance with these laws, we investigate in a timely manner and take necessary action (which can include terminating our relationship with the subcontractor/supplier) resulting from the investigation's outcome.

#### REMEDIATION

Quanta Services Canada did not identify any instances of modern slavery in its business activities in 2023 and, therefore, no remedial action was implemented that may have resulted in loss of income to vulnerable families.

#### MEASURING EFFECTIVENESS

In 2023, Quanta Services Canada focused on establishing processes to identify and address the risks of modern slavery within its operations and supply chains. We will continue to develop and implement additional due diligence and risk mitigation processes as necessary. In 2024, we expect to measure the effectiveness of these processes.

## S U M M A R Y

Quanta Services Canada recognizes the importance of human rights and will continually strive to improve the processes we use to identify, assess, and mitigate modern slavery risks in our supply chain.

This Report has been reviewed and approved by the governing body of each entity listed in the appendices below.

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 entities listed in Appendix 1. 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 2023. I have the authority to bind the entities listed in Appendix 1.

May 31, 2024 Robert E. Jones | Vice President

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 entities listed in Appendix 2. 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 2023. I have the authority to bind the entities listed in Appendix 2.

May 31, 2024 Carey Kostyk | President

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 entities listed in Appendix 3. 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 2023. I have the authority to bind the entities listed in Appendix 3.

May 31, 2024 Kenneth E. Chapman | President

## **APPENDIX** 1

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## **APPENDIX 2**

- TC Infrastructure Services Ltd
- Valard Construction, LLC
- Valard Construction, LP

### **APPENDIX 3**

• Catalyst Changers Inc.