



**REPORT BY ADM
AÉROPORTS DE MONTRÉAL**
*Regarding the Fighting Against
Forced Labour and Child Labour
in Supply Chains Act*

INTRODUCTION

This document is the first report issued by ADM Aéroports de Montréal to comply with the requirements of Section 11 of **Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act** (S.C. 2023, c. 9).

The document was prepared in collaboration with relevant ADM teams, including Procurement, Sustainability, Legal, Human Capital and Public Affairs.

The information provided in this report covers the fiscal year ending December 31, 2023.

ADM's [annual report](#) and financial results are available on its [website](#).

ORGANIZATION PROFILE

ADM Aéroports de Montréal, the Greater Montréal airport authority, is responsible for the management, operation and development of YUL Montréal-Trudeau International Airport and YMX International Aerocity of Mirabel under a lease entered into with Transport Canada in 1992 and expiring in 2072.

ADM is committed to succeeding in its various business sectors - airport, real estate and commercial services - and developing each of its two sites to their full potential.

Accordingly, YUL serves as a hub for domestic, transborder and international passenger transportation, while YMX serves as an all-cargo airport and a world-class aerospace and innovation hub.

Montréal-Trudeau International Airport and the International Aerocity of Mirabel are major centres of economic activity and development drivers for Greater Montréal. Thirty-six (36) passenger carriers and seven (7) all-cargo carriers connect Montréal to a large number of destinations around the world.

In 2023, some 21.2 million passengers and 215,660 metric tonnes of cargo passed through YUL and YMX. With its wide range of services, the organization's revenue totalled \$437.9 million for the fiscal year ending December 31, 2023.

MISSION STATEMENT

From a sustainable development perspective, ADM's mission is to:

- 01** Connect Montréal and the world through the talent and passion of its teams;
- 02** Offer a remarkable, safe and efficient experience while ensure the development of its facilities;
- 03** Contribute to the prosperity of its community by embodying the vitality of Greater Montréal.

TEAM, AREAS OF ACTIVITY AND RISK LEVEL IDENTIFICATION

ADM is an employer of choice, with a total of 707 full-time, part-time and seasonal employees, represented by various unions, as well as administrative staff as of December 31, 2023. All employees are residents of Canada and a well-established recruitment process is in place either through internal human resources teams or through external recruiters under the umbrella of ADM.

Due to the nature of its airport services business, which operates in a highly controlled environment, ADM believes that its supply chain is exposed to a low risk of forced or child labour, while recognizing that no type of organization can be completely immune to such risks. It should be noted that for the purposes of this report, only the first level of ADM's supply chain is addressed.

ADM's expenses fall into two broad categories: capital expenditures and operating expenses. Capital expenditures include, but are not limited to, contracts for civil engineering and construction projects, contracts with the Technology and Information Department, asset maintenance projects and the purchase of goods.

Operating expenses include contracts for airport operating services, professional and technical services, security services, IT support, contracts for energy and fuel costs required to operate the two sites, and contracts related to ADM communications and publications.

RESPONSIBLE PROCUREMENT

Ever since January 2018, ADM has been committed to using its purchasing power as a lever for change, and has progressively improved its business processes to move towards a more responsible procurement policy.

This approach demonstrates ADM's commitment to using its supply chain to achieve its environmental, social and economic sustainability goals.

ADM's responsible procurement policy encourages local purchasing, preferably from social economy enterprises.

It should be noted that purchases made abroad are mainly from suppliers located in countries such as the United States, France, the United Kingdom, Denmark, Singapore, Austria, etc., as shown in the table below.

Geographical breakdown of ADM purchases of goods and services

| | |
|--|------------|
| Greater Montréal | 86% |
| Province de Québec (other than Montréal) | 2% |
| Canada (other than Québec and Montréal) | 6% |
| Other countries | 4% |

Note: Based on the value of payments made, from January 1, 2023 to December 31, 2023

On the other hand, the percentage of the organization's expenditure related to the purchase of goods and merchandise, all categories taken together, represents only 6% of its total purchases, most of which are related to the supply of goods for the maintenance and operation of facilities, as well as clothing and personal protective equipment (PPE).

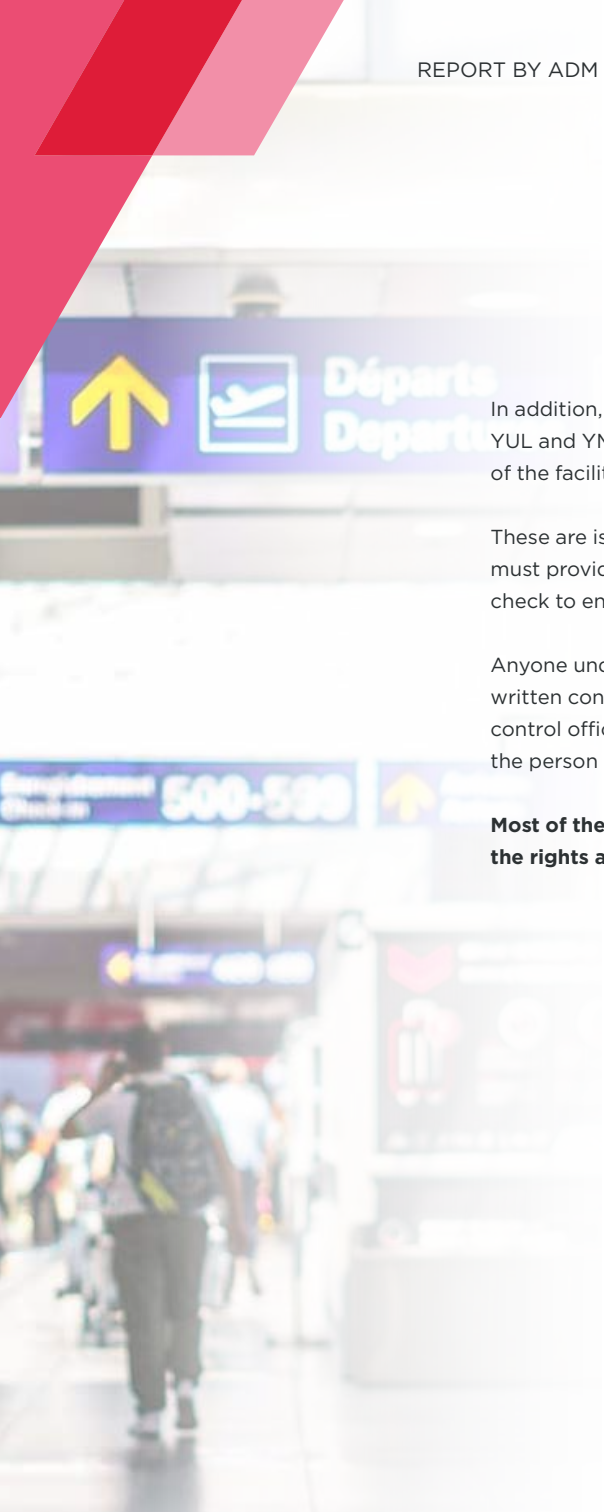
As shown in the table below, purchases of services account for 94% of total purchases and mainly concern the services mentioned in the previous section, including professional and construction services from Québec contractors, the latter accounting for 68% of service expenditures.

In addition, these contractors must meet the standards and requirements of the laws, regulations, regulatory bodies and trade unions that govern the construction industry. Firms providing other services are, in turn, consulting firms, technical service firms or firms hiring specialized resources that require a higher level of education.

These contracts account for 12% of purchases of services. It is important to note that no purchases are made for the resale or processing of products, but only for operational purposes at the two airport sites.

Purchases by categories

| | |
|------------------------|------------|
| Goods and merchandises | 6% |
| Services | 94% |



In addition, the vast majority of companies whose employees work on the YUL and YMX sites under service contracts for the maintenance and upkeep of the facilities are required to obtain a Restricted Area Identity Card (RAIC).

These are issued after rigorous screening by Transport Canada. Applicants must provide two forms of identification and undergo a criminal background check to ensure the safety and security of airport sites.

Anyone under the age of 18 wishing to obtain a RAIC must first obtain written consent from a parent or guardian. The supervisor of the pass control office must then take reasonable steps to verify the authenticity of the person signing.

Most of these companies also have collective agreements to protect the rights and working conditions of their employees.

COMMITMENT TO THE COMMUNITY

As noted above, as a not-for-profit organization that is rooted in and listens to its community, ADM decided to take concrete action by placing sustainable development at the heart of its mission and published its first ever [Sustainability Plan 1.0](#) in 2023. Three targets were identified for responsible and local sourcing:

- 01** Maintain 70% local sourcing and increase purchases from social economy enterprises;
- 02** Establish and optimize impact supplier performance by 2024;
- 03** Achieve level 4 in the 5 components of the Espace de concertation sur les pratiques d'approvisionnement responsable (ECPAR) barometer by 2024.

Indicators for these targets are tracked annually and disclosed in the organization's annual report and on an [online](#) platform that provides a comprehensive picture of the organization's sustainability performance. ADM has also developed a responsible procurement guide to help guide buyers and ensure they adhere to the organization's approach to sustainability.

EMPLOYEE CODE OF CONDUCT

To fulfil its mission and maintain the solid bond of trust it has built with its customers, site users, business partners, government authorities and the general public, ADM must ensure that its reputation remains excellent. To this end, the organization has adopted a code of ethics for its employees, which applies to all permanent, temporary and casual employees.

It covers a range of issues including integrity, health and safety and respect for individuals and their fundamental rights. Anyone who witnesses a reprehensible or unethical situation at ADM is encouraged to contact a confidential whistleblowing hotline operated by an independent company.

Reports from internal or external stakeholders are reported to ADM's Board of Directors through its Audit and Risk Management Committee. The Governance and Social Responsibility Committee, which ensures that a whistleblowing process is in place to protect the identity of the whistleblower, also conducts an annual follow-up.

SUPPLIER CODE OF CONDUCT

The Supplier Code of Conduct sets out ADM's expectations of the suppliers with whom it does business and their subcontractors.

A business relationship involves a connection and exchange between the organization and its suppliers, without necessarily involving a contractual relationship.

This code is in addition to suppliers' obligations to comply with all laws and regulations in force in Québec or in any other place where they operate.

As part of their relationship with ADM, suppliers are expected to act with integrity, honesty and professionalism, while adhering to the highest ethical principles with respect to human rights and the environment, so as to maintain public confidence in the integrity of ADM and its operations.

An independent hotline is also available for suppliers to report any unethical or improper situation or bidding process that violates ADM's procurement procedures.

ASSESSMENT OF THE RISK OF FORCED LABOR AND CORRECTIVE MEASURES TAKEN BY ADM DURING THE LAST FISCAL YEAR

As of December 31, 2023, ADM had not identified any forced labour or child labour in its operations and logistics supply chain during the year.

No corrective action was taken as no allegations of forced labour, child labour or violations of the various codes of ethics and policies in place were reported during this period.

ADM believes it has effective mechanisms in place to prevent and mitigate the use of forced or child labour, particularly through its local purchasing goals and various rigorous processes applied to ensure stakeholder integrity and confidential reporting of violations.

The Corporation also considers its exposure to risk to be low, given the nature of its activities, the fact that the vast majority of its purchases are made locally, and the various control measures in place to obtain RAIC access cards for the vast majority of workers in the airport community.

At the end of the same fiscal year, ADM had not adopted a forced and child labour procurement policy or provided training to its employees, but intends to do so in the near future.

ADM had not identified any loss of income for vulnerable families due to forced or child labor in the fiscal year ending December 31, 2023. ADM understands that determining whether vulnerable families suffer income loss due to the use of forced labour is an integral part of the investigative and analytical approaches underlying this report.

Consequently, no corrective action was taken as no violations were found.



LOOKING TO A BETTER FUTUR

Due to the application of the measures suggested in its responsible procurement guide and the quality of its purchasing, ADM can see that its position on forced and child labour is on the right track, even though it did not take any concrete action in 2023.

With the well-being of its employees and the community at heart, ADM believes it has a responsibility to take further steps to combat forced and child labour. Accordingly, ADM intends to pursue all avenues in its efforts to combat forced and child labour in its supply chain. As noted above, ADM is considering the implementation of certain measures. For example, it may amend its procurement policy to include provisions consistent with the Act, and raise awareness about forced and child labour challenges among ADM's procurement team.

In addition, ADM helped raise awareness of forced labour and sexual exploitation with its first-ever awareness campaign launched on March 4, 2024. As part of its commitment to making its facilities safe and secure, ADM's campaign aims to raise awareness among victims by reminding them that they are never alone.

Anyone who witnesses an unusual situation related to this type of exploitation, or any other form of abuse, can call a confidential 24/7 hotline to make a report. There are also plans to roll out training across the airport community in 2024 to help staff recognize the signs of individual exploitation.

This campaign is just the first in a series of actions ADM will take to address the risks associated with forced and child labour. Recognizing the power it has to positively influence its suppliers, ADM intends to expand its responsible procurement initiatives and will ensure that its vision and future actions are aligned with these values of integrity and social justice and in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

CERTIFICATION

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”), and in particular Section 11 thereof, I certify that I have reviewed the information contained in the Report for the entity or entities listed above.

To the best of my knowledge, and having exercised due diligence, I confirm that the information contained in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year referred to above.

ADM AÉROPORTS DE MONTRÉAL



Sylvain Choinière

Vice President Legal Affairs, Real Estate and Corporate Secretary

May 30th, 2024

I have the authority to bind Aéroports de Montréal

