



2023 Annual Report on the Fight
Against Forced Labour and Child
Labour in Supply Chains

2023

INTRODUCTION

This Annual Report (the “**Report**”) is presented by Borea Construction ULC (“**Borea**”) in compliance with our obligations pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (SC 2023, c 9) (the “**Act**”) for the financial year dated January 1st to December 31st, 2023 (the “**Reference Period**”). Preventing forced labour and child labour (“**Forced Labour**”) at every level of its supply chains is a top priority for Borea. Accordingly, this Report details the measures taken by Borea to prevent and combat Forced Labour in its supply chains and in its relationships with suppliers and subcontractors during the Reference Period. Borea firmly believes in the importance of respecting fundamental workers' rights and promoting honest and ethical practices in our supply chains. Our Report highlights our commitments, our policies, and processes, as well as the tangible measures taken to help eliminate all forms of exploitation and to guarantee workers a fair and equitable working environment. It describes the measures taken to identify and mitigate all risks of Forced Labour in our supply chains, as well as setting out our planned actions for the future in the fight against Forced Labour.

This Report is the fruit of a concerted effort from our various departments involved in Borea's construction and procurement activities: Human Resources, Health & Safety, Finance and Legal Affairs, with the contribution and invaluable collaboration of our various subcontractors, consultants and major suppliers. Approved by Borea's senior management, it is a mark of our ongoing commitment to safeguarding workers' rights and contributing to the fight against Forced Labour.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Our Company

Borea is a privately-owned company created in 2006, existing and organized pursuant to the Alberta *Business Corporations Act* (RSA 2000, c B-9). With leading-edge expertise in renewable energy construction in Canada, Borea is a multidisciplinary contractor providing construction solutions for the power generation and distribution sector. Our approach relies on close collaboration with all our stakeholders and business partners, and on the use of state-of-the-art technologies enabling us to deliver high-quality work. With nearly two decades of experience in power project construction, Borea provides comprehensive estimation, preconstruction, engineering, procurement and construction services for wind and solar power projects of all sizes.

Borea has built over 7,500 MW of renewable energy across Canada. This represents a third of the market, and more than any other contractor in Canada. The trust and mutually beneficial long-term relationships we have forged with our customers, subcontractors, suppliers, and the communities where we live, and work have led to the successful completion of over 75 projects. We offer a personalized approach to every project, centered around collaboration, innovation, and cutting-edge expertise.

For Borea, nothing is more important than the health, safety, and protection of the fundamental rights of our people, our customers, our partners, and the general public. Each project represents an opportunity to innovate and apply our strict health & safety and quality assurance programs and avant-garde environmental and social standards. We never compromise when it comes to health and safety, and no concessions are allowed, whether on our construction sites or in our supply chains. We focus on the prevention, detection, and mitigation of risks and on raising awareness. Above all, we are committed to the well-being of all those who contribute, from near or far, to the fruition of our renewable energy solutions.

Our Activities

We have built renewable energy projects across Canada. During the Reference Period, these projects were mainly located in Alberta. Borea's main place of business is in Lévis, Quebec, our other locations being in Toronto, Calgary and Abbotsford. We have over 200 permanent employees, and the total number of workers on our sites can reach 700. We are proud to self-perform on all our worksites. This also allows us to better control who is present and working on our sites, and to ensure that each worker is paid a competitive rate for the position they occupy.

As for temporary workers assigned to a site, we strive to rehire them as much as possible on subsequent projects, depending on our needs and project locations. The recruitment and hiring process is carried out in accordance with our Hiring Policy, regardless of the position to be filled. We collaborate with the local communities in which we operate and with the First Nations communities living near our project sites. We also use local labour whenever possible to do so.

In terms of migrant workers, the workers we hire from outside Canada are mainly highly skilled workers filling professional or specialized positions. In addition, work conditions and salary thresholds for construction workers on our sites are governed by collective agreements.

Our Supply Chains

Our supply chains are processes ensuring that the materials and equipment required for our operations are available. It involves multiples stakeholders and various steps to ensure continuous and efficient procurement. Our procurement process applies to the purchase of goods, equipment, materials, and services.

In the course of its activities, Borea works with subcontractors, consultants and suppliers. We maintain close business relationships with our recurring partners, with whom we collaborate on numerous projects. We strive to establish long-term relationships with trusted subcontractors, consultants and suppliers who maintain the level of quality, expertise, and compliance we demand from all our partners and collaborators on our projects. We select the people we work with carefully and take all due diligence measures deemed necessary when enlisting the services of a new business partner. In an effort to favour local and national labour and to help stimulate the Canadian economy, subcontractors and consultants working on Borea's Canadian projects are based in Canada.

The subcontractors we work with offer specialized construction services in the following sectors:

- civil work (namely, roads and foundations);
- electrical work;
- geotechnical work;
- crane services (namely, turbine assembly);
- installation of substations, transmission lines, communication networks, and collector lines.

The consultants we work with offer professional services, particularly in the fields of engineering, conception, and design.

Borea gives precedence, to the extent possible, to local and national suppliers. However, certain situations may require that we import construction particular construction materials owing to specific needs, availability constraints or particularly technical requirements. At all times, we carefully assess such cases in order to ensure the quality and sustainability of our construction projects and to minimize the risk of Forced labour in our global supply chains.

Our suppliers are mainly based in Canada and the United States. They supply the goods, equipment and materials that will be used for or incorporated into the solar and wind power projects Borea builds. We have identified three main procurement categories, as follows:

- (i) project procurement;
- (ii) general procurement; and
- (iii) ancillary procurement.

First and foremost, project procurement refers to the goods, materials, and equipment specific to the solar and wind power projects we build, and necessary for their completion. In the solar industry, these include:

- racking;
- inverters;
- piles;
- breakers;
- transformers;
- control buildings; and
- cables.

In the wind industry, these include:

- cables;
- meteorological towers;
- operation and maintenance buildings;
- transformers;
- rebar;
- concrete;
- substation equipment; and
- breakers.

Secondly, general procurement items include:

- hardware;
- tools;
- locks;

- equipment rentals; and
- electrical material.

Thirdly, we carry out ancillary procurement, i.e. the sourcing of all goods and materials that are not specifically used in the context of our services rendered, but which allow us to carry out our broader commercial and/or corporate activities. This includes, namely:

- consumables;
- computer and electronic equipment;
- office supplies; and
- safety equipment.

OUR FORCED LABOUR POLICIES

Borea is committed to ensuring continuous efforts in the fight against Forced Labour. To do so, we are working continually to implement rigorous policies in the protection of workers' rights and the fight against Forced Labour, and demand the same of our subcontractors, consultants, and suppliers. These measures are designed to ensure that our suppliers comply with Canadian and international standards on Forced Labour, and that they do not employ forced laborers or children in violation of applicable standards. Borea's goal is to maintain an ethical and responsible supply chain, whereby each stakeholder contributes to the protection of workers' rights.

Suppliers' Code of Conduct, specific contractual provisions, and Commitment Form

In alignment with our values and our vision, Borea has established a Suppliers' Code of Conduct to promote integrity and encourage sound and ethical business practices. The Suppliers' Code of Conduct sets out the principles and conduct that our suppliers, consultants, and subcontractors must abide by and adopt. Borea firmly believes that adopting honest and ethical conduct benefits not only our business, but also our clients, partners, and employees. Our partners must prohibit and under no circumstances tolerate Forced Labour in their activities and supply chains. These requirements are intended to promote honest and ethical business practices and to guarantee the promotion of workers' rights and fundamental human rights.

In addition, Borea has developed various standard contract and subcontract templates that we use with our business partners. We have included specific contractual provisions to combat forced labour, requiring our subcontractors, consultants, and suppliers to conduct themselves with integrity, ethically and without recourse to Forced Labour.

Finally, Borea requires from time to time that our subcontractors, consultants, and suppliers complete and sign a Commitment Form reiterating their dedication to comply with our requirements in terms of processes and ethical conduct and integrity.

Employees' Code of Conduct

Our commitment to develop and maintain a corporate culture based on ethics and integrity in business is clear. Integrity, transparency, and trust must permeate in our daily business practices, conduct and decisions. During the Reference Period, we have created and launched our brand-new Employees' Code of Conduct. This new Code sets out the main principles in terms of ethics and integrity that our staff and board members must respect in their actions and decisions. It is the cornerstone of our governance, policies, and procedures. Borea believes that every human being must be treated with dignity, fairness, equality, and respect of their fundamental rights. We are committed to providing a healthy work environment and fostering honest and respectful practices where no one will be exploited or forced to work. At Borea, people are our top priority, and we place the protection of human rights at the forefront of everything we do.

Hiring Policy

Borea relies on attracting the most qualified and motivated talent to ensure its long-term success. Throughout the recruitment process, we attach great importance to the fight against Forced Labour and take proactive measures to guarantee a healthy working environment respectful of the fundamental rights of our employees. During the Reference Period, Borea revised and updated its internal Hiring Policy. This revised Policy deals more specifically with the fight against Forced Labour, identifying and naming Borea's commitments and the proper practices to uphold during the recruitment process.

Borea offers its employees competitive total compensation, attractive benefits, a wide range of training and development opportunities, and health and safety initiatives. Our construction site workers are unionized, and their working conditions are protected by collective agreements (e.g. wages, vacation, statutory holidays, working hours, etc.). In this manner, Borea can guarantee that the working conditions of our workers are at the very least compliant with those required by current laws and standards and that there is no form of Forced Labour on our construction sites. We are committed to maintaining work environment that respects workers' rights and complies with all relevant laws and standards.

Accessibility and application

All the policies mentioned above, as well as our various other policies targeting our employees and partners, are available to our employees on an integrated platform in English and French.

Furthermore, during the Reference Period, when launching our new Employees' Code of Conduct, we rolled out mandatory training to all our employees and members of management, that reiterated the Code's key takeaways and tested their understanding of these critical points. Our employees and management also had to sign it to attest their adherence to the Code. As for the Supplier Code of Conduct, its acceptance and signature is a prerequisite for subcontractors subject to prequalification and/or when our standard contract and subcontract templates are used and implemented.

OUR FORCED LABOUR DUE DILIGENCE PROCESSES

Borea has put in place tangible measures and processes in place to mitigate the risks associated with Forced Labour in its supply chains and in those of its partners. We are committed to preventing, mitigating, and requiring that all forms of Forced Labour be ceased. Below are a few concrete actions we have taken:

Reporting Line

Borea has taken steps to ensure confidentiality and anonymity when an actual or potential situation of Forced Labour is reported by setting up an external reporting line, managed by an independent third party. This enables our employees and partners to report, without fear of reprisal, any actual, potential, or suspected concerns or situations regarding Forced Labour they may experience or witness. Borea is committed to examining each report promptly, and appropriate steps will be taken to investigate any allegations or misconduct. By setting up its Reporting Line, Borea reiterates its ongoing commitment to transparency, accountability, and the fight against Forced Labour. We encourage all our employees to contribute to maintaining an ethical and responsible supply chain. In addition to the Reporting Line, there are other channels through which our employees can report non-compliance - their manager, the Department of Legal Affairs, and the Department of Human Resources. These other options are designed to provide front-line support and rapid handling of any concerns reported by our employees and partners.

Survey – Major Partners

During the Reference Period, we created a *Survey Identifying Risks Regarding Forced Labour and Child Labour in Supply Chains* (the « **Survey** »). The goal of the Survey is to enable us to carry out a more thorough risk assessment of our supply chains, and to encourage our partners to do the same. As such, the purpose of this Survey is to help us better understand the risks associated with Forced Labour in Borea's supply chains, to identify high-risk sectors or areas, and to compile data on the initiatives

implemented by the players in these supply chains in the fight against Forced Labour. We have targeted our main subcontractors, consultants and suppliers, with whom we have close and recurring business relationships, and sent them our Survey.

The responses received will be analyzed in 2024. Moreover, the aim for the coming year will be to distribute this Survey to a wider network of partners and to carry out an in-depth analysis of it, so as to build up a more complete global picture of the risks of Forced Labour in with our supply chains.

Monitoring and Risk Mitigation

Borea may monitor from time to time the practices of its subcontractors, consultants, and suppliers to ensure compliance with our corporate values and with our honest and responsible business practices, as well as to verify their compliance in the fight against Forced Labour. As part of this process, Borea may decide to carry out more in-depth verifications if a potential situation of Forced Labour is detected. Borea gives preference to subcontractors, consultants and suppliers who share our values and our ethical and responsible business practices.

In short, we are continually working to improve our practices to minimize any risk of Forced Labour in our supply chains. We remain vigilant and are committed to maintaining ethical and responsible practices in the fight against Forced Labour. We make no concessions and accept no compromises when it comes to our high standards worker protection.

EVALUATION, PREVENTION AND RISK MITIGATION

During the Reference Period, Borea identified the main risks associated with Forced Labour within our activities. Such an assessment of the general risks associated with the renewable energy sector will enable us to better anticipate potential issues and adopt a more proactive and educated approach to risk mitigation.

Risk Evaluation and Recommendations Issued

As detailed above, Borea favours local and national suppliers whenever possible. However, certain situations may require the importation of specific building materials. This may be due to specific needs, availability constraints or particular technical requirements. At all times, we carefully assess these cases to ensure the quality and sustainability of our construction projects and to minimize the risk of Forced Labour in our global supply chains. We take steps to avoid imports from countries with a heightened risk of Forced Labour. Where this is not possible, we have introduced additional due diligence measures to mitigate the associated risks as much as possible.

To this end, during the Reference Period, Borea identified countries considered to be at increased risk of Forced Labour based on information available from authoritative sources. Our assessment is based, among other things, on data presented by *Walk Free*¹ and by the *United States Department of Labor*² (the « **USDOL** »). Based on this assessment and taking into account the countries from which we import, we conducted a risk analysis and issued a series of recommendations that were shared internally with management and employees involved in procurement. Our recommendations included:

- **Avoid** buying from countries or regions identified as higher risk to the highest extent possible;
- **Avoid** being responsible for sourcing and importing materials identified as involving higher risks, to the highest extent possible;
- **Contact** Borea's Department of Legal Affairs before making any procurement decisions involving regions, countries, suppliers or materials identified as higher risk, so that a more detailed risk assessment can be carried out;

¹ <https://www.walkfree.org/global-slavery-index/>

² <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>

- **Report** non-compliance, irregularities or suspicions using the reporting procedures detailed in our Employees' Code of Conduct.

Identification of risks specific to the construction of renewable energy projects; prevent and mitigation measures taken

According to data presented by *Walk Free*, in 2021 G20 member states imported goods 468 billion US dollars-worth of goods at risk of modern slavery³. *Walk Free* identifies solar panels as fourth on the list of at-risk products on which these states spend the most⁴. According to the USDOL 2022 *List of Goods Produced by Child Labor or Forced Labor*, polysilicon manufacturing is mainly used in the production of solar panels. According to this 2022 data, 45% of solar-grade polysilicon was manufactured in the Xinjiang Uygur Autonomous Region (« **Xinjiang** »), a region in which numerous instances of forced labour have been recorded⁵. Various other goods and raw materials used or likely to be used in construction activities have been identified as including risks of Forced Labour. Manufactured or extracted from various countries and regions around the world, these include electronic devices, bricks, wood, sand, stones, certain critical minerals, rubber, cement, and gravel.

In short, the increased risk of forced labor associated with solar panels is well known. Borea is aware of this increased risk and is taking the necessary steps to mitigate and minimize these risks in its own supply chain. We are monitoring developments in this area closely and adapting our conduct and business practices accordingly. In this context, Borea does not allow sourcing from Xinjiang in an effort to mitigate the risks associated with forced labor in the solar industry. We carry out additional checks on any goods that are identified as presenting an increased risk of Forced Labour due to their origin or the type of goods or equipment involved, including goods from China.

Within our activities in the solar industry, we closely monitor the origin of solar panels and other imported materials. Our procurement teams are kept abreast of products and regions of the world at higher risk of Forced Labour. These teams work closely with our internal and external legal counsels to identify and appropriately mitigate any suspected or actual risks. Further information on the support given to our procurement teams can be found under the "Training" section below.

At all levels, we strive to take all necessary due diligence measures. Namely, we verify publicly available information about new suppliers; where further verification is required, our teams may request additional information with supporting evidence, arrange visits to the supplier's factories in the country of origin of the imported goods, or take any other action we may deem appropriate and necessary. As mentioned above, we do not accept any compromises when it comes to workers' and people's rights.

REMEDIAL ACTION

During the Reference Period, we detected no actual and real cases of Forced Labour in our supply chains. We therefore didn't need to take any steps to remedy the situation. However, in the event of non-compliance by our partners, we reserve the right to require them to take appropriate measures to mitigate and put an end to any Forced Labour in their own supply chains, including:

- **Take necessary measures** to prevent any form of Forced Labour from reoccurring in their operations or supply chains;
- **Implement the policies and processes** required to put a stop to the Forced Labour;
- **Report and provide** all necessary information to demonstrate the effective implementation of such Forced Labour risk mitigation measures.

³ <https://www.walkfree.org/global-slavery-index/>.

⁴ According to data presented by Walk Free, G20 countries have spent an estimated 14.8 billion USD on solar panels that presents risks of having been produced using Forced Labour.

⁵ USDOL, 2022 *List of Goods Produced by Child Labor or Forced Labor*, online:

https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2021/2022-TVPRA-List-of-Goods-v3.pdf.

We may also decide to terminate our business relationship with these partners. The decision to do so would be in keeping with our commitment to ensuring our supply chains are free from all forms of Forced Labour.

COMPENSATION FOR LOSS OF INCOME OF THE MOST VULNERABLE FAMILIES

Borea has not identified any loss of income to vulnerable families as a result of measures taken to eliminate the use of Forced Labour in our operations and supply chains during the Reference Period.

TRAINING

Forced Labour training is essential to raise awareness and create accountability among our employees and executives. To this end, training and awareness-raising materials on the risks of Forced Labor in our supply chains, in the renewable energy construction sector and, specifically, in the solar industry were shared by the Department of Legal Affairs with the Borea Board of Directors in 2022. In November 2023, webinar training on this subject was offered to the company's management staff, including our Vice-Presidents, Project Directors, and Project Managers. Training materials were shared with the participants following the training.

The training sessions included an overview of the current context surrounding Forced Labour in Canada and North America, an overview of the legislation applicable in Canada, and the due diligence processes implemented by Borea to in the fight against Forced Labour. Our managers have been made aware of the importance of adhering to these processes and of their essential role within the company in identifying potential risks and effectively implementing consequent measures. The training was designed to be practical, so as to better equip our decision-makers to recognize risk factors and sound the alarm in the event of any suspected risk. As such, it was built around practical advice and concrete elements to watch out for, in order to better avoid, prevent and mitigate these risks and their potential impacts.

We will be working on a training plan during 2024, aimed at offering mandatory training across the company, to all employees directly or indirectly involved in procurement on our projects. Through our training plan, and the measures we have put in place, Borea employees will learn to identify the risks of Forced Labour in our supply chains. They will be informed of the countries and regions presenting greater risks, and of the goods or materials likely to be involved, in advance of any potential situation of Forced Labor, so as to be equipped to take the necessary remedial measures. By raising awareness among our staff, Borea reinforces its commitment to maintaining an ethical and responsible supply chain, free from all forms of Forced Labour.

ASSESSING EFFECTIVENESS

The evaluation of our due diligence practices and measures is essential to measure their effectiveness with an objective for continuous improvement. During the Reference Period, Borea set up a specialized working group to ensure our compliance and implement the various processes described above. Set up in conjunction with Borea's affiliates, this working group's mandate will include ensuring the sustainability of the practices and processes implemented, and establishing the way in which key performance indicators will be put in place to assess the effectiveness of these measures. In the year ahead, we will continue to work on our strategy for measuring the effectiveness of our practices and processes, and to identify other appropriate initiatives to implement where necessary.

In short, the ongoing assessment of our practices in the fight against Forced Labour will enable us to remain on the lookout for any situations of non-compliance in our supply chains, to constantly improve,

and to actively contribute to countering this practice which goes against the fundamental rights of workers and individuals.

This Report is published in accordance with the requirements of the Act. It presents the measures taken by Borea in the fight against Forced Labor in its supply chains and applies to the Reporting Period ending December 31, 2023.

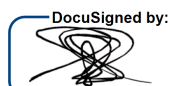
Approval

This Report was approved by Borea's senior management at the time of its signature.

Certification pursuant to Section 11 of the Act

In accordance with the requirements of the Act, and more specifically of Section 11 thereof, I hereby certify that I have read the report submitted by Borea and have approved the information contained therein.

Signed by

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Sébastien Simard, ing., MBA
Executive Vice President & Managing Director
May 21, 2024