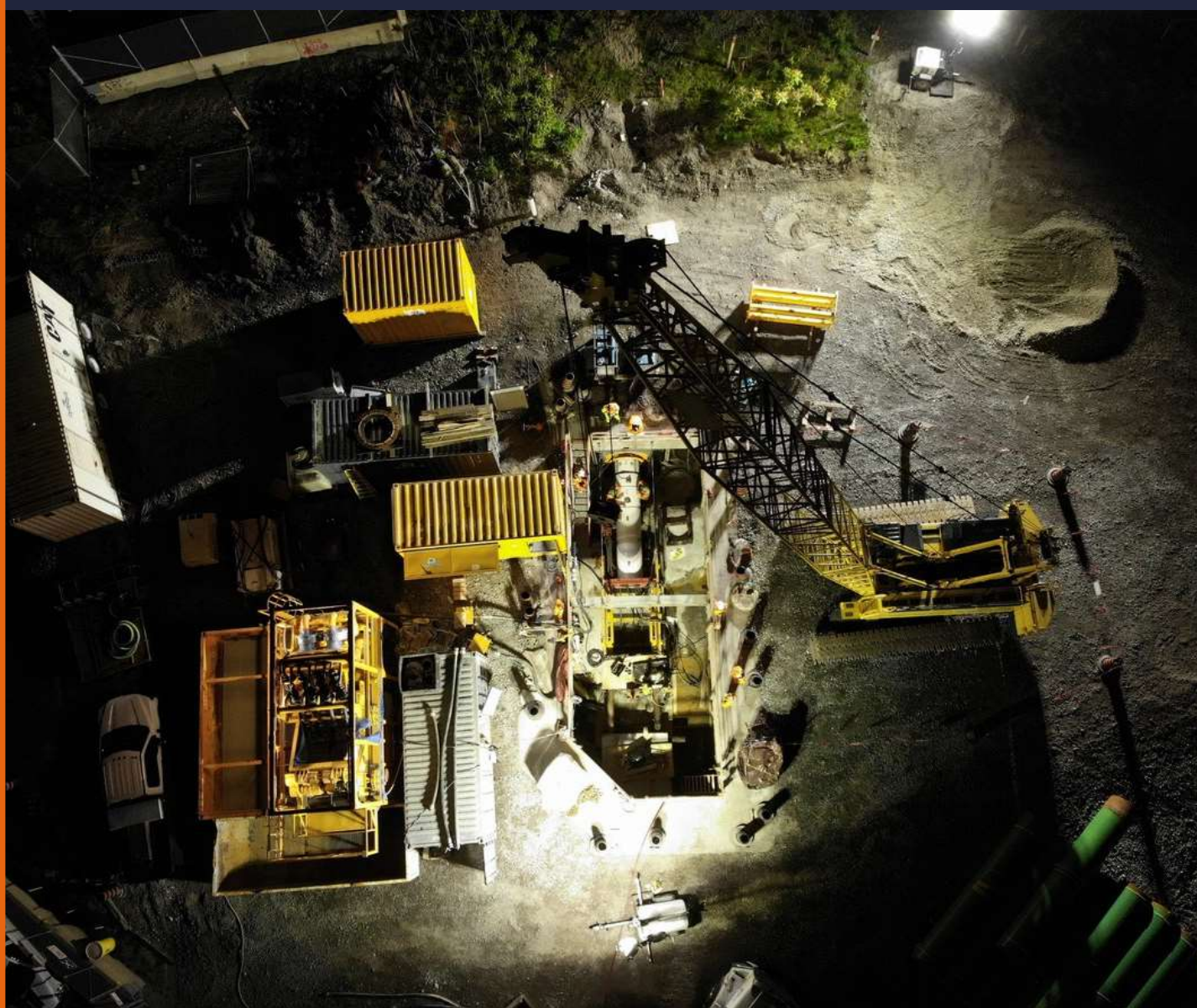




# REPORT ON FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS





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Construction Demathieu & Bard Inc. is a construction company specializing in civil Infrastructure, we remain highly vigilant in eradicating any form of forced labor, human trafficking, and child labor.

This is why we wish to present our report, which is our first pursuant to the law on combating forced labor and child labor in supply chains. This report summarizes the key measures we have implemented to ensure that our supply chain remains free from these practices, in line with our core values of ethics, responsibility, and integrity.

We remain vigilant and determined to protect our employees, contractors, partners, and clients, ensuring that our impact on the communities in which we operate is always positive and respectful of human rights.

**Brice CHARLIER**

Senior Vice-President



## **I. PURPOSE AND SCOPE**

In compliance with the “An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains act to amend the Customs Tariff” (the Act) Construction Demathieu & Bard, hereinafter referred to as "CDB," has prepared this report.

Forced Labour and Child Labour in Supply Chains Report and covers the reporting period from January 1, 2023, to December 31, 2023.

CDB meets the legal definition of an "Entity" that has reporting obligations. However, CDB does not manufacture goods in Canada or elsewhere but may be required to import goods as part of its activities in Canada or abroad.

In the interest of security, CDB has chosen to comply with this legal obligation and to describe the measures taken to prevent and reduce the risks of forced labor and child labor.

This report is the result of collaboration with the various departments of CDB to analyze commercial and supply chains that may pose a risk.

In accordance with the recommendations, CDB reserves the right to submit a revised report at any time within one year from the submission deadline of this report to describe any changes made to the original report.

## **2. COMPANY OVERVIEW**

### **2.1 Structure and Activities**

Construction Demathieu & Bard (CDB) Inc. headquartered in St Jerome, Quebec since 1997. The original entity was founded in France in 1861.

Construction Demathieu & Bard (CDB) Inc. is the Canadian subsidiary of Demathieu Bard and is one of the largest privately-owned companies in the French construction sector. As of December 31, 2022, SAS Demathieu Bard Holding 4 had an annual revenue of \$2 billion, over 3,855 employees worldwide and a presence of over 300 employees across its three Canadian offices in Quebec and Ontario.



CDB has been active in the Canadian heavy civil sector since its formation in 1997 in Montreal, Quebec. CDB's 26 years of North American experience has grown to include over 100 infrastructure projects with a wide variety of complex heavy civil projects and a specific focus on major bridge construction, reconstruction, and rehabilitation.

## 2.2 Human Resources Management

The group of Demathieu Bard stands out among the major industry players by making people the priority in its business activities.

### Company Workforce Breakdown

- Total Employees: 301
- Women in the Workforce: 15% of the Group's workforce

### Breakdown by Category:

- Journeymen: 41% of total employees
  - Women: 2%
- Managers and Office Employees, Technicians, and Supervisors: 59% of total employees
  - Women: 25%

Employees and job seekers working for the company do not have to pay recruitment or other related fees, nor do they have to endure other recruitment-related abuses. For any non-Canadian employee or job seeker in the process of being recruited, CDB can take care of the administrative and financial aspects of the process.

## 3. SUPPLY CHAIN ANALYSIS

This report led us to analyze the localization of our suppliers. For the year 2023, we dealt with one supplier located in China, one supplier located in Tunisia, and six suppliers located in the United States especially :

- for sandblast, composites and hardware products
- for services such as consulting firms, recruitment agencies and notary's offices
- for the purchase of a boat.

Our supply chain consists of suppliers, subcontractors, and various external service providers for the needs of a project. Our company may need to purchase raw materials for the needs of a construction site, although this is not common, as our activity is based on the provision of services rather than the supply of goods. However, we may



collaborate with providers mainly in Canada and the United States, but occasionally abroad for specific needs.

We are conscious of our role as an entity purchasing goods and services in Canada and abroad. Accordingly, we take steps to avoid the purchase of goods and services that may unintentionally contribute to the use of forced and child labor.

#### **4. PROCEDURES IMPLEMENTED**

The parent company being based in France, CDB, along with all affiliated companies under Demathieu Bard Holding 4, must comply with Law No. 2016-1691 on transparency, anti-corruption, and the modernization of economic life:

- Aims to protect whistleblowers and implement measures to preserve confidentiality and prevent any risk of discrimination against whistleblowers.
- This led to the creation of the Code of Conduct, respecting business ethics towards the Group's employees and leaders.

The Code allows for the implementation of measures to prevent and detect corruption and influence peddling in France and abroad, including criminal, civil, and disciplinary sanctions in case of non-compliance.

- Ethical Charter

All subsidiaries are subject to the Ethical Charter, which outlines good practices and addresses illicit and unfair practices for all employees regarding labor law, the use of subcontracting or temporary employment agencies, relationships with companies in the industry sector, competition law, ethics, and compliance. The support services of the Group, independent of decentralized hierarchies, regularly reporting to the General Management, the provision of process management tools, and the system of limited delegation of contractual and financial commitments constitute the instruments for ensuring compliance with this Charter. The periodic report submitted by the Executive Board to the Supervisory Board includes a commentary on the progress of this comprehensive ethical approach.

In addition to the strong process above, CDB has implemented several policies and



processes to prevent any risk of resorting to forced labor and child labor :

- Business Partners Code of Conduct

The Business Partners Code of Conduct highlights the company's core values of ethics and integrity in accordance with respect for human rights. A section is dedicated to respecting individual rights, including the fight against modern slavery and child labor. The company expects Business Partners to take measures to identify and address risks of forced labor and child labor in their operations and supply chains.

Our partners are obliged to promptly take all necessary measures to address or eliminate these practices and to promote an ethical and responsible working environment. The code also outlines the reporting of any illegal conduct towards the company.

- Health and Safety Policies

CDB emphasizes existing policies that protect the rights of our employees, including the Workplace Violence, Harassment and Discrimination, and Sexual Harassment Policy, among others.

- Evaluation of Services Annually

CDB analyzes and evaluates the performance of external services, including our suppliers and subcontractors, annually using a performance evaluation grid. They are assessed on a four-color scale:

- Green: Excellent with a score between 91% and 100%
- Blue: Satisfactory with a score between 76% and 90%
- Orange: Needs Improvement with a score between 51% and 75%
- Red: Unsatisfactory

Our criteria include compliance with the health and safety prevention program, adherence to laws, compliance with regulations, and reference to legal frameworks such as the prohibition of forced labor and child labor as stated in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, within the scope of subcontractor evaluation.

Out of 91 subcontractors:



- 5 companies scored between 51% and 75%, labeled as "Needs Improvement."
- 2 companies scored 50%, labeled as "Unsatisfactory."

These criteria allow CDB to determine the level of oversight required for subcontractors or suppliers and may also indicate whether to avoid future collaboration based on the percentage score.

We plan to include this criterion in our annual evaluation grid for our suppliers as well.

## 5. CORRECTIVE MEASURES

To date, CDB has not identified risks related to forced labor and child labor with its suppliers. Thus, CDB has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labor or child labor in our activities and supply chains.

However, CDB must continue its efforts to assess and manage these risks, if necessary.

As a result, CDB has never had to implement corrective measures.

Every employee and business partner are invited to anonymously report any suspicious conduct that may violate our Code of Conduct, policies, or laws via email at [compliance@cdbtechno.com](mailto:compliance@cdbtechno.com).

## 6. FUTURE INITIATIVES

CDB adopts a proactive approach to prevent and mitigate the risks of forced labor and child labor. CDB will continue to review these existing policies to protect human rights, and notably, the following measures will be taken during the year 2024:

- CDB plans to update its set of contracting templates such as the subcontract and purchase order to include provisions related to ethical values and those concerning forced labor and child labor.
- Evolving Supplier Evaluations to Include a Specific Human Rights Section
- In the pre-contractual period, CDB aims to systematically implement measures, particularly in negotiations with a foreign supplier, subcontractor, or service provider, to determine if there is a potential risk of encountering forced labor or child labor. If such a risk exists, the entity must demonstrate the measures put in place to evaluate and manage these risks.





- During the year, CDB intends to implement presentations or training sessions on the existing policies within the company regarding ethics and human rights, to help employees develop proper reflexes.

## 7. APPROVAL

In accordance with the requirements of the Act, and in particular section 11 thereof, CDB attest that CDB have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, CDB attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

DocuSigned by:  
*Brice Charlier*  
ECB33412CED64F0...  
**Brice CHARLIER**

Senior Vice-President

I have the authority to bind Construction Demathieu & Bard Inc.

May, 31, 2024