

Crosbie – Industrial Services Division Modern Slavery Statement for the Financial Year ended December 31, 2023

This Modern Slavery Statement (the Report) is made jointly by Crosbie-Industrial Services Division companies as listed in Schedule “A” hereto (collectively, Crosbie or the Company) pursuant to Bill S-211, An Act to enact the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act). This Report addresses the period of January 1, 2023, to December 31, 2023.

1. Introduction

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. Crosbie is committed to respecting human rights and ensuring its supply chain is free from forced labour and child labour. This Report outlines Crosbie’s supply chain activities, the evaluation of risk and steps taken to prevent and reduce the risk of forced and child labour within its supply chain.

2. Steps to prevent and reduce the risks of forced labour and child labour

Crosbie took the following steps during 2023 to attempt to prevent and reduce the risk of forced labour and child labour in our business and supply chains.

- Conducted a review of current Crosbie mandates, policies, and procedures as they relate to risks and responsibilities associated with forced labour and child labour.
- Created a draft Ethical Business Policy that outlines the companies’ guiding principles on professional conduct and establishes that in performing their job duties, employees should always act lawfully, ethically and in the best interests of Crosbie.
- Reviewed the Company’s “Selection, Approval and Re-evaluation of Vendors” policy and its vendor assessment questionnaire to ensure that questions asked of its vendors indicate the risk of forced and child labour within their supply chain and request that they indicate whether they are compliant with human rights codes of conduct.
- Completed a draft supplier-level risk assessment to determine the level of risk of forced labour and child labour within our supply chain.

Details of the above actions are set out in this Report.

3. Structure, activities and supply chain

Crosbie consists of Crosbie Salamis Limited, and MacKinnon & Olding Limited. Supply Chain activities within the Industrial Services division are generally comprised of the purchase of consumable products for use in the execution of work scopes.

Crosbie Salamis Limited, incorporated in 1995 to support the Atlantic Canadian offshore oil and gas industry, supplies asset maintenance services, deck operations, project management and technical services to longstanding clients. Crosbie Salamis Limited has developed a mature supply chain, providing innovative practices and methodologies that add value to our service offering. Crosbie Salamis Limited currently employs approximately 260 personnel in various trade, engineering, and administrative roles. The Company predominately utilizes Canadian suppliers; however, it may source specialty items such as scaffolding and industrial cleaning equipment from outside of Canada, predominately the United Kingdom and Norway.

MacKinnon & Olding Limited, with 245 employees, is a trusted provider of onshore industrial services to the marine sector. For over 35 years, MacKinnon & Olding Limited has been providing scaffolding, surface preparation, painting/coating, insulation, and marine flooring to its clients. The Company predominately uses Canadian source suppliers for consumable items while sourcing specialty items such as equipment and coatings from the United States of America.

3.1 Crosbie Supply Chain

Crosbie has developed its supply chain to provide innovative practises and methodologies that add value to its current service offering. The Company believes that its suppliers play a crucial role in helping achieve this goal. Crosbie is committed to conducting business with the highest standards of ethics, integrity, and social responsibility and is committed to working with suppliers who operate responsibly and have a shared dedication to ethical business practices, including child labour and forced labour. Crosbie completes an initial assessment questionnaire to verify their suppliers' policies, commitment, and initiatives. The Company believes that annual re-assessment and collaboration with its suppliers are essential to building a responsible and sustainable supply chain that benefits all stakeholders. Crosbie is committed to working with its suppliers to continuously improve a collective environmental, social, and ethical performance.

4. Assessing and Managing Risk

Crosbie collectively undertook a risk assessment to identify the factors that may indicate the presence of forced labour and child labour in its supply chain. The methodology used to identify risks in the supply chain considers a combination of country risk indicators and the type of products/services offered by the supplier. This draft risk assessment determines the level of due diligence to be performed with respect to forced labour and child labour, as well as the extent of ongoing monitoring and frequency of review required.

First and foremost, Crosbie prioritizes utilizing local and Canadian suppliers as a source for its procurement activities. For items procured outside of Canada, Crosbie evaluated a supplier's geography as a key factor for consideration in its risk assessment. Crosbie contends that its risk of modern slavery and forced labour in its supply chain is low as the countries with which its procurement activities exist have also placed importance on removing forced labour from its supply chains. For example, the United States-Mexico Canada Trade Agreement ("USMCA"), the United Kingdom's "Modern Slavery Act" enacted in 2015, and Norway's Transparency Act dictate strict regulations to ban the importation of goods produced wholly or in part with forced labour. These Acts, coupled with the Canada Border Services Agency's ("CBSA") stringent regulations on the importation of goods, solidify a decreased risk profile for forced labour and child labour upon importation to Canada. Through this risk-based review approach, Crosbie has identified the risk of forced labour and child labour within its supply chain activities to be of low risk. Crosbie will continue to monitor and evaluate its supply chain activities for human rights violations going forward.

4.1 Due Diligence

Conducting supply chain due diligence is an integral component of ensuring Crosbie maintains ethical and rigorous business practices. The supply chain utilizes approved vendors who are assessed upon vendor selection and renewed on an annual basis as part of the vendor assessment process.

As part of the vendor approval and assessment process, vendors are asked whether they are committed to aligning their operations with UN Global Compact's ten principles in human rights, labour, the environment, and anti-corruption and whether they are aware of any violations or risks of modern slavery or forced labour within their supply chain.

Crosbie's draft Ethical Business policy creates a culture of awareness of ethical business practices. Within this policy, all Crosbie employees must sign off and acknowledge that they have read and understood the Company's stance on child labour and forced labour.

4.2 Remediation Measures

To date, Crosbie has not identified any cases of forced labour or child labour in its operations or supply chain; therefore, remediation measures have not been required.

4.3 Training

Crosbie staff receive regular training on all policies and new employees are assigned a mandatory onboarding training package.

5. Assessing Effectiveness

In conclusion, Crosbie will continue to monitor supply chain activities and evaluate their effectiveness in removing child labour and forced labour from supply chains. In consultation with its suppliers, Crosbie is committed to supply chain activities that are ethical and responsible and ensure fair and equitable treatment for employees.

6. Approval & Signature

This Report is made pursuant to Bill S-211, An Act to enact the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* for the financial year ending December 31, 2023. This Report has been issued on behalf of Crosbie.

Signed,



G. Mark Collett, MBA (Distinction), ICD.D, SCMP
Chief Executive Officer
Crosbie



Schedule A

| Company |
|----------------------------|
| Crosbie Salamis Limited |
| MacKinnon & Olding Limited |



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