

Bill S-211 Report - *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

Introduction and Structure

This report is DECAST Ltd. (“Decast”)’s response to Bill S-211, an Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act (“the Act”). Decast is a private company with its head office in Utopia, Ontario. The financial year covered by this report is January 1 to December 31, 2023.

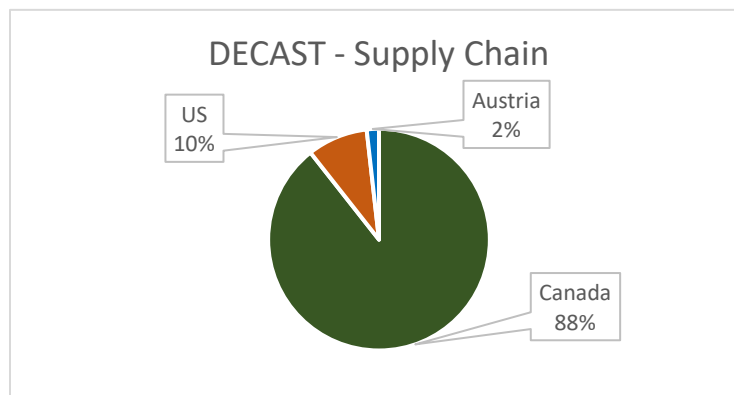
Decast has been operating since 1989 and operates manufacturing facilities for infrastructure products. As per the Act’s reporting requirements, Decast satisfies the definition of an Entity within the Act by having a place of business in Canada, doing business in Canada, having assets in Canada, and meeting the revenue, asset, and employee thresholds.

Activities

Decast is a leading precast concrete supplier to the Canadian infrastructure market for water transmission, bridges/girders, storm and sanitary, tunneling, and engineered precast products. Decast has one of the most technologically advanced state-of-the-art manufacturing facilities in the industry, with an extensive product line portfolio. Decast has two manufacturing facilities in Utopia and Stouffville and has over 600 employees. Decast continues to expand both their manufacturing facility and product portfolio as they enter new markets.

Supply Chain

The figure below presents the makeup of Decast’s supply chain by country, exclusive of any supplier that makes up less than 1% of total spend - Canada, USA and Austria.



Policies & Due Diligence

Internal Policies and Procedures

Decast has the following internal policies in place relevant to this Act:

Illegal Labour Policy

The purpose of this policy is to unequivocally denounce and prohibit illegal labour practices including child labour, forced labour, slavery, and human trafficking. Decast is steadfast in adhering to the highest ethical standards, surpassing all relevant local and international laws. To uphold this commitment, Decast will diligently monitor its own and its affiliates' employment practices, conducting regular audits. Any breach of this policy by suppliers, vendors, or contractors will result in swift corrective action, potentially including termination of business contracts.

Many instances of child labour and forced labour occur in global supply chains, where suppliers may contribute to labour exploitation. Decast's robust Illegal Labour policy ensures that their supply chain is free from abusive labour practices and that they take proactive measures to address risks.

Violence and Harassment Policy

Decast's Violence and Harassment policy aims to ensure a safe and respectful workplace environment by addressing harassment and violence promptly and effectively. It establishes zero tolerance for such behaviors, encompassing all employees and affiliated individuals. Clear reporting procedures are outlined for various types of incidents, with investigations conducted confidentially and promptly. Training on this policy is mandatory for all employees, and periodic reviews ensure its ongoing effectiveness in maintaining a violence-free workplace.

Decast's clear harassment policy establishes a safe and respectful workplace environment. The policy outlines the method for reporting any issues employees encounter, including instances of violence that could be attributed to conditions that create forced or unsafe labour within internal operations.

Human Rights Policy

Decast's Human Rights policy is dedicated to fostering an inclusive workplace environment and provides accommodation to individuals up to the point of undue hardship for needs arising from prohibited grounds of discrimination under the Human Rights Code. The policy encompasses recruitment, job application processes, and individual accommodation plans, ensuring equal opportunities for all employees. Decast engages in a collaborative process to determine suitable accommodations, considering preferences and ensuring equal treatment. Regular monitoring and reviews of accommodation plans ensure ongoing effectiveness, with adjustments made as needed.

Decast's Human Rights policy establishes a safe, respectful and inclusive workplace environment for all individuals.

Code of Business Conduct

This policy establishes guidelines for ethical conduct and outlines procedures for addressing breaches of the Code of Business Conduct. It applies to all employees and individuals associated with the company, encompassing various workplace locations and settings. The code emphasizes integrity, professionalism, privacy, confidentiality, and responsibility towards corporate assets. Breaches of the code are taken

seriously, with reporting mechanisms in place to ensure prompt investigation and appropriate disciplinary action, which may include termination if necessary.

Decast’s code of conduct sets cultural standards and a dedication to being accountable for doing what is right. Employees are required to speak up if they identify any injustices in operations or code of ethics.

Due Diligence with Suppliers

Decast has implemented processes to mitigate the risks of human rights violations and instances of forced and child labour within their operations and supply chains. While they currently do not have a formal vendor review process specifically targeting forced and child labour, they do enforce their Illegal Labour Policy and Code of Conduct with their vendors. Violations of these policies by suppliers, vendors, or contractors prompt swift corrective action, potentially leading to termination of contracts. As part of their mitigation strategy, Decast has now started to obtain signed letters from vendors affirming their commitment to not procuring or incorporating equipment from restricted sellers, sourcing conflict-financing minerals, or utilizing forced labour in production. Despite the absence of a formal review, Decast maintains long-standing relationships with vendors and has not encountered forced or child labour issues with them.

Risk Identification & Management

Countries of Operations and Risk

Using the *Walk Free Global Slavery Index* and the *U.S. Department of Labor’s List of Goods Produced by Child Labor or Forced Labor*, a risk assessment has been conducted on Decast’s countries of operations. These indexes use in-depth research in forced labour and child labour and indicate the risks associated with each country. Decast found that there were **low inherent risks** of forced labour or child labour in Canada. Decast has all of its employees located within Canada.

Country	Employees as of 2023 (%)	Inherent Risk per Country
Canada	100%	Low

Countries of Suppliers and Risk

Using the *Walk Free Global Slavery Index*, a risk assessment has been conducted on the countries of Decast’s suppliers. This index uses in-depth research in the area of forced labour and child labour and indicates the risks associated with each country. Decast analyzed their top suppliers covering roughly 90% of their total spend for 2023. Decast found that their major suppliers are from three countries - Canada, USA, and Austria – there is **low inherent risk** of forced labour or child labour in these countries. The below table provides a breakdown of Decast’s suppliers and the countries they are located in:

Country	Suppliers (%)	Inherent Risk per Country
Canada	85%	Low
United States of America	14%	Low
Austria	1%	Low

Type of Goods Procured and Risk

Using the *Walk Free Global Slavery Index*, a risk assessment has been conducted on the types of goods purchased from Decast’s suppliers. This index uses in-depth research in the area of forced labour and child labour and indicates the risks associated with each type of good. Breaking down the different types of goods Decast procures, they found:

- Steel, Construction Equipment & Service, Fuel, and other consumable products have **low inherent risk** for forced labour and child labour from the raw materials of these goods.
- Cement and Concrete have **high inherent risk** for forced labour and child labour from the raw materials of these goods (although Decast has mitigated this risk by procuring these goods from Canadian suppliers).

This does not mean that evidence of forced labour or child labour was found to support this risk analysis, but that there is an increased inherent risk which necessitates closer scrutiny by Decast to ensure those risks do not flow through to the goods they procure. This includes investigating where Decast’s suppliers receive their goods, continuing to monitor the types of goods Decast procures, and the risk of forced labour and child labour associated with these goods, including mitigating high inherent risks by continuing to procure from countries where there is low risk for these goods.

Goods	Inherent Risk per Good	Country	Inherent Risk per Country
Steel and Adjacent Material	Low	Canada	Low
Consumables (Maintenance Work, Supplies)	Low	Canada	Low
Aggregate / Cement	High	Canada	Low
Resale Concrete Products	High	Canada	Low
Haulage / Freight	Low	Canada	Low
Steel and Adjacent Material	Low	US	Low
Construction Services / Equipment	Low	Canada	Low
Equipment	Low	US	Low
Fuel / Energy	Low	Canada	Low
Equipment	Low	Austria	Low
Girder Erection	Low	Canada	Low
Consumables (Maintenance Work, Supplies)	Low	US	Low

Mitigating Activities

Mitigating Activities

To mitigate the risk of child labour and forced labour within their supply chains, Decast incorporates the following mechanisms for supplier monitoring:

1. Supplier Monitoring

- a. **Signed Statement from Vendors:** As part of its mitigation strategy, Decast has started to obtain signed letters from vendors affirming their commitment to not procuring or incorporating equipment from restricted sellers, sourcing conflict-financing minerals, or utilizing forced labour in production. Despite the absence of a formal review, Decast maintains long-standing relationships with vendors and has not encountered forced or child labour issues with them.
- b. **Onsite Visits:** Decast is looking to introduce onsite visits to key suppliers. Currently, visits are conducted ad hoc when experiencing manufacturing or quality-related issues. These onsite visits intend to give Decast visibility into supplier operations and verify whether suppliers are adhering to labour laws and regulations, specifically in relation to forced labour and child labour.

2. Internal Policies

- a. **Policies to mitigate risk of forced labour and child labour:** Despite having no reported instances of forced labour or child labour identified within Decast's operating activities, Decast has developed various policies and is committed to continue developing internal capabilities and controls that reduce the risk of forced labour or child labour within their supply chain.

Remediation of Forced & Child Labour & Vulnerable Family Income Loss

Decast is in the process of discovering the full depth of their supply chain and is continuing to review procurement practices to enhance the rigor of their due diligence processes, including raising awareness with suppliers. To date, Decast has not identified or suspected any instances of forced labour or child labour within their operations or those of their suppliers. Consequently, no remediation measures were required in respect to forced labour or child labour.

Awareness Training

Decast conducts orientation training for new employees, making them aware of various policies in place, including those related to illegal labour, workplace harassment and violence, business code of conduct, and human rights. As part of the illegal labour policy, employees are informed that Decast is firmly committed to protecting individuals from the exploitation of illegal labour practices such as child labour, forced labour, slavery, and human trafficking and such practices are not tolerated by Decast and are strictly prohibited. In addition, new employees are required to review Decast's policies and acknowledge

that they have read and understood the policies, ensuring they understand the company's standards and expectations.

Assessing Effectiveness and Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

Decast has taken several measures to lower the risk of child and forced labour in their supply chain. These steps are outlined below:

- **Internal Policies:** Decast has established robust internal policies, including an Illegal Labour Policy, Violence and Harassment Policy, Human Rights Policy, and a Code of Business Conduct, to ensure ethical conduct and foster a safe workplace environment.
- **Due Diligence with Suppliers:** While lacking formal vendor review processes specifically targeting forced and child labour, Decast enforces its policies with vendors and takes swift corrective action in case of policy violations. Decast has also started obtaining signed commitments from vendors to refrain from engaging in forced labour practices.
- **Supply Chain Monitoring:** Decast regularly monitors and reviews its supply chain to identify and address any risks associated with forced and child labour, ensuring that ethical standards are upheld throughout the procurement process.
- **Risk Identification & Management:** Decast has conducted risk assessments on its countries of operations, suppliers, and types of goods procured to evaluate the inherent risks of forced and child labour. This allows the company to focus its efforts on mitigating potential risks and ensuring compliance with labour standards.
- **Awareness Training:** Awareness training related to illegal labour has been included within new employee orientation informing employees that Decast is firmly committed to protecting individuals from the exploitation of illegal labour practices such as child labour, forced labour, slavery, and human trafficking; such practices will not be tolerated by Decast and are strictly prohibited. Also, employees are made aware that Decast will not knowingly contract with or carry on a business relationship with any organization or employer that does not adhere to the same standards or is in violation of any relevant or applicable labour laws.

Remediation Measures:

While Decast has made progress in addressing forced labour and child labour risks, there is a recognition of the need for continuous improvement and the following will be implemented going forward:


- Continue to investigate where Decast's suppliers receive their goods, monitor the types of goods Decast procures, and the risk of forced labour and child labour associated with these goods.
- Enhance employee training relevant to this Act for applicable employees to further increase awareness of forced and child labour.
- Monitor Decast's key suppliers for evidence of forced labour and child labour through questionnaires and attestations for annual sign-off.

- Integrate anti-slavery/forced labour and/or child labour standards/conduct into internal policies (employee handbook and training), as well as supplier due diligence procedures (supplier agreements and questionnaires).

Attestation

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 entity or entities listed above. 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 the reporting year listed above.

Jim Tully _____
Name

 _____
Signature

Executive Vice President _____
Title

May 27, 2024 _____
Date

I have the authority to bind DECAST Ltd. and this report covers financial year 2023.