



May 28, 2024

**Bill S-211-- An Act to enact the Fighting Against Forced
Labour and Child Labour in Supply Chains
Act and to amend the Customs Tariff**

Inaugural Reporting Year

Organizational Structure, Activities and Supply Chains

Established in 1934 as a small plumbing and heating company, today, E.S. Fox Limited (ESFL) is recognized as Canada's preeminent multi-trade Industrial, Commercial, Institutional and Energy constructor and fabricator. ESFL works in the sectors of oil and gas, petrochemical, mining, pulp and paper, steel, automotive, nuclear, power generation, pharmaceutical, casinos, hotels, hospitals, schools, and themed entertainment.

The company is headquartered in Niagara Falls, Ontario, and maintains full-service regional offices in Hamilton, Toronto, Port Robinson, Oshawa, Kincardine, Kingston, Sarnia, and Thunder Bay. With a strong commitment to health, safety, and the protection of the environment, ESFL has earned a reputation as a people-first, environmentally conscious, socially responsible constructor.

ESFL's direct supply chain is predominantly based out of Ontario, with the balance mostly comprised of US based suppliers, complemented with limited European based direct suppliers. Product sourced is construction related, including but not limited to; electrical, mechanical, steel, and civil type material, products, and assemblies.

Policies and Due Diligence Processes

ESFL takes pride in its reputation as a socially responsible constructor, and as such has embraced the guidelines and intent behind Bill S-211. The following have been implemented and integrated into ESFL's supply chain processes:

- Forced and Child Labour Policy (P-003-PUR, Rev.0)
- Combatting Forced and Child Labour- Standard Operating Procedure (SOP-003-PUR, Rev.0)
- Supplier Code of Conduct, Rev.0

In addition to above, standard ESFL procedures establish due diligence steps to be applied when onboarding and qualifying new suppliers. Active suppliers' overall performance are assessed yearly, at minimum, in accordance with existing ESFL procedures. Suppliers of performance below acceptable thresholds or contributors of major issues may be subject to disqualification or remediation.



Parts of ESFL's Supply Chain That Carry a Risk of Forced or Child Labour and Steps Taken to Assess and Manage That Risk

ESFL and our clients are committed to local supply chains. Aside from local economic benefits, Canadian and US based suppliers are recognized as being amongst the most ethically responsible. As a whole, ESFL's product selection is stable and low risk. Our supplier selection tends to be specific, based on proven performance. When sourcing and when a multiple or a wide range of suppliers may be available, ESFL's approach is to specify known suppliers with established and assessed quality programs. Furthermore, our Custom Brokers partners align on the expectation of Bill S-211 through applicable screening for direct shipments bound into Canada.

In accordance with SOP-003-PUR, an annual risk assessment exercise is performed. This risk assessment is comprised of a review of all Supplier classifications via the Master Vendor Type Index. A representative sample from the Master Vendor Type Index of presumed high-risk Suppliers is compiled based on:

- a) Market research,
- b) Known at-risk commodity types, and
- c) Purchasing Agent experience / knowledge.

Presumed high-risk Suppliers are sent PUR-011 (Supplier Questionnaire – Combatting Forced and Child Labour) for completion. Responses are reviewed and any that are deemed to be high-risk are reviewed by a Committee for disposition and next steps. Records of responses are maintained in ESFL's Supplier files.

Measures Taken to Remediate Any Forced or Child Labour

To date no evidence has been found of any forced or child labour existing in ESFL's supply chain network. Remediation measures will be taken (as detailed in P-003-PUR and SOP-003-PUR) should any scenarios present themselves through ESFL's risk assessment, supplier surveillance or employee reporting.

Measures Taken to Remediate Loss of Income Via Elimination of Any Found Forced or Child Labour

To date no evidence has been found of any forced or child labour existing in ESFL's supply chain network. Remediation measures may be taken (as detailed in P-003-PUR and SOP-003-PUR) should any scenarios present themselves through ESFL's risk assessment, supplier surveillance or employee reporting.



Training Provided to Employees on Forced and Child Labour

ESFL provides training and resources within our Purchasing Department to raise awareness about the risks and consequences of forced and child labour. This includes training on our policy, relevant laws and regulations, and the importance of ethical labour practices. Training is administered through our learning management system and records of training are maintained via relevant training matrices.

Effectiveness Assessment

ESFL is committed to continually improving our efforts to prevent forced and child labour by regularly reviewing and updating our policies, procedures, and practices in response to new developments, feedback and best practices in the field of human rights and labour rights.

Approval and 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, and I have the authority to bind E.S. Fox Limited.

A handwritten signature in black ink, appearing to read "Brandon Large".

Brandon Large
Corporate Purchasing Manager
May 28, 2024

A handwritten signature in black ink, appearing to read "Anthony DeChellis".

Anthony DeChellis
Senior Vice President/ Chief Operating Officer
May 28, 2024