

EDMONTON REGIONAL AIRPORTS AUTHORITY

REPORT UNDER THE *FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT*

INTRODUCTION

This report has been prepared for the financial year ending December 31, 2023, pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. This report describes the steps that the Edmonton Regional Airports Authority ("**ERAA**") has taken to prevent and reduce the risk of forced labor and child labor in ERAA's supply chain.

ERAA's board of directors approved this report as attested below on May 31, 2024.

1. STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

ERAA's Structure

ERAA is responsible for the management and operation of the Edmonton International Airport ("**YEG**") and Villeneuve Airport ("**Villeneuve**"). It is a corporation without share capital incorporated under the *Regional Airports Authorities Act* (Alberta).

In accordance with this Act, the ERAA's mandate is to manage and operate YEG and Villeneuve in a safe, secure, and efficient manner, and to advance economic and community development by promoting and encouraging improved airline and transportation service and an expanded aviation industry for the general benefit of the public.

The ERAA is governed by a Board of Directors consisting of a maximum of 15 directors. As of December 31, 2023, 14 directors were appointed and actively serving.

The ERAA has wholly-owned, for-profit subsidiaries that hold investments in business outside of its core operations. All of the ERAA's subsidiaries do not meet the threshold tests under the Act and are therefore not required to report. Although the ERAA's subsidiaries are not required to report, the ERAA has full knowledge of and oversight over subsidiary operations. The ERAA's subsidiaries are required to comply with the same policies, programs, and procedures discussed in this report. The reported steps and risk assessments discussed in this report apply equally to the ERAA's non-reporting subsidiaries.

ERAA's Business

The ERAA operates YEG, Canada's fifth-busiest airport. In 2023, YEG served 7.5 million passengers and offered non-stop service to 50 destinations around the world. In addition to its passenger service, YEG also offers various cargo services and operations including parking and handling for cargo aircraft, cargo loaders, and crane assisted loading/offloading. In 2023, the ERAA employed 236 persons in Canada, and has no employees outside of Canada. As the ERAA operates as a not-for profit corporation, any income or surpluses that it generates are re-invested into airport operations.

The ERAA also operates Villeneuve, which is the region's primary general aviation airport and the designated reliever airport for YEG. Villeneuve's main lines of business are flight training, general

aviation, alternate space for air ambulance operations, services for private and commercial operations, and compatible aircraft maintenance.

ERAA's Activities & Supply Chain

In 2023, the ERAA purchased goods from 808 companies within Canada and 72 companies outside of Canada. In 2023, the goods purchased by the ERAA from outside of Canada represented 0.46% of its annual procurement spend. Goods were imported from counterparties in the United States (0.432%), Great Britain (0.028%), Hong Kong (0.00003%), and China (0.001%). To the extent information is available to the ERAA on second and third tier suppliers, those goods originated in countries in North America (0.394%), South America (0.001%), Europe (0.061%), Africa (0.0001%), and Asia (0.003%). The ERAA imported goods related to airport and aircraft operations, including but not limited to:

- Airfield lighting
- Passenger boarding bridges and bridge parts
- Miscellaneous equipment parts, supplies
- Parking system parts

The ERAA assesses the risk of forced labour and child labour in its supply chain to be low based on the types of items being procured from outside of Canada, the fact that the vendors we are primarily procuring from are large vendors who supply to the worldwide airline/airport industry, and the low number (8%) of vendors ERAA utilizes which are outside Canada.

2. POLICIES & DUE DILIGENCE PROCEDURES

Procurement Policies and Procedures

The ERAA's Procurement Policy outlines the company's requirements for the acquisition of goods and services. These processes must incorporate "*Overall Best Value*" procurement principles, meaning that purchases must be assessed in terms of the total cost and quality of ownership throughout the life of the asset or the contract for services. Factors to be considered include legal and financial risk, environmental, social and ethical considerations, quality, safety, and vendor relations. When undergoing a competitive process for purchases of goods and services, these factors are assessed using ERAA's evaluation scorecard with weighted criteria.

The Procurement Policy also requires that the ERAA monitor and report on areas of progress in sustainable procurement. "*Sustainable procurement*" refers to the acquisition of goods and services in a manner that creates a positive impact the environment and society. A core principle of the Procurement Policy is the expectation that vendors will abide by ERAA's Vendor Code of Conduct, described in further detail later in this report.

All ERAA employees must comply with this policy. Compliance is monitored through the following tools:

- competitive process evaluation scorecards;
- internal and external procurement audits;
- safety pre-qualification of vendors;
- sustainability score card measures;
- key performance metrics; and
- vendor performance reviews.

Vendor Code of Conduct

The ERAA's Vendor Code of Conduct (the "**Vendor Code**") establishes the minimum standards expected of vendors and subcontractors participating in the sourcing process. The minimum requirements with respect to social standards are based on conventions set by the International Labour Organization and the *Canada Labour Code*.

In accordance with the Vendor Code, vendors and subcontractors must:

- ensure they do not discriminate against personal characteristics in their hiring and employment practices;
- not employ persons under the age of 15 (or 14, if permitted by the country of manufacture);
- not employ persons under the age of 18 where the work may jeopardize their health and safety;
- comply with applicable laws and regulations in the country of business, including those relating to minimum wage, compensation, pay equity and hours of work;
- provide a healthy and safe work environment for employees, consistent with laws and regulations relating to occupational health and safety, labour relations, and the environment;
- work directly with employees to find solutions to legal and employment issues, and respect workers' rights to join labour unions, obtain representation, and bargain collectively; and
- ensure that force is not used to gain labour or services.

The Vendor Code can be found on our website on the page "Procurement Requirements", available at this [link](#).

ERAA's Supply Chain Management team supports the selection and management of vendors in accordance with the Vendor Code and monitors compliance of the Procurement Policy. It also conducts audits throughout the lifecycle of a contract with the ERAA's various vendors.

Consequences for not complying with the Vendor Code may include suspension of the supplier relationship up to early termination of contracts.

Ethics Code for Directors, Officers and Employees

The ERAA's has adopted the Ethics Code for Directors, Officers and Employees (the "**Ethics Code**"), which fosters the creation of an ethical corporate culture. It requires that all directors, officers, executive management, and employees treat others fairly and avoid unethical practices. The Ethics Code requires directors, officers and employees to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and to report any illegal or unethical behaviour related to corporate activities.

3. FORCED LABOUR AND CHILD LABOUR RISKS

While the ERAA had not, as of December 31, 2023, formally started the process of identifying the parts of its purchasing and supply chain activities that carry a risk of forced labour or child labour being used, it maintains complete records of the locations from which it purchases goods and the manufacturers from whom goods are purchased. The ERAA will use this information as a starting point for its risk analysis.

The ERAA is currently working on implementing practices, policies and procedures to identify risks of forced labour and child labour throughout its supply chain in 2024.

4. REMEDIATION MEASURES

As of December 31, 2023, the ERAA has not become aware of any forced labour or child labour in its activities and supply chains. As a result, the ERAA has not taken any remedial measures.

5. REMEDIATION OF LOSS OF INCOME

As of December 31, 2023, the ERAA has not become aware of any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains. As a result, the ERAA has not taken any remedial measures with respect to loss of income as a result of efforts to reduce forced and child labour.

6. TRAINING

Efforts are taken to communicate and increase awareness of the requirements described in the Procurement Policy and Vendor Code of Conduct, particularly with employees who are engaged in supply chain management or with suppliers. The ERAA has not yet implemented formal training courses on forced labour and child labour.

7. ASSESSING EFFECTIVENESS

As of December 31, 2023, no formal actions have been taken to assess the effectiveness of the ERAA's efforts to prevent and reduce risks of forced labour and child labour in its activities and supply chains. In connection with the implementation of practices, policies, and procedures to identify risks of forced labour and child labour, the ERAA also plans to consider ways of assessing the effectiveness of the actions taken.

ATTESTATION

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of the Edmonton Regional Airports Authority (the "**ERAA Board**").

In accordance with the requirements of the Act, and in particular section 11 thereof I, the undersigned, attest that I have reviewed the information contained in the report for the entity specified below. 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 specified above.

I make the above attestation in my capacity as Chair of the ERAA Board.

I have the authority to bind the ERAA.

EDMONTON REGIONAL AIRPORTS AUTHORITY

Per: 

Name: Carman McNary

Title: Board Chair

Date: May 31, 2024