

Fighting Forced Labour and Child Labour in Canadian Supply Chains 2024



EllisDon



Introduction

Forced labour and child labour are global challenges impacting millions of people and children worldwide. The consequences are significant on the lives of those affected and can significantly compound poverty, social inequality and discrimination. As a leader in our industry, we understand the devastating effects that forced labour and child labour can have on those impacted and take our commitment to minimizing the risks of forced and child labour seriously. The complexity involved in operating in the construction and infrastructure industry requires us to take a pro-active approach to tackling forced and child labour and demands we adopt a robust framework for mitigating the harms associated with labour exploitation. We welcome and applaud the efforts taken by the Canadian government as well as the private sector to strengthen the protections for victims and are committed to transparency in our approach to working with partners in creating a more ethical and accountable industry.

In our 2024 Fighting Forced Labour and Child Labour in Canadian Supply Chains Report, we outline the procedures and policies we have adopted (or will adopt) to strengthen our ability to identify potential areas of risk in our supply chains and reduce such risks when they arise. In our commitment to identify and address potential risks, promote open communication and abide by our regulatory obligations, we strive to minimise the occurrence of exploitation throughout our supply chains and act as an industry leader in ethical labour practices in Canada and anywhere else we conduct business now or in the future.



Reporting Obligations Under the Act

Pursuant to the requirements set forth under the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “**Act**”), EllisDon Incorporated (“**EllisDon Inc.**”) and certain of its subsidiaries submit this 2024 Fighting Forced Labour and Child Labour in Canadian Supply Chains Report (the “**Report**”). This joint Report covers the reporting period February 1, 2023 to February 29, 2024 and provides an overview of the actions taken and policies adopted to assess and mitigate risks of forced labour and child labour in EllisDon’s operations and supply chains. In addition to EllisDon Inc. this Report covers the entities listed in Appendix A. (EllisDon Inc., and the entities listed in Appendix A are collectively referred to as “**EllisDon**”). EllisDon at times acts in partnerships or joint ventures with other companies and the principles detailed in this Report also cover those entities that are comprised of an EllisDon entity listed in Appendix A.

EllisDon’s Structure, Activities and Supply Chains

EllisDon is a leading construction and infrastructure services company delivering projects around the world. Having started from humble beginnings over 70 years ago, today EllisDon provides everything from the complete lifecycle of a project to advisory and individual services. By leveraging the knowledge and expertise of our employees and contractors across the globe, we are able to transform, advise, digitize, finance, design, construct, equip, operate, and manage, anything that can be built.

EllisDon, through the variety of business segments, finances, develops, builds, maintains and operates complex and critical infrastructure across Canada, the United States, and certain areas of the Middle East. We work with our partners, our private and public sector clients and our contractors to deliver solutions in a wide variety of sectors including aviation, energy, manufacturing, education, health care, public works, and transportation. The significant majority of EllisDon controlled entities are Canadian and formed under provincial laws and provide services or functions that support the range of corporate activities EllisDon performs.

While EllisDon does not publicly disclose specific employment statistics, as of 2024, EllisDon had approximately 6800 employees in total including roughly 6500 employed in Canada as either part time or full-time employees and 330 employed abroad. EllisDon employment figures tend to fluctuate over the course of the year due to project volume and the seasonal nature of the construction industry and infrastructure industry. The figures described above do not include joint venture employees and independent contractors.

Activities and Supply Chain

EllisDon strives to only work with partners and contractors who share our in our cores values and this includes a commitment to mitigating the risks associated with forced labour and child labour. To perform the broad range of functions EllisDon provides we rely on a broad network of suppliers, subcontractors, consultants and other external industry leaders with the required expertise. Through our pro-active due diligence in managing our supply chain, we attempt to identify suppliers and contractors who share our corporate values and adhere to our standards in managing supply chain risk. All EllisDon suppliers, subcontractors and consultants are required to adhere to the Code of Conduct incorporated into their various agreements (i.e. subcontract or supply agreement). The Code of Conduct is a binding contractual requirement that requires each supplier, subcontractor or consultant to conduct its business in a manner that provides a safe and inclusive work environment free from violence, discrimination and harassment. To enforce these obligations, EllisDon maintains a robust disciplinary policy which includes EllisDon's ability to immediately remove any subcontractors who are not in compliance with the Code of Conduct or the Occupational Health and Safety Act.

The procurement of goods and services is generally managed through area offices or individual project sites with support from the EllisDon corporate office. While the nature of goods and services required varies depending on the specific project scope, EllisDon project teams will rely heavily on subcontractors and suppliers when procuring concrete, steel, fuel, industrial consumables, electrical and mechanical equipment and other common construction materials. The vast majority of materials that are utilized on any EllisDon project are procured directly by subcontractors or suppliers hired by EllisDon. Subcontractors or suppliers retained directly by EllisDon are required to be "pre-qualified" by EllisDon to ensure they meet certain critical requirements and standards.

While EllisDon maintains an international footprint with offices and/or projects in various jurisdictions including the United States, the Caribbean and Middle East, when operating in these locations EllisDon generally performs a management or advisory role and would not generally be responsible for project construction or goods procurement. In instances where EllisDon would be required to procure goods or services, EllisDon will generally attempt to adopt as rigorous a procurement policy as possible that is consistent with our domestic corporate practices. Subcontractors and suppliers outside of Canada would be required to adhere to EllisDon's standard policies and procedures applicable to all subcontractors and suppliers regardless of jurisdiction.

Policies and Due Diligence

EllisDon strongly believes in and is committed to being fair, ethical and respectful in the operation our business and have developed a number of policies and procedures that speak to those values. The policies and procedures developed by the EllisDon management team in coordination with various internal stakeholders are designed to help ensure our business activities are carried out in a responsible manner that adheres with both our ethics and all applicable laws.

To uphold our corporate values and reinforce our dedication to mitigating the impact of forced labour and child labour, EllisDon has performed a comprehensive review of our policies and procedures to identify potential changes that more expressly address the risks inherent to forced labour and child labour and are aligned with a core values. In addition to the existing Key Policies and Procedures set out below, EllisDon intends to incorporate additional policies related specifically to forced labour and child labour into our existing Code of Conduct while also developing a supplemental "Supplier Code of Conduct" incorporating elements of the OECD Due Diligence Guidance for Responsible Business Conduct.

Key Policies and Procedures

EllisDon's Values Policy

EllisDon has a core set of values that outline our corporate philosophy and drive how we operate as a company. Central to these values is an overriding commitment is to be fair, ethical and respectful to everyone involved in our company. These values are posted at every jobsite and specifically require an unflinching dedication to safety, commitments to operate in a fair and ethical manner and the responsibility to help improve the lives of others at the local, national and international levels. All new employees of EllisDon are required to review the core values and uphold the high ethical standards that govern our business and how we interact with others in the communities we serve.

The Code of Conduct

The Code of Conduct (the “**Code**”) is the key policy that establishes the standards by which EllisDon conducts its dealings with clients and subcontractors and suppliers. The Code requires that all members of EllisDon be aware of what is considered acceptable and unacceptable behavior and ensures that our high standards are consistently applied. EllisDon considers these standards as critical to the long-term success of our company. EllisDon views the safety of all people affected by our business as a paramount concern in how we conduct our operations. The Code specifically states that any failures to make reasonable provision for the safeguarding of life, health, or property of any person affected by our work is wholly unacceptable. We strive to ensure that these safety protections are extended to all facets of our business including how we manage our supply chains and engage with our subcontractors and suppliers.

Anti-Corruption

The Global Anti-Corruption Policy (the “**Anti-Corruption Policy**”) implemented by EllisDon outlines our commitment to comply with all applicable anti-corruption laws and regulations in Canada and in all other countries in which EllisDon performs work or transacts business. The Anti-Corruption policy sets forth certain guidelines, practices and minimum standards with which all EllisDon employees must comply and prohibits any conduct or actions that violate the requirements of the Anti-Corruption Policy or any Applicable Laws, including any laws pertaining to forced labour or child labour. The Anti-Corruption Policy is key guiding policy that is integral to EllisDon's commitment to working in accordance with any Applicable Laws.

Supplier, Consultant, and Subcontractor Contract Templates

In addition to the obligation perform their work in accordance with all applicable laws in force at the project site, including Occupational Health and Safety legislation, EllisDon currently requires all suppliers, consultants and subcontractors to adhere to a Code of Conduct incorporated into their respective contractual agreements. The Code of Conduct specifically requires all parties to employ a zero-tolerance approach to violence, discrimination and harassment with respect to their workplace and workforce. All subcontractors must maintain internal policies that speak to that effect and must ensure such policies be available for inspection at EllisDon's request. Non compliance with the Code of Conduct by any consultant, subcontractor or supplier is contractual breach that could be actionable by EllisDon. Any consultant, subcontractor or supplier that is known to consistently violate the Code of Conduct is unlikely to be retained by EllisDon.

Forced Labor and Child Labor Risks

Due to the robust legal protections and employment standards adopted across the United States and Canada, EllisDon's North American operations are at a low risk for forced labour and child labour. However, as EllisDon's international footprint expands and our risk exposure evolves due to integrated global supply chains, we are required to reassess our business and adapt to manage emerging risks. As a large, modern construction services company reliant on a broad range of third-party service providers and suppliers, the risks that forced or child labour will be present in our supply chain largely stem from a potential lack of insight into how and where our suppliers source their materials. To manage these present and emerging risks, EllisDon relies on internal and external resources including best practice guidelines developed by subject matter experts. EllisDon is aware of the principles set forth in the United Nations Guiding Principles on Business and Human Rights and strives to adopt the principles set forth therein when assessing and conducting our risk management framework.

During the previous fiscal year EllisDon has taken steps to enhance our capabilities in managing the risks associated with forced labour and child labour. These enhancements include but are not limited to:

- Internal review of EllisDon's existing policies and practices to identify potential areas of improvement in mitigating supply chain forced labour and child labour risk.
- Developing additional policies and procedures to be included in new employee on-boarding packages.
- Review of existing subcontract templates and assessing their effectiveness at mitigating forced labour and child labour supply chain risks.
- Developing an enhanced Supplier Code of Conduct to be incorporated into the EllisDon procurement process.
- Review and analysis of external subject matter resources and best practice information related to forced labour and child labour.
- Review and discussion at the Executive level on the topic of forced labour and child labour.
- In addition to the steps taken over the previous fiscal year, EllisDon is considering implementing the following initiatives in subsequent years:
- Implement the Supplier Code of Conduct into existing contract framework with subcontractors and suppliers.
- Employee training through learning seminars dealing directly with the topics of forced labour and child labour.
- Regular consultation with external industry stakeholders regarding lessons learned and best practices.
- Annual check-in and review at the Executive level of EllisDon's practices, procedures and policies.

Remediation Measures

As of the preparation date of this report, there have been zero instances of forced or child labour on our Canadian project sites and EllisDon has yet to identify instances of forced labour or child labour in its activities or supply chains. As such, no remediation measures have been taken as of the date of this report. EllisDon continues to assess potential risks in its supply chains and consider appropriate remediation measures should instances of forced labour or child labour arise.

Remediation of Loss of Income

EllisDon has yet to identify any instances of forced labor or child labor in its supply chain or activities and therefore has not taken measures to remediate the loss of income to vulnerable families as a result of EllisDon's actions. EllisDon continues to consider appropriate remediation measures in where vulnerable families are affected by the measures taken by EllisDon to eliminate forced or child labour.

Training

All salaried EllisDon employees are required to complete a robust suite of training modules upon being hired and starting their career with EllisDon as part of the EllisDon onboarding process. Included in this training package are modules related to anti-corruption and bribery, the EllisDon Code of Conduct, inclusion and diversity training and safety standards. Employees are required to acknowledge some of this training (such as anti-corruption and bribery) on an annual basis. The EllisDon training modules were designed and developed through consultation with internal subject matter experts and senior leadership. The content included in these modules is continually reviewed to ensure compliance to EllisDon's internal standards and industry benchmarks. In the upcoming fiscal year, EllisDon aims to develop a new module specifically addressing forced labor and child labor to be included as part of the onboarding package.

Assessing Effectiveness

While EllisDon does not yet have a formal process for assessing our effectiveness in preventing and mitigating forced labour and child labour, an internal review will be initiated towards developing a measurement process and conducting an assessment. This process will take place over the next year and will be overseen by EllisDon's general counsel. As part of this development process, EllisDon will consider enhanced tracking capabilities in sectors of or business which carry higher levels of risk, this may include the engagement of external third parties to conduct independent review of our practices and closer coordination with our suppliers in measuring effectiveness.

Acknowledgement

This report was approved by the EllisDon Inc. on behalf of EllisDon on May 30, 2024, pursuant to section 11(4)(b)(ii) of the Act.

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.



Michael Casey
SVP & General Counsel

Appendix A – In Scope Entities

This Forced and Child Labour Report is a joint submission covering the actions of the following EllisDon entities

Blue Energy Constructors Inc.
Construction Insurance Management Inc.
Coronado Contracting Corp.
ED Modular Inc.
ED Modular Installation Services Inc.
EllisDon Capital Inc.
EllisDon Capital Investment Holdings Inc.
EllisDon Capital Investment Management Inc.
EllisDon Capital Investment Partner Inc.
EllisDon Capital P3 Investments Inc.
EllisDon Capital Real Estate Developments Inc.
EllisDon Capital Real Estate Investments Inc.
EllisDon Capital U.S. Holdings LLC
EllisDon Civil Ltd.
EllisDon Construction (Quebec) Inc.
EllisDon Construction Ltd.
EllisDon Construction Services Inc.
EllisDon Construction, Inc.

EllisDon Consulting Ltd.
EllisDon Corporation
EllisDon Data Services Inc.
EllisDon Design Build Inc.
EllisDon Developments Inc.
EllisDon EGLRT Holdings Inc.
EllisDon Energy & Digital Services Inc.
EllisDon Energy Services Inc.
EllisDon Facilities Services Inc.
EllisDon Forming Ltd.
EllisDon Inc.
EllisDon Industrial Inc.
EllisDon Industrial Services Inc.
EllisDon Investments Inc.
EllisDon NTC Maintenance Partner Inc.
EllisDon Power Inc.
EllisDon PRH O&M Partner Inc.
EllisDon Realty Inc.

EllisDon Residential Inc.
EllisDon SA Holdings Inc.
EllisDon Services Inc.
EllisDon TBCC Inc.
EllisDon U.S. Holdings Inc.
EllisDon U.S. LLC
GateThree Holdings Inc.
GateThree Inc.
Golderado Civil Ltd.
Golderado Contracting Corp.
Looby Builders (Dublin) Limited
Looby Construction Limited
Oxford Builders Supplies Inc.
PME Inc.
Silverado Site Services Ltd.
Willow Spring Construction (Alta) Ltd.

