



MODERN SLAVERY REPORT FOR INNOCON INC.

1. INTRODUCTION

This report is made on behalf of Innocon Inc. (“**Innocon**”, or the “**Company**”) and describes the actions taken by Innocon during the financial year beginning January 1, 2023 and ending December 31, 2023 (“**Reporting Period**”) to assess, prevent and reduce the risk that forced labour or child labour is used at any step in its operations and supply chains pursuant to the requirements of *Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“**Act**”). In this report, Innocon uses the term “**Forced Labour**” to encompass instances of both forced labour and child labour. This Report constitutes the first report prepared by Innocon under the Act.

Innocon is committed to respecting human rights and to preventing Forced Labour from occurring in any of its own operations or throughout its supply chains. Innocon’s sustainable procurement and due diligence practices and methodologies are aligned with the United Nations’ [Guiding Principles on Business and Human Rights](#), the International Organization for Standardization’s standard ISO 20400 - [Sustainable Procurement Guidance](#), the Organization for Economic Cooperation and Development’s [Guidelines for Multinational Enterprises on Responsible Business Conduct](#).

2. INNOCON STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Innocon engages in the production, sale and supply of ready-mix concrete in the Greater Toronto Area across all segments of residential, commercial and ICI (industrial, commercial and institutional) projects following sustainable and circular construction and recycling practices.

Innocon operates 20 facilities in Ontario, with over 450 employees. The Company does not own or operate facilities outside of Canada.

Innocon delivers concrete to hundreds of construction projects daily across the Greater Toronto Area, ranging from small house renovations to the biggest high-rise buildings in Canada. Innocon products include ready-mix plants and advanced technical performing concretes designed to make the construction process more effective. Innocon leverages its relationship with Lafarge Canada Inc. (“**Lafarge Canada**”) to source the construction materials needed to deliver Innocon’s clients world-class concrete solutions.

Innocon is governed by the standards, policies and procedures of its majority shareholder, Lafarge Canada. Lafarge Canada is a member of the Holcim Group, a global leader in innovative and sustainable building solutions, headquartered in Switzerland and with net sales of CHF 27.0 billion in 2023. Lafarge Canada is primarily focused on operations within Canada and serves as the Canadian arm of the global Holcim Group. The Holcim Group has an extensive global presence with over 63,000 employees located all over the world.



3. POLICIES, DUE DILIGENCE PROCESSES, GRIEVANCE MECHANISM

Policies

Innocon is dedicated to integrating Forced Labour and the broader human rights considerations into its decision-making and business practices to ensure that any risks of violations are sufficiently mitigated and/or adequately remediated. This is done through implementation of a range of policies, procedures, and due diligence measures to identify, assess, and manage such risks.

In addition to the guidelines mentioned in the “Introduction” section of this Report, the principles governing sustainable procurement at Holcim Group (and therefore at both Lafarge Canada and Innocon) are also based on: (1) the United Nations’ [Global Compact Ten Principles](#), and (2) the [International Labor Organizations’ Declaration on Fundamental Principles and Rights at Work](#). More information on Holcim Group’s sustainable procurement principles can be found on the [Sustainable Supply Chain](#) page of its website.

The key policies are described in further detail below.

Procurement Policy

Holcim Group’s global procurement policy defines our overarching guidelines and processes, which build the basis for Holcim Group’s country and regional procurement policies. It is a mandatory policy for all Holcim Group’s procurement employees and for all employees outside the procurement function who are performing any procurement activity to abide by. It documents how Holcim Group’s procurement processes are to be conducted to ensure, among other things, that Holcim’s suppliers are supportive of Holcim’s values and principles. Subject employees are trained in these processes at the time of onboarding into a role that so requires (see further below in the “Training” section of this Report).

“BuyWays” User’s Guide

The Holcim Groups procurement process is detailed in the “BuyWays” User’s Guide (“**BuyWays Guide**”). The BuyWays Guide standardizes the Holcim Group’s procurement policies and procedures across North America. The BuyWays Guide defines and explains procurement procedures, including due diligence, evaluation, and monitoring. The document describes methodology for the supplier’s qualification and performance evaluation processes as per minimum control standard, as well as outlines standards for implementing corrective actions and methods to monitor supplier’s deficiencies. The BuyWays Guide requires that its compliance standards be formalized in all contracts and purchase orders with the suppliers through contractual terms and conditions.

Code of Business Conduct for Suppliers



Adopted by Lafarge Canada in 2015 and revised from time to time, including most recently as of 2021, the Holcim Group's Code of Business Conduct for Suppliers ("**Code of Conduct**") establishes the Holcim Group's commitment to sustainable procurement practices that meet high social, human rights, health, safety and security standards.

All Holcim suppliers are required to adhere to the standards described in the Code of Conduct and to apply the same principles in their supply chain. The Code of Conduct is communicated to all existing and potential suppliers of the Holcim Group, including the suppliers of Innocon. The Code of Conduct establishes the Company's expectations of suppliers and the terms of engagement. All suppliers have to read the Code of Conduct and acknowledge it.

The Code of Conduct directly addresses Forced Labour risks and directs the suppliers not to use child labour or labour provided involuntarily under threat of penalty, including, but not limited to, forced overtime, human trafficking, slavery or servitude, debt bondage, forced prison labor in their supply chain. Where a supplier does not meet the requirements set out in the Code of Conduct, corrective improvement plans are to be established within a specified timeframe (depending on the severity of the issue) and the Company will monitor progress. If significant issues arise or suppliers repeatedly and knowingly violate the Code of Conduct and refuse to implement improvement plans, or where it is found that in the last three years there have been any findings of Forced Labour made against the supplier by any court, industrial or employment tribunal, or equivalent body, Innocon may terminate the relationship with that supplier.

All Innocon suppliers are required to demonstrate compliance to the standards described in the Code of Conduct by taking part in the supplier qualification process. This process varies in part depending on the potential risk profile of the supplier, but can include regular risk and performance evaluation in the form of third party due diligence, self-assessments, fact finding or audits.

Due Diligence

Innocon adheres to the Sustainable Procurement Management Standard ("**Standard**") developed by the Holcim Group. The Standard specifies how to identify and manage various supply chain risks and provides a structured approach for deploying responsible sourcing practices in the Holcim Group's supply chain. Under this Standard, Innocon requires all contractors, including suppliers, to abide by the Code of Conduct when working with Innocon. It is noteworthy that the Standard defines the scope of due diligence to be undertaken by a Holcim Group company in respect of supply chain risks, based on the risk level identified in respect of such company's region of operations. Innocon operates in a designated low risk country.

For high-risk suppliers and certain material suppliers, being those whose work is potentially hazardous in nature, Innocon undertakes a qualification process as set out by the Standard. Such process starts with a pre-qualification review, that is followed by periodic performance evaluations and monitoring, conducted on an annual basis at minimum, during the entire duration of the business relationship with such high risk supplier.

The qualification process encompasses several distinct stages, including supplier prioritization, the supplier assessment, and risk mitigation and performance improvement. Each stage is designed to identify (and eliminate) suppliers which may carry an unacceptable risk within our supply chain operations.



Supplier Assessment

Innocon monitors supplier's compliance with the requirements of the Code of Conduct through self-assessment questionnaires, fact-finding, as well as field audits.

The self-assessment questionnaires are calibrated based on the risk threshold identified under the supplier prioritization stage of the analysis. The fact-finding process includes collection of evidence pertaining to supplier's compliance with the Code of Conduct, as well as documentation of any breaches. Field audits may be performed to confirm breaches and also for all new contractors providing services that have been classified as "high risk", as well as for suppliers of materials that are extracted from earth through mining in countries or regions that have been identified as "high risk".

Assessment of performance may also be passed on and can include gathering of information from internal systems and key internal users, meetings with the supplier, as well as evaluations of the supplier' activity.

Risk Mitigation and Performance Improvement

In situations where Innocon identifies any instances of non-compliance with the requirements of the Code of Conduct, improvement plans are implemented to support the supplier's development. Such improvement plans are developed and calibrated based on the nature of the breach, as well as the risk tolerance level set in accordance with the Holcim Group's methodology. Innocon may terminate its relationship with the non-compliant suppliers that conduct "zero tolerance" breaches, refuse improvement, or violate applicable laws and regulations.

Communication

Lafarge Canada publicly releases policies and procedures that govern its due diligence program. More information on Lafarge Canada's human rights assessment process and related publicly-made commitments and approach can be found on the [Human Rights](#) page of Lafarge Canada's website. These policies and procedures fully apply Innocon.

Grievance Mechanisms

Innocon offers an independent channel for all employees, as well as external stakeholders, including the suppliers, to raise questions and concerns about Innocon's business practices through its independent grievance platform, the [Holcim Integrity Line](#). Innocon respects the right of all employees and suppliers to speak up and raise grievances without fear of retaliation.

4. RISK OF FORCED LABOUR BEING USED AND REMEDIATION MEASURES

Innocon is committed to assessing and addressing potential Forced Labour risks in its supply chain and to using appropriate measures to remediate any adverse effect identified. If any risk of Forced Labour is flagged through Innocon' due diligence processes, the Company takes steps to investigate and mitigate such risks.



Within the Reporting Period, Innocon has not identified any instances of Forced Labour in its activities and supply chains. Further, within the Reporting Period Innocon has not identified any instances of loss of income of the vulnerable families as a result of the steps Innocon has taken to eliminate risks of Forced Labour. For this reason, no remediation measures have been necessary.

5. TRAINING

Innocon currently provides ongoing training to its procurement professionals on Lafarge Canada's and Holcim Group's procurement processes, which, as described above, cover Forced Labour issues. Although this ongoing training is not mandatory, it is available at all times to all not only procurement employees, but also other business professionals within the Company. Additionally, as noted above, such training is also given at the time of onboarding for applicable employees. Webinars are also provided to all procurement teams that include reviewing updates and changes to sustainable procurement requirements. For example, during the Reporting Period updates were made to include a general discussion of recent modern slavery matters.

6. ASSESSING EFFECTIVENESS

As part of Innocon's governance processes, the Company monitors compliance with its policies on an ongoing basis. Innocon also reviews questions and concerns raised through its independent grievance platform, the [Holcim Integrity Line](#). To date no significant concerns or complaints have been identified.

7. APPROVAL AND ATTESTATION

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Innocon Inc.

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.

Full name: David Kelly

Title: President

Signature:

A handwritten signature in black ink, appearing to read "David Kelly", written over a horizontal line.

May 28, 2024

Date:

I have the authority to bind Innocon Inc.