

Modern Group of Companies

REPORT ON FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

INTRODUCTION

The Modern Group of Companies is an infrastructure contractor, quarry operator and explosives distributor operating in southeastern New Brunswick. From our operations in Moncton, New Brunswick, we manage projects for private and public sector clients including the Cities of Moncton and Dieppe and the provincial Department of Transportation and Infrastructure. We work only in the Maritime Provinces.

Our companies put safety first and strive for reliability and accountability. We take a firm stand against human rights abuses and work to ensure our position against forced labour, human trafficking and child labour. We promote employee wellness throughout our activities and are dedicated to protecting our organization from the effect of modern slavery in any of its forms.

This joint report is our first pursuant to the Fighting Against Forced Labour and Child Labour in the Supply Chains Act and it summarizes the key steps we have taken to prevent and reduce the risk of forced or child labour in our activities and supply chain. The report includes the period from January 1, 2023 to December 31, 2023. The report covers the Modern Group of Companies including: Modern Construction (1983) Limited, Modern Enterprises Limited, Modern Resources Limited, Industrial Trucking Limited and Imperial Equipment Limited.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Structure and Business

The Modern Group of Companies has carried out business in the Maritime Provinces since 1945. We build infrastructure and provide materials in the construction of civil projects that our City and Province require in order to grow and thrive. We are a private company dedicated to our community. We have approximately 150 employees working throughout our organization.

Activities and Supply Chain

Modern works with approximately 600 suppliers and contractors. We are committed to carrying out business in a way that is respectful to human rights. We strive to do business with individuals and organizations that share our values. Modern expects the following from our subcontractors and suppliers:

- Take reasonable steps to identify and address the risks of forced and child labour in the operations and supply chains used in the provision of any goods or services to Modern.
- Respect all legislation in the areas in which the supplier does business.
- Comply with all human rights principles.

Use of subcontractors

Before becoming an approved subcontractor, our suppliers must understand and adhere to our corporate policies regarding worker safety and human rights. The work performed by subcontractors may include supply of goods and the use of the subcontractors' labour. The labour and material components of subcontracted work vary depending on the scope of the work and trade. We have committed ourselves to developing long-term relationships with our subcontractors and suppliers. We continue to work with our suppliers to ensure our mutual goals are achieved regarding the safety and security of our supply chain.

POLICIES AND DUE DILIGENCE

Modern has developed a number of policies and operating procedures to help ensure activities and business at Modern, including those by our vendors and suppliers, are carried out in a responsible and efficient manner. Policies are developed by subject matter and are regularly reviewed and updated as needed.

Key Policies

- Human Rights Policy – This policy sets a standard for how Modern Employees, contractors and service providers should act in carrying out business and emphasizes our commitment that everything we do must respect the highest standards to prevent and identify any human rights violations including forced labour.
- Code of Ethics and Conduct – The Code of Ethics supports Modern's corporate values including ensuring safety in all our activities and promoting an inclusive, empowering workplace.
- Supplier Code of Conduct – We have committed ourselves to developing long-term relationships with our suppliers and subcontractors. Modern's supplier code of conduct reflects the core values and business practices of Modern and its expectations from suppliers.
- Harassment Policy – Our policy prohibits harassment, discrimination and victimization and explain how employees can identify any instances and where they can go for help and guidance.

Our recruitment processes are transparent and reviewed regularly. We communicate directly with the candidates and confirm the details of any offer made. We have procedures in place for vetting of new employees and ensure we can confirm their identities.

FORCED AND CHILD LABOUR RISKS

Our New Brunswick operations are at low risk for forced and child labour due to the legal frameworks mandated at both the federal and provincial levels and our commitment to respecting such governance. During the time covering this report, Modern's spend on contract inputs was approximately 98% from Canadian companies. The remainder was purchased from the United States.

STEPS TAKEN IN THE PREVIOUS YEAR

Modern is committed to ensuring our supply chain is free of forced and child labour. We have taken a number of steps to prevent and reduce our exposure to child and forced labour in our supply chain including:

- Conducting an internal assessment of risks of forced and child labour in our activities and supply chains.
- Addressing practices in our activities and supply chains that increase the risk of forced or child labour.
- Developing due diligence policies for identifying the use of forced and child labour in our activities or supply chains.
- Engaging with key subcontractors to address the issues of forced and child labour.

REMEDATION MEASURES

At this time, Modern has not identified instances of forced or child labour in its activities or supply chains. As such, no remediation measures have been taken to date. Modern will continue to assess its activities and supply chains and consider appropriate means of remediation should they arise.

REMEDATION OF LOSS OF INCOME

Modern is not currently aware of any instance where its efforts to prevent and reduce the risk of child and forced labour contributed to a loss of income for individuals or vulnerable families.



TRAINING

Modern intends to incorporate training regarding the awareness and prevention of modern slavery into its regular training modules. Training is provided to all staff to highlight the risks in our business and show the appropriate steps to take should any staff become aware of an unsafe work practice.

MEASURING EFFECTIVENESS

Modern does not yet have a formal process for measuring effectiveness in the mitigation and prevention of forced and child labour in its supply chain. Our operational teams expect our due diligence will work effectively and will adapt as necessary to the changing needs of our business. On a go forward basis, we will work to develop a more formal process.

APPROVAL AND ATTESTATION

This report was approved by the Board of Modern Group of Companies on May 1st, 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.

Derrick Bathurst, CPA, CA
President
Modern Group of Companies



May 31, 2024

I have authority to bind the Modern Group of Companies.