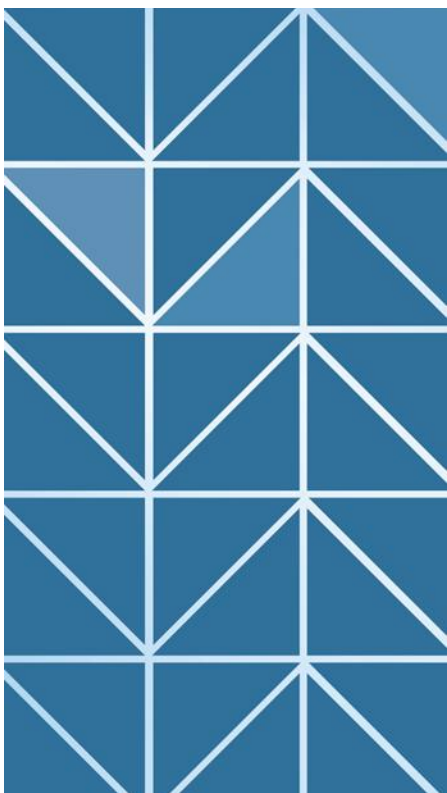


MODERN NIAGARA BILL S211- 2025 SUBMISSION REPORT

Updated May 21, 2025



MODERN NIAGARA REPORT OF FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

INTRODUCTION AND REPORTING REQUIREMENTS

In accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”), Modern Niagara Group of Companies Inc. along with its parent holding companies and certain of its subsidiaries submit this joint report (the “Report”). The joint Report covers the entities listed in Appendix A. (Modern Niagara Group of Companies Inc. and the entities listed in Appendix A are collectively referred to as “Modern Niagara”). This Report outlines the strategies and initiatives pursued by Modern Niagara to identify and address the risks of forced and child labour within its operational framework and supply chain networks during the fiscal year spanning from January 1, 2024, to December 31, 2024.

ORGANIZATION STRUCTURE AND ACTIVITIES

Established in 1959, Modern Niagara is a Canadian-based private company that mainly specializes in constructing, designing, and servicing mechanical, electrical, and integrated building technology systems for buildings. Modern Niagara

Modern Niagara operates across five provinces: Ontario, Quebec, Alberta, British Columbia, and Nova Scotia. It maintains nine regional offices spread across three provinces, with its headquarters situated in Ottawa. Additionally, it has offices in Toronto, Kingston, Southwestern Ontario, Vancouver, Calgary, and Edmonton. The company employs approximately 3,500 individuals across all regions.

POLICIES AND DUE DILIGENCE PROCESSES

Modern Niagara has established the following policies and due diligence processes to mitigate the risks of forced and child labour within its internal activities and supply chain.

INTERNAL POLICIES

HEALTH AND SAFETY POLICY STATEMENTS

Within this policy statement, it is explicitly outlined that management and supervisors bear the responsibility for worker safety and are held accountable for the well-being of employees under their supervision. They are tasked with identifying and controlling hazards, as well as maintaining safe and healthy working conditions within their assigned workplaces.

Additionally, under this policy, our suppliers and subcontractors are mandated to ensure adherence to our standards and fulfill the obligations of local and provincial legislative measures aimed at safeguarding their staff, including compliance with all relevant local and international human rights laws.

DISCONNECTING FROM WORK POLICY

This policy explicitly outlines employees' rights to work and fulfill their job duties within their regular working hours, as well as to disconnect from work outside of their scheduled hours, while still meeting obligations outlined in employment legislation. It underscores Modern Niagara's commitment to attracting and retaining employees by providing healthy working patterns that promote a balanced work-life dynamic. By implementing this policy, Modern Niagara aims to eliminate the risk of forced labour and ensure the well-being of its employees.

CODE OF ETHICS POLICY

Embedded within this policy are provisions enabling employees to identify and address legal and ethical issues encountered while conducting Modern Niagara's business. It outlines appropriate channels for resolution, whether through a supervisor or an Ethics Committee, depending on the severity of the ethical concerns. All employees are required to personally certify their understanding of and compliance with this Code and related processes.

Furthermore, our code of ethics policy incorporates a whistleblowing mechanism, providing employees with a confidential avenue to report grievances and complaints. Oversight by the Ethics Committee ensures resolution, fostering a safe environment for employees to report any unethical practices by our suppliers and subcontractors, including instances of child and forced labour within our supply chains.

DUE DILIGENCE PROCESSES

PURCHASE ORDER AGREEMENTS

The majority of Modern Niagara's suppliers are contractually obligated by agreements that must be signed before any goods are purchased or services are rendered. By signing and adhering to these agreement terms, suppliers commit to complying with Canadian laws, including federal and provincial labour standards.

SUPPLY CHAIN

Modern Niagara fulfills all three criteria outlined in Bill S-211 for private entities, encompassing assets, revenue, and the number of employees. The company primarily partners with Canadian-based subcontractors and suppliers. Additionally, Modern Niagara collaborates with some international companies that have distribution offices located within Canada. These suppliers and sub-contractors are mainly specialized in providing mechanical and electrical goods and services.

IDENTIFYING AND ADDRESSING RISKS IN OUR SUPPLY CHAIN

Modern Niagara has conducted a comprehensive review of company expenditures in 2024 to identify key suppliers and subcontractors. These entities were then categorized into Tier 1 and Tier 2 based on expenditure and frequency of engagement. Tier 1 comprises suppliers and subcontractors frequently utilized by the company, with the highest expenditure (those accounting for at least one percent of the total supplier spend during the 2024 fiscal year), while Tier 2 encompasses the remainder.

To enhance our understanding and evaluation of risk and compliance in accordance with the Act, a detailed questionnaire was developed and distributed to all Tier 1 suppliers and subcontractors. The results of the questionnaire were meticulously analyzed to identify risks based on predefined factors,



including Location of Operations, Policies against forced/child labour in their supply chain, and Employee training.

Based on the responses to the questionnaire, companies and subcontractors were granted a risk rating of High, Medium, or Low. Medium and High-risk companies were requested to provide further information and supporting documents to show compliance with the Act. We believe that this exercise has increased awareness throughout our supply chain regarding the provisions of the Act and shows Modern Niagara's commitment to eradicating all forms of forced and child labour from our supply chain.

POLICY COMMITMENTS AND PROCESS IMPROVEMENTS

Modern Niagara is firmly dedicated to safeguarding human rights and ensuring the complete absence of forced and child labour in any products or services within our supply chain. Our company is unwavering in its commitment to conducting business ethically and with integrity in all relationships, ensuring full compliance with the Act.

Listed below are some of the initiatives that have been undertaken by Modern Niagara as we move towards the next reporting cycle to ensure our compliance:

- Add compliance to the Act to Modern Niagara's standard risk assessment and due diligence exercise for onboarding new suppliers and subcontractors.
- Provide training and information sessions with the procurement personnel responsible for onboarding new suppliers and subcontractors to ensure their compliance with the Act.
- Continue to assess and mitigate all risks associated with all our existing suppliers and subcontractors to ensure their compliance with the Act where applicable. Non-compliance will lead to the termination of contracts and services.
- Updated all our policies, including the whistleblower, ethics, and health and safety policies, to explicitly reflect our dedication to eradicating forced and child labour from both our workplace and supply chain.

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 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.

SIGNING AUTHORITY

Full Name: Brad McAninch

Date: May 21, 2025

Title: CEO and President of Construction

Signature:

I have the authority to bind Modern Niagara Group of Companies Inc. and all entities listed in Appendix A.



APPENDIX A

This Report is a joint submission covering the activities of the following legal entities:

1000747984 Ontario Inc.
2734635 Ontario Inc.
Modern Niagara Group of Companies Inc.
Modern Holdco Inc.
Modern/Niagara Group Inc.
Modern Niagara Ottawa Inc.
Modern Niagara Toronto Inc.
Modern Niagara Vancouver Inc.
Modern Niagara Alberta Inc.
Modern Niagara Southwestern Ontario Inc.