

MOSAIC TRANSIT CONSTRUCTORS GENERAL PARTNERSHIP  
2023 Report on Fighting Against Forced Labour and Child Labour in  
Supply Chains

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I. STATEMENT DEVELOPMENT AND APPROVAL SUMMARY

**Mosaic Transit Constructors General Partnership** (“MTC” or the “Company”) has prepared this Modern Slavery Joint Report on Fighting Against Forced Labour and Child Labour in Supply Chain (“Report”), covering the period of January 1, 2023, to December 31, 2023, on behalf of itself. The Report is made pursuant to section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act)*.

The Report is the product of consultations within relevant MTC departments, including Commercial, Legal, Human Resources, Finance, Bidding (Procurement), Health, Safety and Environmental. These departments operate across our enterprise, including across the project entities to which this Report applies. To prepare this Report, we also engaged with each of the reporting entities covered by the Report. This consultation process has supported our enterprise-wide approach against forced labour and child labour.

This Report has been reviewed and approved by MTC’s Executive Committee on May 13, 2024.

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.”

  
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Eduardo Galnares  
Project Director  
May 13, 2024.

I have the authority to bind Mosaic Transit Constructors General Partnership.

## II. INFORMATION ADDRESSING THE REQUIREMENTS OF SUBSECTION 11(3) OF THE ACT

### A. STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

#### STRUCTURE

MTC is a general partnership established under the laws of Ontario, By Its Partners Aecon Infrastructure Management Inc., Dragados Canada, Inc. and CRH Canada Group Inc., operating as Dufferin Construction Company.

MTC is a partnership registered in 2018 under the *Business Names Act* in the province of Ontario. Its corporate headquarters are in Toronto. The Company has a workforce of approximately 200 employees, who are based in our offices located in Toronto and Woodbridge.

#### ACTIVITIES

Our Company is focused on the construction of the Finch West LRT project (“Project”). The Project will bring an additional 11 kilometres and 18 stops of public transit (running along Finch Avenue from the TTC Finch West Subway Station at Keele Street to Humber College), as well as renew aging infrastructure, such as the Highway 400 overpass at Finch Avenue West. At the core of our corporate strategy lies the fundamental principle of conducting our business operations sustainably and responsibly while adhering to the highest standards of business ethics, quality, safety, and environmental stewardship.

#### SUPPLY CHAIN

In 2023, MTC worked with approximately 400 domestic and international suppliers with key areas of spend including materials such as concrete, steel, piping, and asphalt, industrial/engineering consumables such as fuel, lubricants, abrasives, adhesives, sealants, rail componentry and rolling stock, major plant and equipment, personal protective equipment (PPE), subcontractors such as electricians, plumbers, glaziers, steel fixers, and other tradespeople, labour hire, insurance, professional services, technology, and telecommunications.

The products and services we procure are utilized in developing, designing, financing, construction, operations, maintenance, and managing the Project. In this regard, parts may be sourced locally or imported.

In addition to procuring products and services, we also engage in procuring services related to corporate support, such as facilities and maintenance, accounting, legal and IT services, and professional consulting services, such as design and engineering. These services complement our internal resources for either short or long-term engagements as required.

### B. POLICIES AND DUE DILIGENCE PROCESSES

MTC has maintained a business commitment with the different persons or entities that interact with the Company and its employees based on ethical principles that guide the functioning of MTC and are part of our corporate culture.

We are committed to ensuring that there are no human rights violations, including modern slavery or human trafficking, in our supply chains or in any part of our business. MTC is committed to acting ethically

and with integrity in all our business relationships, and we expect the same high standards from all our subcontractors, suppliers, and other business partners.

## OUR POLICIES

### Governance and leadership

Our governance framework is founded on our core objectives to deal honestly and fairly, adopt and apply best practices for policies relating to sustainability, safety, governance, health and the environment. These values guide all of MTC's activities and form the basis of our Code of Ethics and Business Conduct and our Environmental, Health and Safety Manual, which set the standard of behaviour we expect from all our employees, subcontractors, and partners.

### Compliance

MTC is committed to upholding human rights through a variety of codes and policies, including, among others:

- **The MTC Code of Ethics and Business Conduct**, which establishes guidelines for all company members to follow as part of its mission, values, and corporate culture. This code includes the commitment to respect internationally recognized human rights. All employees are required to read and acknowledge this code.
- **The MTC Environmental, Health and Safety Manual**, including over twenty policies which play an essential role in protecting the environment, workers, and human rights. These policies include the Health and Safety Policy, Occupational Accountability and Responsibility, Respect in the Workplace, Occupational Health, and Personal Protective Equipment (PPE), among others.
- **The MTC Project Procurement Execution Plan**, which requires all third parties, subcontractors, suppliers, and service providers to comply with all policies and codes, including the Code of Ethics and Business Conduct.

These standards are essential pillars on which MTC continuously applies due diligence processes in its operations to ensure compliance with applicable laws.

Further, MTC's parent companies have implemented extensive compliance programs designed to identify, prevent, and address any instances of policy violations, including human rights violations. These programs aim to ensure that the parent companies and their operations are conducted ethically, fairly, and in compliance with all relevant laws and regulations. The goal is to create a safe and responsible ethics and business environment /culture and to promote respect for human rights across all levels of the organization.

### Procurement

MTC ensures that all procurement activities are conducted in compliance with applicable laws and conformance to the highest ethical standards in business practices.

Our Project utilizes procurement frameworks which prescribe policy, systems, and processes to support supply chain due diligence. Activities include assessing risks in our applicable business sectors, conducting comprehensive due diligence, and vetting subcontractors and suppliers. As part of the framework, our Project has a Project Procurement Execution Plan that defines the supplier registration and onboarding

process, including questionnaires for assessment, a suite of mandatory template commercial contracts (which forbid human rights abuses), and a set of requirements for suppliers' management of their suppliers.

This approach is key for MTC and this Project, to build and maintain a reliable and trusted supply chain and proactively identify and manage risks throughout the term of each contract.

#### **OUR DUE DILIGENCE PROCESSES:**

As mentioned in the above, MTC has policies and codes to minimize adverse impacts on human rights. Those policies and codes are committed to preventing and reporting forced labour and child labour risks.

To date, MTC has not identified instances of modern slavery, forced or child labour in its supply chain.

Our policies and codes are intended to help us continue to prioritize our ongoing efforts to prevent and, if necessary, mitigate adverse human rights impacts through our own business activities.

MTC aims to identify and mitigate all human rights risks by:

- Implementing policies, procedures, and management systems for recruitment that require formal, auditable approval procedures, including verification of the candidate's identity and their right to work in Canada legally.
- Implementing a due diligence process to evaluate key subcontractors and business partners for ethics and compliance.
- Conducting health and safety workplace inspections in order to identify any hazards or conditions that may lead to substandard work conditions. In accordance with Environmental, Health and Safety Manual, inspections are conducted on a weekly basis using the workplace inspection program to address site-specific hazards.
- Implementing clauses in subcontract, supplier and service agreement templates requiring third parties to comply with the Code of Ethics and Business Conduct of the Project and to respect all applicable laws.

#### **C. FORCED LABOUR AND CHILD LABOUR RISKS**

MTC is committed to combating the use of forced labour and child labour. This commitment is a fundamental principle that shapes our daily operations. We expect our suppliers, contractors, and clients to share our dedication to ethical standards.

We understand that the construction industry is susceptible to the risks of forced labour and child labour. Therefore, we adopt a proactive approach to mitigate these risks. As detailed in this report, we have implemented various policies, processes, and practices to manage and prevent forced labour and child labour risks in our supply chain. Our approach, due diligence, and assurance are facilitated by collaborating within the Project including Operations, Human Resources, Procurement, Legal, Commercial, Quality Assurance, IT, Safety, and Environmental.

Our supply chains may include different participants, such as subcontractors, suppliers, recruitment agencies, and various specialized service providers, depending on the specific needs of the Project. As a company that procures goods and services from Canada and abroad, MTC is committed to avoiding purchasing "at-risk" goods and services that may unintentionally contribute to the use of forced labour and

child labour. We achieve this through our due diligence processes and by utilizing a suite of agreement templates and contracts, including supplier controls and adherence to the Code of Ethics and Business Conduct or equivalent codes in our Project.

We recognize that our role in preventing forced labour and child labour extends beyond our organization, and we are proud of our efforts to foster a sustainable and ethical construction industry.

#### **D. REMEDIATION MEASURES**

MTC has not identified instances of forced or child labour in our activities or supply chains. Therefore, no remediation measures have been taken.

In this regard, MTC encourages a culture of open communication among our employees, subcontractors, and other third parties to report any potentially unethical or illegal practices, particularly those involving human rights grievances. To facilitate this, MTC partners have well-established communication channels where employees, subcontractors, suppliers, and third parties can raise their concerns or allegations of misconduct, breach of law, breach of policies or procedures, or violations of the MTC Code of Ethics and Business Conduct securely, confidentially, and anonymously, 24/7, through email or telephone. These whistleblower communications methods are administered by a third party. Reports may be made anonymously. All reports are thoroughly investigated, and MTC upholds a strict commitment to non-retaliation.

#### **E. REMEDIATION OF LOSS OF INCOME**

We have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

#### **F. TRAINING**

MTC is committed to providing comprehensive training to all its employees. As part of our onboarding process, new hires are required to complete mandatory training as soon as they join the company. Additionally, all employees are assigned mandatory training, which includes various courses proposed by different departments, including compliance.

Compliance with the Code of Ethics and Business Conduct and the Environmental, Health and Safety Manual is mandatory for all employees at MTC. To ensure their understanding and compliance, all employees are required to complete an e-learning course on the Code of Ethics and Business Conduct. Additionally, MTC partners have regular training programs where employees are trained on compliance with and the protection of human rights.

Regarding our supply chain, we continue to implement our Code of Ethics and Business Conduct to our key subcontractors and vendors and trained them on it. We will continue to emphasize our commitments in this area.

#### **G. ASSESSING EFFECTIVENESS**

Our assessment of effectiveness is evidence-based and includes monitoring and analyzing risk assessments, monitoring and closeout of corrective action plans, training participation rates, communications engagement, completion of improvement plans and responsiveness to grievances and monitoring corrective actions.

### III. STEPS TAKEN IN THE PREVIOUS FINANCIAL YEAR IN ORDER TO PREVENT AND REDUCE RISKS OF FORCED LABOUR AND CHILD LABOUR

MTC maintains a strong commitment to ethical and legal business practices, and we unequivocally condemn the use of forced labour and child labour in our operations, as well as those of our suppliers and subcontractors. We hold ourselves to the highest possible standards and expect all employees, contract workers, officers and directors, and third parties to conduct themselves with integrity, always adhering to the letter and spirit of all applicable laws, regulations, and rules.

MTC takes several actions to enhance our capabilities to identify, mitigate, and prevent the risks of human rights violations, including forced labour and child labour, across the Project to respond effectively to any impacts that may arise. These actions included, but were not limited to:

#### **Policies and procedures**

- Continued integration of our **Code of Ethics and Business Conduct**, Environmental, Health and Safety Manual across the Project, which set out our ethics and legal business commitment. We focused on implementing these codes into agreement templates, including requirements to adhere to our ethical and compliance policies or to have equivalent standards, and providing training to our employees on the codes' content, among other actions.
- Including our codes by reference in agreement templates with business partners prohibiting the use of forced labour, slave labour or other forms of involuntary labour at work sites.

#### **Risk Assessment**

- Periodic execution of comprehensive risk assessments, which involved the retention of external subject matter expert consultants to assist in development of extensive risk and control matrices, document review, and personnel interviews. The development of these matrices allows us to systematically identify, evaluate and manage the risks in different areas, including human rights, thereby ensuring that the organization remains resilient to potential threats. Below are some examples of risk assessments conducted by the partners of MTC:
  - i. Human Rights Impact Assessment: We assessed the potential adverse effects on human rights arising from our activities.
  - ii. Competition Compliance Risk Assessment: We conducted a thorough assessment of competition and anti-competitiveness risks in accordance with the guidelines of the Competition Bureau of Canada.

#### **Due Diligence**

- Recruitment and hiring processes and controls which ensure that all workers are recruited voluntarily.
- Conducting background verification for all prospective employees.



### **Awareness and training**

- Continued promotion of the partner companies hotline, micro-learning and periodic communications, as a grievance mechanism where any unethical and illegal behaviour can be reported, including human rights violations.
- Communicating the principles of the Code of Ethics and Business Conduct and Environmental, Health and Safety Manual amongst key subcontractors and vendors.

### **Monitoring and Review**

- Investigation and monitoring of incidents reported through the different Ethics Channels provided by the partner companies, and offering mechanisms to protect whistleblowers.
- Monitoring, reviewing and reporting on indicators to evaluate the effectiveness of the existing prevention, management, and mitigation mechanisms in the Project.

## **IV. CONCLUSION**

MTC is committed to preventing forced labour or child labour from taking place in our businesses and in our supply chains. We will continue to review our policies, procedures, and practices periodically to determine any enhancements we can make to help prevent forced labour or child labour.