



Forced Labor in Canadian Supply Chains

Updated May 30, 2024

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Introduction

This report is Newcrete Investments Limited Partnership's response to comply with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act ("the Act") for the financial year ending December 31, 2023.

The reporting entities covered by this statement are Newcrete Investments Limited Partnership (business number: 807249230) and its subsidiaries:

- 85176 Newfoundland & Labrador Inc. (business number: 815584370),
- City Concrete Limited Partnership (business number: 838146058) and,
- CP Masonry Ltd. (business number 104414370).

For the purposes of the Act, Newcrete Investments Limited Partnership meets the Entity definition at the consolidated level as it has a place of business in Canada, does business in Canada, has assets in Canada and meets the threshold for revenue and assets. Newcrete Investments Limited Partnership also meets the definition of Reporting Entity at the consolidated level as it produces and sells goods in Canada, distributes goods in Canada and controls entities engaged in producing, selling, and distributing goods in Canada. While each subsidiary does not meet the definition of Reporting Entity on its own, at the consolidated level under Newcrete Investments Limited Partnership, they do. All subsidiaries are provincially incorporated.

For the purposes of this report, when referenced, "Newcrete" will apply to Newcrete Investments Limited Partnership and the above subsidiaries.

In accordance with the Act, this report outlines the activities and measures taken by Newcrete over the previous financial year to mitigate risks associated with forced and child labour in its supply chain and operations.

1. Structure, Activities and Supply Chain

As Newfoundland & Labrador's Concrete experts, Newcrete Investments Limited Partnership operates 3 divisions - Capital Ready Mix, Capital Precast, and Concrete Products. The partnership includes three subsidiaries namely 85176 Newfoundland & Labrador Inc with operating divisions Avalon Ready Mix, Central Precast & Ready Mix, Hunts Concrete, City Concrete Limited Partnership and CP Masonry Ltd. The company's activities involve manufacturing and supplying ready mix concrete, precast concrete, aggregates, and masonry block.

The North American Industry Classification System (NAICS) Canada 2022 Version 1.0 was used to classify the sectors applicable to Newcrete Investments Limited Partnership's operations, supply chain and related activities. Newcrete operates in the following sectors, sub-sectors, and related industry groups:

- (21) Mining, quarrying, and oil and gas extraction
 - (212) Mining and quarrying (except oil and gas)
 - (2123) Non-metallic mineral mining and quarrying
- (31-33) Manufacturing
 - (327) Non-metallic mineral product manufacturing
 - (3273) Cement and concrete product manufacturing
- (41) Wholesale Trade
 - (416) Building Material and supplies merchant wholesalers
 - (4163) Lumber, millwork, hardware, and other building supplies merchant wholesalers

At a consolidated level, our supply chain process is designed to ensure the efficient and timely production of high-quality concrete products. Here's an overview of our operations:

- **Aggregate Production:** We produce our own aggregates, which are a critical component in our concrete production process. These aggregates are transported directly to our batch plants.
- **Raw Material Procurement:** All raw materials, including cement, sand, and additives, are primarily sourced from local and Canadian suppliers. This supports local businesses and reduces transportation times.
- **Production:** The raw materials and aggregates are utilized in the production of various concrete products, including Ready-mix concrete; Precast concrete and Masonry blocks
- **Distribution:** We operate a fleet of concrete trucks that deliver our finished products directly to construction sites. This ensures timely delivery and supports our commitment to customer satisfaction.

Our supply chain strategy emphasizes local sourcing, efficient inventory management, and reliable transportation, allowing us to maintain a robust and responsive production process.

Newcrete is also a member of the below mentioned associations:

- Atlantic Concrete Association (ACA)
- Better Business Bureau (BBB)
- Canadian Concrete Masonry Producers Association (CCMPA / NCMA)
- Canadian Federation of Independent Businesses (CFIB)
- Canadian Home Builders Association (CHBA-NL)

- Canadian Manufacturers and Exporters – “Manufactured Right Here” (CME)
- Canadian Standards Associations (CSA)
- Landscape NL Horticultural Association (LNLHA)
- National Precast Concrete Association (NPCA)
- Newfoundland and Labrador Construction Association (NLCA)
- Newfoundland and Labrador Construction Safety Association (NLCSA)
- Heavy Civil Association of Newfoundland and Labrador (HCANL)

2. Policies and Processes in Relation to Forced and Child Labour

For the reporting period, Newcrete did not have in place any policies or processes related to forced or child labour.

Newcrete however does comply with employment labour legislation in Newfoundland and Labrador including The Labour Standards Act and the Newfoundland and Labrador Human Rights Act, 2010. The Labour Standards Act requires all employers to establish conditions of employment that meet the minimum standards in areas such as hours of work, minimum wage, leave entitlements, termination of employment, paid public holidays, vacation, etc. and also outlines that an employer is prohibited from employing a child under the age of 16 in employment that is likely to be unwholesome or harmful to the child’s health or normal development, or if it is going to hamper the child’s attendance at school. Newcrete does not employ child labour in its operations and requires a minimum age of 16 to be a condition of employment.

In adherence with the Human Rights Act, discrimination is prohibited in every aspect of employment including advertising, applications, interviews, hiring, wages, benefits, conditions of employment, promotion and dismissal. Prohibited forms of discrimination include discrimination on the basis of: race, colour, nationality, ethnic or social origin, religious creed or religion, age, disability / perceived disability, disfigurement, sex (which includes pregnancy), sexual orientation, marital or family status, gender expression / gender identity, source of income or political opinion. As an employer we have a duty to accommodate (ie. Support) employees who have special requirements based on any of the grounds listed in the Act.

Newcrete has two union agreements with Labourers’ International Union of North America Local 1208 and Teamsters Union Local 855 which set out a collective agreement contract between the employer and the union which outlines terms and conditions for all employees that are part of each respective union.

For the reporting period Newcrete also had a robust Health, Safety & Environment Orientation Program in place. Key policies of this program are listed below:

- **Health & Safety Policy:** Newcrete is committed to protecting the health and safety of its employees and minimizing environmental impact through robust Health, Safety & Environment (HSE) initiatives, with accountability extending to management, supervisors, employees, and subcontractors. Complete and active participation in safety measures is required at all levels, ensuring full compliance with OHS legislation and aiming for an injury and accident-free workplace.
- **Environmental Policy:** Newcrete is dedicated to minimizing environmental impact and protecting the health and safety of its employees and others, with accountability for HSE initiatives shared across management, supervisors, employees, and subcontractors. Active participation in environmental management and full compliance with legislation are required at all levels to achieve environmental excellence.
- **Harassment Policy:** Newcrete is committed to providing a healthy, harassment-free work environment for all employees, where any unwelcome physical, visual, or verbal conduct is not tolerated.

Sustainability

Newcrete is also deeply committed to climate sustainability and has partnered with CarbonCure to integrate captured CO₂ into fresh concrete, reducing its carbon footprint without compromising performance. This partnership helps Newcrete meet the growing demand for sustainable concrete, and it has resulted in CO₂ savings equivalent to 280 + metric tons till date.

In addition to the above, Newcrete maintains long-standing vendor relationships built on years of trust, ethical, local and responsible sourcing practices. These relationships are governed by established pricing agreements.

Newcrete will undertake efforts in 2024 to determine what changes, if any, to its policies and processes may help to address potential risks related to forced or child labour in its supply chain.

3. Identification of Risks

Risk Assessment Methodology

To understand where in the supply chain forced or child labour risks may exist, Newcrete recently carried out a risk assessment process. This process was guided by insights provided by the Walk Free Global Slavery Index, the OECD Due Diligence Guidance for Responsible Business Conduct, and by the US Department of Labor's List of Goods Produced by Child Labour or Forced Labour. In conducting this assessment, Newcrete was able to highlight potential risks of forced or child labour associated with certain countries.

This risk assessment does not presuppose the actual use of forced or child labour within Newcrete's operations or supply chain, rather, it is aimed at recognizing potential scenarios where such risks might arise, thereby further enabling the

organization to implement effective preventative measures. Newcrete acknowledges that no industry is entirely exempt from the risks of forced and child labour and there are inherent vulnerabilities within certain sectors of its supply chain, particularly in regions where regulatory frameworks and enforcement mechanisms might not be robust.

The methodology in this assessment considered specific geographic regions that, according to the Walk Free Global Slavery Index and other credible sources, present a higher risk of forced and child labour practices. The geographic risk assessment was combined with an assessment of at-risk-goods categories.

Risk Assessment Findings

Through a comprehensive analysis, Newcrete identified suppliers in the United States as having a heightened risk of forced or child labour. Although the United States exhibits only a medium prevalence of modern slavery according to the Walk Free Global Slavery Index, Newcrete is committed to addressing this jurisdictional risk.

In addition to geographic risk factors, data from the US Department of Labor’s List of Goods Produced by Child Labor or Forced Labor was used to identify product risk. This step was crucial for isolating specific goods within Newcrete’s imported goods portfolio that may be susceptible to forced or child labor issues. Following our assessment, no products were identified from the US Department of Labor’s List of Goods Produced by Child Labor or Forced Labor.



4. Remediation of Forced and Child Labour

For the reporting period, no incidence of forced or child labour was identified within Newcrete’s supply chain, therefore no remediation was required.

Following an internal review of policies, procedures, and practices, if Newcrete identifies any instance or additional risk, appropriate measures will be taken to mitigate risk leveraging best practice guidance provided by the OECD and International Labor Organization (ILO).

5. Remediation of Loss of Income

For the reporting period, no incidence of forced or child labour was identified within Newcrete's supply chain, therefore no remediation of loss of income was required.

Following an internal review of policies, procedures, and practices, if Newcrete identifies any instance or additional risk, appropriate measures will be taken to mitigate risk leveraging best practice guidance provided by the OECD and International Labor Organization (ILO).

6. Employee Training

For the reporting period, no mandatory or voluntary training was provided to employees on forced or child labour. We however ensure all employees are adequately trained with respect to health and safety, the safe use of equipment and protective equipment.

All new hires receive a one-time orientation on Newcrete's corporate policies, including health and safety. This training is delivered in collaboration with Labourers' International Union of North America Local 1208 for the Capital Ready Mix and Capital Precast divisions, and with Teamsters Union Local 855 for the Concrete Products division.

Employees that are drivers also complete the Concrete Delivery Professional Certification (CDP) online course that is offered to drivers and employees and covers the following topics: product knowledge, environmental awareness, customer and company relations, safety, vehicle maintenance and operations and walk around inspection.

Some management also completed half-day learning module delivered by the CCMPA called The Carbon Conversation 101. Concepts covered included: carbon accounting, EPD, GWP, PCR, LCA, embodied and operational carbon and greenwashing.

Newcrete is actively undergoing an internal evaluation of its existing employee training to determine what training, if any, would be beneficial to offer to employees in the context of forced or child labour.

7. Assessing Effectiveness

For the reporting period, Newcrete was unable to assess effectiveness given no policies, processes or training were in place related to forced or child labour.

Health & Safety Compliance

The Health and Safety Department maintains an internal database to track employee training status and ensure all training requirements are up to date.

Newcrete is actively undergoing an internal evaluation of its policies to determine what enhancements if any, could be made in relation to forced or child labour our supply chain.


8. Approval and Attestation of the Report

In accordance with the requirements of the Act, and in particular Section 11, I attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable due 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: Erre Patchett

Title: CFO

Date: May 31, 2024

Signature: 

“I have the authority to bind Newcrete Investments Limited Partnership, 85176 Newfoundland & Labrador Inc., City Concrete Limited Partnership and CP Masonry Ltd.”