



Ocean Capital Holdings Limited

2023 Annual Report on Forced and Child Labour in Supply Chains

This joint report (the “Report”), published pursuant to the *“Fighting Against Forced Labour and Child Labour in Supply Chains Act”* (the “Act”), provides an overview of the steps taken by Ocean Capital Holdings Limited (“Ocean Capital”), its subsidiary, Skyline Holdings Incorporated (“Skyline”), and all of their subsidiaries, including Ocean Steel & Construction Ltd., Petro Service Limited, PreCon Precast Limited, Source Atlantic Limited, and Strescon Limited (collectively, the “Ocean Capital Reporting Entities”, “we”, and “our”), to prevent and reduce the risk of forced and child labour in our businesses and supply chains. This Report outlines the activities of the Ocean Capital Reporting Entities, during the previous financial year, which for Ocean Capital Holdings Limited, Skyline Holdings Incorporated, Petro Service Limited and Source Atlantic Limited ended December 31, 2023, and for Ocean Steel & Construction Ltd., PreCon Precast Limited and Strescon Limited ended October 31, 2023.

Introduction

The Ocean Capital group of businesses is committed to the highest standards of ethical business practices in all aspects of our operations. We consider the respect of human rights to be a fundamental value and consistent with our corporate standards of conduct. We support the goal of the Act, which is to ensure that exploitative labour practices are addressed and eradicated from supply chains. We agree that forced or child labour is not appropriate or acceptable. We do not use forced or child labour in our businesses. We do not knowingly accept forced or child labour in our supply chains. We acknowledge our responsibility to address the risk of forced and child labour in our businesses and supply chains and are committed to do so ethically and with integrity and transparency. We are working to enhance and supplement our policies and processes to safeguard against any form of forced or child labour that may take place within our businesses and our supply chains.

Our Structure and Activities

Ocean Capital is a privately held company based in Saint John, New Brunswick, with interests across multiple business lines, including broadcasting, real estate, construction, industrial supply and fuel services. Ocean Capital has approximately 2500 employees in North America; there are no employees located outside of North America. Ocean Capital does not have any production facilities located outside of Canada. Ocean Capital’s subsidiary, Skyline, has no employees or production facilities. Ocean Capital’s purpose is to create winning businesses with great people, all contributing to better communities.

In addition to Ocean Capital Holdings Limited and Skyline Holdings Limited, five of our business entities are required to report under the Act:

1. Ocean Steel & Construction Ltd.: Incorporated in 1955, Ocean Steel specializes in fabricating and erecting structural steel for buildings and industrial facilities. Ocean Steel services several markets, including Atlantic Canada, Canada and the eastern United States. Ocean Steel has two locations: Saint John and Fredericton, New Brunswick; and approximately 150 employees.
2. Petro Service Limited: Founded in 1985, Petro Service is a fuel equipment service company specializing in the supply, installation and maintenance of retail and industrial service stations. Petro Service has eight locations across Canada; and approximately 200 employees.
3. PreCon Precast Limited: In business since 1958, PreCon manufactures custom, engineered precast/prestressed concrete in six main product lines. PreCon Precast has two locations in Ontario: Brampton and Woodstock; and approximately 250 employees.
4. Source Atlantic Limited: Established in 1867, Source Atlantic is an industrial supply company for industrial, government, commercial and residential markets, with 24 locations across Canada, and 13 specialized product and service divisions. Source Atlantic has approximately 575 employees and is designated as one of Canada's Best Managed Companies.
5. Strescon Limited: Established in 1963, Strescon manufactures a wide range of architectural and structural precast/prestressed concrete products, as well as concrete products for engineered drainage systems. Strescon has two locations: Saint John, New Brunswick and Bedford, Nova Scotia; and approximately 225 employees.

Our Supply Chains

The five Ocean Capital businesses that are reporting entities are importers of record of goods imported directly into Canada from outside Canada. Each of the five entities import goods and/or services related to the specific activities of their business. Many goods and/or services are provided by global suppliers with long-term relationships with our businesses.

1. Ocean Steel & Construction Ltd.: Ocean Steel is the importer of record from approximately 40 global suppliers, with approximately 11 countries of origin. Goods imported include tools, parts and supplies required for its manufacturing activities.
2. Petro Service Limited: Petro Service is the importer of record from approximately 60 global suppliers, with approximately 13 countries of origin. Goods imported include parts and supplies required for the supply, installation and maintenance of fuel dispensing and related equipment.

3. PreCon Precast Limited: PreCon is the importer of record from approximately 25 global suppliers, with approximately 7 countries of origin. Goods imported include equipment, parts and supplies for its manufacturing activities.
4. Source Atlantic Limited: Source Atlantic is the importer of record from approximately 765 global suppliers, with approximately 51 countries of origin. Goods imported include equipment, parts and supplies for sales and services to customers.
5. Strescon Limited: Strescon is the importer of record from approximately 45 global suppliers with approximately 11 countries of origin. Goods and services imported include production equipment, parts and supplies required for its manufacturing activities.

Together, the goods and/or services are acquired from approximately 51 countries of origin.

Ocean Capital and Skyline were not importers of record of goods imported directly into Canada from outside Canada in 2023.

Policies and due diligence processes

Our commitment to a high standard of ethical practice applies to all aspects of our businesses. Policies have been developed for, and are implemented by, all of our businesses.

All of our businesses take an active role in ensuring that our suppliers take efforts to address the risk of forced and child labour in their businesses. Each of our entities is responsible to ensure that their suppliers align with the responsible business conduct practices reflected in our policies as described below.

These policies include:

1. Business Code of Conduct

The *Business Code of Conduct* communicates to employees that they are expected to treat one another with dignity and respect, irrespective of race, colour, religion, national or ethnic origin, age, sex, disability, marital status, family status, sexual orientation, or pardoned criminal conviction. All employees are expected to promote a fair and respectful work environment, free from discrimination and harassment. There is a whistleblower process in the *Business Code of Conduct* that includes details on how to report any violations of the policy.

2. Anti-Harassment Policy

The *Anti-Harassment Policy* aims to create a work environment that is free from any type of harassment, offensive behavior, discrimination, and workplace violence. There is a whistleblower process embedded in the *Anti-Harassment Policy* that encompasses the reporting of various

forms of misconduct, including but not limited to concerns related to personal harassment, sexual harassment, and workplace violence. This reporting mechanism is accessible to all employees.

3. Ethical and Safe Workplaces Policy

The *Ethical and Safe Workplaces Policy* details a list of actions that are considered inappropriate, unethical, illegal, negligent, or dishonest and which should be reported. There is a whistleblower process embedded in the *Ethical and Safe Workplaces Policy* that includes the details of who should be contacted when reporting these incidents and specific contact information.

As indicated in our group of policies, all submissions and investigation proceedings will be kept confidential, unless necessary to conduct the investigation, pursue or defend legal proceedings or as otherwise required by law.

To further strengthen our role in the prevention of the use of forced and child labour, we commit to reviewing and enhancing our current policies and establishing new policies for all of our businesses as we determine appropriate to address these issues. This will include a more formalized process of engagement with suppliers, with a consistent supplier code of conduct for all of our businesses. This *Supplier Code of Conduct* will be required to be confirmed by all new suppliers as they are on-boarded, and existing suppliers within a specified amount of time.

Forced Labour and Child Labour Risks

An independent assessment of the risk of forced and child labour in our supply chains was undertaken to better understand the risks associated with forced and child labour. This process began by identifying goods procured by each of the five entities that are importers of record into Canada: Ocean Steel & Construction Ltd., Petro Service Limited, PreCon Precast Limited, Source Atlantic Limited and Strescon Limited. This initial risk assessment reviewed 2023 import data from the five entities and considered the country of origin from which goods were imported, as well as the type of product. The risk assessment indicated that a very small percentage of goods imported from Tier 1 suppliers carried the potential for risks of forced and child labour based on the information available.

Going forward, we will consider evolving a systematic methodology to identify elevated areas of risk exposure for forced and child labour in relation to products and suppliers within all of our businesses' supply chains.

Remediation measures

We have whistleblower processes embedded in the *Business Code of Conduct* and *Anti-Harassment Policy* that encompass the reporting of various forms of misconduct, including concerns related to

personal harassment, sexual harassment, and workplace violence. This reporting mechanism is accessible to all employees. The policies state that all submissions will be dealt with fairly, respectfully and on a timely basis.

We have a whistleblower process in our *Ethical and Safe Workplaces Policy*, encouraging employees to submit through phone or email any concerns of inappropriate, unethical, illegal, negligent, or dishonest actions in the workplace. The policy states all submissions and investigation proceedings will be kept confidential, unless necessary to conduct the investigation, pursue or defend legal proceedings or as otherwise required by law.

Remediation of loss of income

If a situation of forced or child labour is identified, then, in accordance with our standards of ethical practice and our policies, we will work to address the situation and determine the appropriate steps to be taken. We have not identified any situations of forced or child labour in the reporting year and therefore have not taken any such remediation measures.

Training

We provide training across our group of companies to educate our employees on various topics, including ethical and safe workplace practices. The training program includes reviewing relevant company documents such as the *Business Code of Conduct*, *Anti-Harassment Policy* and *Ethical and Safe Workplaces Policy* and whistleblower procedures, and related ethical workplace policies during an employee's onboarding process. In 2024, we will expand our training to employees in relevant roles in all companies to include information on forced and child labour risks in our supply chains.

Assessing effectiveness

We recognize the importance of maintaining vigilance to identify and address any instances of forced and child labour in our businesses and supply chains. In 2024, we will continue to monitor the issue and gain further understanding in order to identify and track the organizational exposure points that may be associated with forced and child labour risk.

Plans for the future

In 2024, we plan to undertake the following actions to further strengthen our work to address possible concerns of forced and child labour in our businesses and supply chains.

Areas	Actions
Policies and due diligence processes	<ul style="list-style-type: none">● Review and enhance current policies and/or establish new policies if determined to be appropriate.● Establish a supplier code of conduct.
Remediation	<ul style="list-style-type: none">● If an issue is identified, we will work to address the situation and determine the appropriate steps to be taken.
Training	<ul style="list-style-type: none">● Make training on forced and child labour available for all relevant employees, including awareness of the potential for forced and child labour risks in supply chains.
Assessing effectiveness	<ul style="list-style-type: none">● Continue to monitor the issue and gain further understanding in order to identify and track the organizational exposure points that may be associated with forced and child labour.

This Report is approved and attested, as required under subsection 11(4)(b)(ii) and subsection 11(5) of the Act by the Board of Directors of Ocean Capital Holdings Limited in respect of the Ocean Capital Reporting Entities as the joint report for such entities for their respective prior financial years referenced above.

Full name: John K. F. Irving

Title: President, Ocean Capital Holdings Limited

Date: May 27, 2024

Statement: I have the authority to bind the Board of Directors of Ocean Capital Holdings Limited

Signature: 