

# SUPPLY CHAIN TRANSPARENCY REPORT

*Fighting Against Forced Labour and Child Labour in Supply Chains*

Year 1 | January 1, 2023 – December 31, 2023

Accountable Signing Authority: **Osama Gamal Senior Vice President**



**TABLE OF CONTENTS**

|   |    |
|---|----|
| Company Overview .....  | 3  |
| Part I – Structure, Operations and Supply Chains .....  | 3  |
| Part II – Policies and Due Diligence Processes .....  | 5  |
| Part III – Risks of Forced Labour and Child Labour in Operations and Supply Chains .....                                      | 9  |
| Part IV – Measures to Remedy Forced Labour and Child Labour .....   | 9  |
| Part V – Measures to Remediate the Loss of Income to those Impacted by the Elimination of Forced Labour and Child Labour..... | 9  |
| Part VI – Training Provided to Employees.....   | 9  |
| Part VII – Assessing Effectiveness of Actions against Forced Labour and Child Labour .....                                    | 9  |
| Attestation.....  | 10 |

## Company Overview

In accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the “**Supply Chain Transparency Act**”), this statement outlines the measures implemented or to be implemented by Parsons Inc. to address the risks of modern slavery, including but not limited to forced and child labour<sup>1</sup> within its operations and supply chain. This report is not a joint report as none of Parsons Inc.’s subsidiaries meet the thresholds to be considered an “entity” under the *Supply Chain Transparency Act*.

Parsons Inc. is committed to preventing any violation of individuals’ human rights through the policies and procedures it has established, including its Standards of Ethical Conduct for Business Partners (the “**Code of Conduct**”), which sets forth Parsons Inc.’s expectations that its staff and business partners abide by legal and ethical standards and comply with applicable laws, regulations, and contract terms. Parsons Inc. is committed to establishing safe, inclusive, and respectful work environments wherever it conducts business. Parsons Inc. values the fundamental rights of its employees and all who work within its supply chain, which encompass freedom from slavery and child labour, equal opportunities for all, a safe and healthy workplace, and freedom from discrimination and harassment.

Parsons Inc. continues to develop and expand its understanding of the risks associated with the complex issue of modern slavery and identify areas within the broader supply chain that may be impacted by such challenges. Parsons Inc. intends to collaborate across its business and supply chain to implement appropriate practices that mitigate and address potential risks.

Modern slavery is completely unacceptable within the supply chains that support Parsons Inc.. Parsons Inc. acknowledges its responsibility to uphold the rights of individuals working for the organization, as well as those associated with suppliers and business partners who prioritize human rights for their own employees. Recognizing that human rights issues require multifaceted approaches, Parsons Inc. considers it crucial to engage with various stakeholders to promote awareness and foster understanding.

## Part I – Structure, Operations and Supply Chains

### Our Structure

Parsons Inc. operates across Canada with seven (7) active subsidiary entities incorporated in Ontario and Alberta. Parsons Inc.’s subsidiaries are:

- Parsons Canada 401Hot GP Inc. (Ontario, Corporation)
- Parsons Canada MIP Inc. (Alberta, Corporation)
- Command Engineering International Limited (Ontario, Corporation)
- Parsons Canada 401Hot Limited Partnership (Ontario, Limited Partnership)
- Parsons Canada 401Hot Limited Partnership (Ontario, Limited Partnership)
- Marigold Infrastructure Partners Inc. (Alberta, Corporation)
- West Corridor Developers General Partnership (Alberta, General Partnership)

---

<sup>1</sup> As these terms are defined pursuant to section 2 of the *Supply Chain Transparency Act*.

None of these subsidiaries meet the thresholds set out under section 2 of the *Supply Chain Transparency Act*.

Their parent company, Parsons Corporation (“**Parsons**”), is a publicly held company incorporated in the State of Delaware with shares traded on the New York Stock Exchange. Parsons has its headquarters in Centreville, Virginia. Founded in 1944, Parsons has grown to become a leading provider of the integrated solutions and services required in today’s complex security environment and digital world.

Many of the documents below were developed by Parsons and are used by its subsidiaries located in different jurisdictions. As such, where policies, procedures, and processes reference Parsons, they apply equally to Parsons Inc. and its subsidiaries

Parsons Inc. has been engaged in major infrastructure projects, including the Regina Bypass, Highway 401, the Gardiner Expressway Rehabilitation Project, and the La Fontaine Tunnel. Parsons Inc. delivers expertise across multiple disciplines and operates a team of engineers, project controllers, architects, and other staff to further local, regional, and provincial infrastructure projects.

Parsons Inc. currently has approximately 1,500 Canadian staff with offices across Ontario, British Columbia, Alberta, and Quebec. Parsons Inc. meets the thresholds for being considered an “entity” under section 2 of the *Supply Chain Transparency Act*.

Legally, Parsons Inc. is classified as a corporation. It was federally chartered as of December 12, 2015 with the charter identification number 955902-7.

Parsons Inc. operates in both the public and private sphere (federal solutions and critical infrastructure). At the public level, Parsons Inc. provides support for government projects, delivering timely, cost effective solutions for critical projects. It also provides services for rail, transit, bridges, roads, and other infrastructure at the local and regional level.

In the private sphere, Parsons Inc. primarily operates on infrastructure and environmental projects. Parsons Inc. also engages in consulting services, such as providing design services for various companies. This involves advising on global maintenance and communication systems and providing staffing on projects. As part of this work, Parsons Inc. buys and supplies materials, which are often sourced locally. However, Parsons Inc. may take a hybrid approach, using resources from abroad as well as third-party applications.

### **Our Supply Chains**

Parsons Inc. primarily sources its products from local vendors (i.e., from Canada or the United States). Responsible sourcing across the company’s integrated supply chain organization is vital to its business model. Parsons Inc. constantly evaluates its suppliers on their adoption of environmental, social and governance (“**ESG**”) standards, sustainability, trade compliance, and the quality of their products.

Parsons Inc.’s core values include its commitment to cultivating a responsible enterprise and conducting business ethically, safely, sustainably, and fairly. It publicly states that all its suppliers are expected to comply with these values and with its Code of Conduct.

## Part II – Policies and Due Diligence Processes

Parsons, and by virtue, Parsons Inc., have in place a robust set of rules and procedures addressing its obligations to treat its team members, clients and suppliers with the highest possible level of dignity and respect, as well as its expectations that its contractors, vendors, and suppliers do the same. These documents include the following:

- Human Rights Policy
- Code of Conduct
- Combatting Human Trafficking Policy
- Parsons Canada Standards of Ethical Conduct for Business Partners
- Parsons Canada Human Trafficking FED Policy Guidebook
- PRO-P-04.30 Combating Trafficking in Persons FED Procedure
- Anti-Corruption Policy
- Anti-Corruption and Third Party Due Diligence Procedure

Parsons' policies and practices are guided by ESG standards, of which their policies, disclosures, and reports are publicly available on Parsons' [website](#).

Parsons Inc. expects that all its suppliers comply with its policies and its Code of Conduct. This is a condition of doing business with the company. All suppliers are vetted in accordance with its compliance procedures and policies, and Parsons Inc. is committed to completing due diligence on all suppliers before onboarding. Common topics that Parsons Inc. considers when registering its suppliers include:

- Cyber incident reporting
- Disclosing the use of conflict minerals
- Counterfeit parts
- Human rights policies
- Commitment to Anti-Bribery and Anti-Corruption Standards

Parsons Inc.'s business partners are responsible for ensuring their own personnel and supply chain are aware of these standards and for requiring compliance with them. Failure to comply with these standards may jeopardize their business relationships with Parsons Inc. Sanctions for non-compliance may result in the withholding of payments to the contractor under the contract until the contractor complies or in the cancellation, termination, or suspension of the contract, in whole or in part.

In addition, in order to classify critical suppliers, Parsons has invested in advancing its technologies and deploying a modernized digital procurement transformation application that will include third-party and operational risk management capabilities. These enhanced features and functionalities will include operational risk, financial health, cyber risk, ESG, reputational, criminal, regulatory risk, foreign ownership, and control and influence.

### Human Rights Policy

Parsons adheres to a company-specific Human Rights Policy that demonstrates the company's respect for and commitment to preserving internationally recognized human rights per the guidance in the United Nations Universal Declaration for Human Rights ("UDHR") and the Organization for Economic Cooperation and Development ("OECD"). The policy applies to Parsons and all its businesses and subsidiaries worldwide. The policy interfaces with existing corporate policies and guidance, such as its Code of Conduct and its Anti-Corruption, Due Diligence, Anti-Harassment, and Anti-Human Trafficking policies. Parsons is also a signatory to the United Nations Global Compact ("UNGC") and regularly reviews its policies and practices for compliance and reporting. The Ten Principles of the UNGC, which concern human rights, labour, environment, and anti-corruption, align with Parsons' core values and policies. Consistent with these principles, Parsons:

- Promotes freedom, diversity, and equality, and forbids retaliation or discrimination
- Advances human rights in the way it treats its people, stakeholders, those in its supply chain, its partners, and the community
- Respects the rights of indigenous peoples, including Free, Prior and Informed Consent
- Prohibits the use of child labour and forced labour
- Acknowledges that the right to water is a fundamental human right

Parsons Inc. is committed to ensuring the company's Human Rights Policy is being followed for its employees and that it evolves as necessary to remain compliant with the guidelines set forth by the UDHR and OECD. Specifically, the Human Rights Policy states that Parsons and its affiliates have zero tolerance for human trafficking, and that employees may not:

1. Engage in "severe forms of trafficking in persons"
2. Procure "commercial sex acts";
3. Use "forced labour" in the performance of a government contract; or
4. Destroy, conceal, confiscate, or otherwise deny access by an employee to the employee's identity or immigration documents, such as passports or drivers' licenses, regardless of issuing authority.

The Human Rights Policy also mandates certain responsibilities for Parsons Inc.'s staff. For instance, all directors, officers, managers and employees must be aware of the Human Rights Policy and report all known or suspected violations to the Ethics Committee, an Ethics Officer, Human Resources, or the Legal Department.

### **Code of Conduct**

Parsons' Code of Conduct is [publicly available](#) in English and also provided to employees in Arabic and French. All suppliers are expected to comply with the Standards of Ethical Conduct for Business Partners, which is incorporated into the company's Code of Conduct. Parsons Inc.'s business partners must have their own code of conduct or abide by the established supplier standards.

The Code of Conduct addresses a myriad of behavior that is unacceptable for any supplier to engage in. Specifically, Parsons Inc. outlines its commitment to upholding workplace standards by outlining requirements for equal opportunity employment, anti-harassment policies, workplace

health and safety initiatives, and respecting human rights. Parsons Inc. explicitly states that it does not tolerate forced labour, child labour, commercial exploitation, or human trafficking, and that it expects its suppliers, subcontractors, and other business partners to uphold the same standards.

Parsons' Ethics Committee, includes the Chief Ethics Officer and CEO, and it reports directly to the Board of Directors for Parsons. This Committee also oversees ethics and compliance for Parsons Inc.

### **Auditing and Enforcement**

The Code of Conduct and Parsons Inc.'s contractual agreements with its suppliers grants it the right to audit its suppliers. When notified of an alleged ethics violation, the Ethics Committee will immediately initiate an investigation.

Through its Code of Conduct, Parsons Inc. has committed to cooperating with government investigations. In fact, should there be a government investigation or request for information, Parsons Inc. offers to help business partners review information and respond to governmental authorities through its General Counsel. Further, the Code of Conduct requires that all partners must fully cooperate with any internal investigator, including the Ethics Officers, Employee Relations, in-house counsel, and third-parties retained by the company.

All audits include planning, fact-finding, and reporting phases, as well as the examination of objective evidence to verify compliance. Audits must be performed by a qualified auditor who is independent of the work being audited. All projects are potentially subject to audit. Project selection is based on several factors, including risk, contract value, market and sector diversity, and the results of previous audits. Audits are performed to provide confidence that systems are implemented properly to deliver compliance and successful quality outcomes.

Parsons Inc. may conduct several different kinds of audits, including:

- Project quality audits;
- Project compliance audits;
- International Organization for Standardization audits; and
- Internal audits.

Internal audits and ethics investigations often result in policy or procedure changes or require additional training for certain individuals or groups of individuals. Parsons Inc.'s policy is to initially respond to all reporters within 48 hours of receiving a concern, and ethics cases and inquiries should be closed within no more than 45 days.

An independent third-party can audit Parsons' ethics program quarterly, reviewing all reports, case metrics (numbers of new cases, types of cases, business unit and geography of each case), and disposition of cases (including any whistleblower type claims). If circumstances warrant, the third-party auditor may ask Parsons Inc. to hire a third-party law firm to lead an independent investigation of certain issues.

Corrective action for any breaches include written counselling, termination, legal action, or other measures necessary to correct or address any issues identified. If the Ethics Committee or other appropriate body finds that a violation has occurred, Parsons Inc. can discipline or terminate suppliers, subcontractors, or business partners. In some cases, Parsons or Parsons Inc. may also report violations to the applicable government or law enforcement agency.

## **Reporting Process**

Employees, clients, and other business partners have several options for reporting concerns, including contacting the following channels:

- Direct supervisors
- General Counsel or any other member of the legal department
- Any Ethics Officer or the Ethics Committee, by telephone, email, its Ethics Helpline, or in writing to the Ethics Committee's office located in Centreville, Virginia
- The appropriate government department
- The Global Human Trafficking Hotline: 1-844-888-FREE or [help@befree.org](mailto:help@befree.org)

The Ethics Hotline is available 24/7 for parties who have concerns and want to make anonymous reports. Inquiries can be submitted online or through country-specific telephone numbers. Details of this hotline and the company's Whistleblower Program are incorporated into the Code of Conduct.

The Ethics and Compliance team reviews and investigates every case or inquiry it receives and provides actionable guidance to the reporter as well as to management and Human Resources when necessary. Case outcomes are reviewed by the Ethics Committee, and the dispositions are upheld when agreed upon. If the Ethics Committee disagrees with the disposition of a case, it may direct a different resolution (up to and including termination of offending actors).

## **Our Due Diligence Processes**

Parsons Inc. recognizes that due diligence is a process to identify and respond to the real and potential adverse impacts of activities throughout the supply chain. Prior to signing suppliers, Parsons Inc. ensures that it conducts a thorough search of the potential partner's history, including any possibility of using human trafficking, slavery, and corruption. Parsons Inc. also vets all business partners, clients, agents and vendors for environmental performance, trade controls, labour practices and human rights practices.

Parsons Inc. has implemented a number of due diligence measures to ensure layers of review. As described above, Parsons Inc. requires that all its suppliers review the Code of Conduct and other applicable policies and procedures. Due diligence is performed in line with the representative risk those relationships may pose to the company. As part of the due diligence procedure, all third-parties must fill out questionnaires which permit Parsons Inc. to complete the level of diligence appropriate for the level of risk for the third-parties and any parents, subsidiaries, or affiliates.

Further, Parsons Inc. requires suppliers to fill out a questionnaire (the "**Supplier Questionnaire**") upon registration. The Supplier Questionnaire contains questions on general and transaction



information and environmental sustainability. Parsons Inc. is committed to including additional questions about suppliers' association with third-parties and how they ensure there is no risk of forced labour, child labour, or other human rights issues in those relationships.

Parsons Inc. is committed to healthy, safe, and respectful working conditions throughout its supply chain. Forced labour and child labour are anathema to the company's core values, which is why it has strong due diligence practices in place.

### **Part III – Risks of Forced Labour and Child Labour in Operations and Supply Chains**

Parsons Inc.'s potential exposures to indirect association of modern slavery practices come through its supply chain, as it relies on contracting and subcontracting services. Due to the global nature of its business, including where it does business, its supply chain, its clients and the diversity of its employees, Parsons Inc. applies its robust due diligence process broadly. No third-party may be engaged without due diligence and enhanced due diligence is applied if there is any enhanced risk.

Through the Code of Conduct, Parsons Inc. expects all suppliers, regardless of the cultural, social and economic context, to meet expectations of fundamental rights for all people. This means treating their employees with fairness, respect and dignity, and following practices that protect health and safety for the people working for them. These expectations are reinforced through Parsons Inc.'s regular audits of its suppliers.

Parsons Inc. believes there is minimal risk of forced labour or child labour in its supply chain. It is not aware of any forced labour or child labour in its supply chain. Both statements are subject to the limitations of Parsons Inc.'s risk identification activities as described in more detail above and below.

### **Part IV – Measures to Remedy Forced Labour and Child Labour**

Parsons Inc. is not aware of any incidents of forced labour or child labour in its activities or supply chain in its past financial year, subject to the limitations of its risk identification activities as described in more detail above and below.

Nevertheless, if any incidents arise, Parsons Inc. will hold all individuals and entities accountable.

### **Part V – Measures to Remediate the Loss of Income to those Impacted by the Elimination of Forced Labour and Child Labour**

Parsons Inc. recognizes that efforts to prevent and reduce the risk of forced and child labour (as set out at Part IV) can have the unintended consequence of contributing to a loss of income for vulnerable families.

Parsons Inc. has not, as of the date of this report, become aware of any loss of income to vulnerable families resulting from its measures to eliminate the use of forced labour and child labour in its activities and supply chains. Should such a risk materialize, Parsons Inc. remains committed to preventing and reducing the impact that forced and child labour can have on a vulnerable family.

### **Part VI – Training Provided to Employees**

Employees receive integrity and Code of Conduct training upon hire and additionally receive annual training. Parsons Inc. provides integrity training during even years (e.g. 2022, 2024) and

Code of Conduct recertification and acknowledgment in odd years (e.g. 2023, 2025). This means that every other year, employees must re-acknowledge the Code of Conduct. The completion rate for Parsons 2022 training was 97%. Ethics and Compliance team conducts hundreds of investigations and answers as many queries every year. Further, Parsons Inc. provides Combatting Trafficking in People training as appropriate.

Parsons Inc. also implements an Ethics and Compliance Program which consists of ethics, anti-corruption, compliance, trade compliance, political law and political action committee compliance, and privacy compliance. This program is distributed amongst employees through internal communications, training, and activities. Parsons Inc. also annually deploys a Culture of Ethics survey to get feedback on the program.

### **Part VII – Assessing Effectiveness of Actions against Forced Labour and Child Labour**

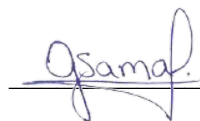
Parsons Inc. has taken actions to assess the effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains in the previous financial year by requiring its suppliers to abide by its Code of Conduct.

Parsons Inc. will review its reporting document and update as necessary to ensure that it reflects the emerging consensus on best practices to address these complex issues. The Code of Conduct, Human Rights Policy, Supplier Questionnaire and auditing process are consistently reviewed to ensure continued compliance and to help the company implement any improvements required to ensure it is accurately obtaining and retaining information from its external and indirect suppliers.

#### **Attestation**

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains 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.

By signing the below, I hereby confirm I have the authority to bind Parsons Inc.



---

Osama Gamal F. Youssef  
SVP - Regional Manager – Greater Toronto Region

May 29, 2024

---

Date