



Pattison Outdoor Advertising LP

Modern Slavery Report 2023

This Modern Slavery Report (the "Report") addresses the period from January 1, 2023 to December 31, 2023 and has been prepared in compliance with Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* (Canada) (the "Act").

This initial Report is made on behalf of **Pattison Outdoor Advertising LP ("PATTISON OUTDOOR")** and is prepared for a single entity.

## **I. INTRODUCTION**

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As a leading business in the Out-of-Home Advertising industry, PATTISON OUTDOOR recognizes the important role that we have in ensuring that the supply chains that support our operations and products adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. This Report sets out the steps we have taken during the 2023 fiscal year to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by PATTISON OUTDOOR or of goods imported into Canada by PATTISON OUTDOOR.

## **II. CORPORATE OVERVIEW AND SUPPLY CHAINS**

PATTISON OUTDOOR is a division of the Jim Pattison group of companies. PATTISON OUTDOOR is operated by an executive team including the President, Executive Vice President / CFO, Regional Vice President – General Managers and Vice Presidents of Technology, Marketing, Client Services and Commercial Development. General Managers guide a group of directors/managers who are responsible for the operations of the individual regions. The executive team provides the framework for regions to operate. PATTISON OUTDOOR employs approximately 500 people in its 18 locations across Canada, headquartered in Mississauga, Ontario.

PATTISON OUTDOOR is Canada's largest Out-of-Home company and sells a broad range of static and digital Out-of-Home products including billboards, transit shelters, transit products (bus, subway, platform), airport interiors, urban pathways and residential and commercial towers. Pattison Outdoors customers are predominantly located in Canada and fall into two categories – direct clients who place orders directly with Pattison and "National" clients who place orders through an advertising agency who execute the contract on their behalf. We operate 18 sales offices across Canada employing 125 sales executives. Included in our media sales price is the inclusion of creative services for clients that need that assistance. Installation of ads is also a service provided at no charge. We will also procure and deliver the printed advertising materials on a cost-plus basis – again, only for those clients requiring that assistance.

PATTISON OUTDOOR's approach to product acquisition is to seek out suppliers based on the highest quality standards rather than the lowest cost supplier. Our supply chain includes businesses that print advertising materials, generally on paper or vinyl, and those that produce, assemble and install advertising structures / screens. We receive goods from our suppliers in their final form, and some that require further processing. Most of our suppliers are Canada-based with 95% of orders placed with Canadian suppliers. The balance are from the United States with no products sourced outside of those two countries. Whenever possible, electronic purchases are made with trusted large brands, and internationally recognized distributors, rather than from direct overseas factories.

PATTISON OUTDOOR is not required to produce similar reports under any other jurisdiction.

PATTISON OUTDOOR qualified to file this Report as during the 2023 fiscal year PATTISON OUTDOOR: a) was doing business in Canada; b) had at least \$20mm in assets in Canada; c) generated at least \$40mm in revenues; and d) employed at least 250 people.

The head office of PATTISON OUTDOOR is located at 2700 Matheson Blvd. East, Mississauga, Ontario L4W 4V9.

In total, we procure goods and services from approximately 800 suppliers and contractors. PATTISON OUTDOOR's total procurement spend in 2023 was \$82 million.

### **III. POLICIES AND DUE DILIGENCE PROCESSES**

#### **Policies**

Through our Company Code of Ethics and Whistle Blower policies, we communicate our values and expectations, setting a high bar for ourselves and our suppliers, and make it clear that we do not tolerate any forms of forced labour or child labour. We are committed to evolving and improving our approach. We do not tolerate child, forced or bonded labour in any of our operations, or in the operations of our suppliers, subcontractors and other business partners. We make an effort, including through carrying out our due diligence and audits, to monitor the performance of our suppliers and to prevent our activities harming human rights. Our policies were adopted in 2008, and are reviewed annually. Our relevant policies are discussed in further detail below:

#### **Business Code of Ethics**

We are committed to conducting our business lawfully and ethically. Our Business Code of Ethics is the foundation of our company policies and sets out guiding principles on professional conduct and establishes that in performing their job duties, PATTISON OUTDOOR employees should always act lawfully, ethically and in the best interests of PATTISON OUTDOOR.

#### **Whistleblower Policy**

We are committed to maintaining high ethical standards and legitimate business practices and wish to encourage the identification and prevention of any misconduct that may affect this commitment. The Whistleblower Policy aims to provide an avenue for employees to raise serious concerns with the reassurance that they will be protected from reprisal or victimization for whistle-blowing in good faith.

#### **Due Diligence**

We expect third parties with which we work to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. Before making any commitments towards third parties, we take steps to appropriately evaluate the relationship and mitigate any associated risks by carrying out risk-based due diligence and checks.

To mitigate potential forced labour and child labour risk, we follow a due diligence approach that includes the following steps:

- Supplier visits;
- Supplier confirmation, including appropriate language on this issue representing and warranting that no such practices are involved or incorporated in their systems/work; and
- Embedding responsible business conduct into policies and management systems.



#### **IV. RISK ASSESSMENT AND MANAGEMENT**

PATTISON OUTDOOR engages in various activities to identify, assess, and manage supplier risk. In assessing the risk of forced and child labour in our business and supply chains, we engage with our peers to discuss risks. To identify the business activities with the greatest exposure to these risks, we consider the following factors:

- Reliance on low skilled workforce;
- Dangerous or undesirable work; and
- Presence of migrant workers.

Recognizing that although all of our products and services are sourced in Canada and the US, our exposure to the risk of forced labour and/or child labour increases when products we procure may have components sourced outside of those countries. This is a particular risk in the purchase of digital technologies which might have components sourced off-shore. We recognize that our exposure to forced labour and/or child labour increases when we engage with suppliers who source goods or raw materials from countries where forced labour exploitation is known to occur. As such, we follow a risk-based approach to our due diligence activities. Our due diligence is prioritized to the most significant adverse impacts based on severity and the likelihood of harm and focus our attention and resources.

#### **V. MODERN SLAVERY REMEDIATION MEASURES**

##### **Steps to Prevent and Reduce Risks of Forced and Child Labour**

- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily;
- Prioritization to focus due diligence efforts on the most severe risks of forced and child labour;
- Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains; and
- Monitoring suppliers.

##### **Remediation Measures**

We require our suppliers to adhere to high standards of ethical conduct. Forced and child labour is strictly prohibited. We also undertake diligence efforts (as further described in this Report) to ensure that the risk of forced labour and child labour is mitigated in our business.

If we discover any forced labour or child labour in our business and supply chains, we take the following measures to remediate such forced labour or child labour:

- *Suspension or termination of a supplier, sub-supplier or contractor;*
- *Actions to prevent forced labour or child labour and associated harms from reoccurring;*
- *Actions to support victims of forced labour or child labour;*
- *Grievance mechanisms; and*

- *Formal apologies.*

## **VI. LOSS OF INCOME – REMEDIATION MEASURES**

- **STEPS TO BE TAKEN TO REMEDIATE IF THERE IS A LOSS OF INCOME RESULTING FROM REMEDIATION MEASURES:**
  - *Actions to support victims of forced labour or child labour and/or their families such as workforce reintegration and psychosocial support;*
  - *Compensation for victims of forced labour or child labour and/or their families; and*
  - *Community and stakeholder engagement or wider capacity-building measures.*

Note that we have not identified any instances of forced labour or child labour in our operations and/or supply chain.

## **VII. TRAINING**

Every year, PATTISON OUTDOOR personnel at all levels are required to review our Code of Business Ethics and, as such, is understood and properly applied to our daily activities. Every new employee of PATTISON OUTDOOR must complete mandatory online training on our values and policies, including our Code of Business Ethics, and is informed of how to report wrongdoing under our Whistleblower Policy. We provide employees with ongoing and periodic training opportunities to ensure that all employees have current knowledge. The on-boarding policy has been updated to ensure all PATTISON OUTDOOR employees are trained in this subject matter.

## **VIII. ASSESSING EFFECTIVENESS**

As part of our governance processes, we monitor compliance with our policies on an ongoing basis. We also review any concerns raised through our Whistleblower Policy and other informal mechanisms of employee feedback. To date, no significant concerns or complaints have been identified.

We also assess the effectiveness of our policies by:

- Setting up a regular review or audit of the organization's policies and procedures related to forced labour and child labour; and
- Tracking relevant performance indicators, such as levels of employee awareness, number of cases reported and solved through grievance mechanisms and number of contracts with anti-forced labour and child labour clauses.

To date we have not identified any parts of our business activities or supply chain that carries the risk of forced labour.

**IX. APPROVAL AND ATTESTATION**

This Report was approved pursuant to paragraph 4(a) of the Act by PATTISON OUTDOOR's President Steve McGregor on May 31, 2024 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at [www.pattisonoutdoor.com](http://www.pattisonoutdoor.com).

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for PATTISON OUTDOOR. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



**Steve McGregor on behalf of Pattison Outdoor Advertising LP**

**President, May 31, 2024**

I have the authority to bind PATTISON OUTDOOR