

Powell (Richmond Hill) Contracting Limited
Powell Contracting
ANNUAL REPORT ON FORCED LABOUR AND CHILD LABOUR
(for the year ended December 31, 2023)

1. Introduction

This report is made pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") and constitutes RSG International's annual report (the "**Report**") for the year ending December 31, 2023. Set out below are the policies and processes that are in place to prevent forced labour and child labour (i.e., modern slavery) and human trafficking from taking place in our operations and supply chain. Modern slavery and human trafficking are contradictory to the Purpose, Vision and Values of Powell Contracting. As such, we maintain a zero-tolerance policy for modern slavery and human trafficking within our organization, vendors and subcontractors.

We hold ourselves to the highest standards and expect our employees to act with honour and integrity at all times. We maintain an Employee Code of Conduct and a Supplier Code of Ethics to outline these expectations. If instances arise where these expectations are not met, we are committed to responding in an appropriate manner (up to, and including, employment and/or contract termination).

2. Our Structure, Operations and Supply Chain

Powell Contracting is a leader in the road safety sector and is a recognized expert in the field. We supply and install road safety products that outfit highways, airports, and transit systems. This includes temporary construction barriers, crash attenuators, steel beam energy attenuator terminals, overhead signs, ground mounted signs, and cable guide rails. Road safety has been our focus for over 50 years, and we take great pride in our work. Our project delivery strategies improve timelines and processes which allows clients to generate increased capabilities from start to finish. We proudly employ hundreds of employees, have an impressive fleet of vehicles, and can tackle any project that comes our way. We are committed to providing the highest level of service, expertise, and quality, and we work closely with distributors and customers to understand their specific needs.

3. Modern Slavery Risks in our Operations & Supply Chain

According to the Global Slavery Index, Canadian importers are exposed to modern slavery risks primarily associated with electronics, garments, textiles, gold and sugarcane. The total value of these products is estimated at \$20 Billion USD per year. For American importers, the value is far higher, worth an estimated \$170 Billion USD per year. These risks are primarily associated with electronics, garments, textiles, fish and timber¹.

The vast majority of individuals experiencing modern slavery live in the Asia and Pacific regions, with those living in India, China, North Korea, Pakistan, Indonesia, and Bangladesh at particularly high risk². Powell Contracting does not import garments, textiles, gold, sugarcane, fish or timber of any kind. We purchase electronics to empower our employees and safety garments to keep them safe. However, we procure these items locally from reputable domestic suppliers rather than importing them directly.

4. Reducing Modern Slavery Risk

¹ [Importing Risk | The Global Slavery Index \(walkfree.org\)](https://www.walkfree.org/global-slavery-index/importing-risk)

² [Prevalence & Number | The Global Slavery Index \(walkfree.org\)](https://www.walkfree.org/global-slavery-index/prevalence-number)

It is our assessment that the risk of modern slavery in our direct operations is negligible, due to the strong influence of labour unions and human resource best-practices that require Social Insurance Number (SIN) or Social Security Number (SSN) verification. Furthermore, Powell Contracting does not rely on subcontractors to supplement our existing workforce nor does it hire temporary foreign workers through programs run by either Canada or in the United States. As such, we can verify that individuals are being properly compensated in accordance with the terms of their respective employment contracts.

Powell Contracting is implementing a Whistleblower Policy in 2024 and an online reporting platform to empower our employees, suppliers, vendors, stakeholders, and members of the public. This confidential service is administered by a dedicated Whistleblower Protection Officer who is responsible for collecting evidence, testimony, and other supporting data that might reveal instances of wrongdoing. While this program covers a wide range of topics, it was specifically designed with modern slavery and human trafficking in mind.

5. Our Frameworks and Policies

We believe that good governance is the essential foundation of a respectful and inclusive corporate culture that earns trust and generates value for our clients and stakeholders (including the communities in which we operate). The following is a list and brief description of the approved governance policies that reduce our exposure to modern slavery, human trafficking and human rights abuses. In turn, these policies and procedures secure our social license to operate while improving the quality of our working environment.

5.1. Human Rights Position Statement

At Powell Contracting, we believe in the inherent dignity and the equal and inalienable rights of all members of the human family³. As such, we recognize that it is our duty to support and respect human rights as outlined in the United Nations' Universal Declaration of Human Rights (UDHR), the United Nations' Guiding Principles on Business and Human Rights (UN Guiding Principles), and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

From a human rights perspective, we focus on upholding freedom of association, recognizing the right to collective bargaining, eliminating forced and child labour, and preventing all forms of discrimination in the workplace.

Our Human Rights Position Statement outlines our commitment to addressing systemic discrimination experienced by vulnerable population segments. Historically, these groups include ethnic, linguistic, and religious minorities; women, two-spirit, lesbian, gay, bisexual, transgender, queer and/or questioning, intersex and asexual people (2SLGBTQIA+); people with disabilities; undocumented migrants, and migrant workers.

Powell Contracting strives to uphold human rights in the markets and jurisdictions we live and operate in, ensuring that we meet or exceed the legislative requirements in all cases.

We expressly prohibit discrimination based on race, religious beliefs, colour, gender, genetic characteristic, disability (physical, mental and addiction), age, ancestry, marital status, sexual orientation, source of income or family status, place of origin, ethnic origin, conviction for an offence for which a pardon has been granted, or a record suspension has been ordered⁴.

³ [Universal Declaration of Human Rights | United Nations](#)

⁴ [Part I – Freedom from discrimination | Ontario Human Rights Commission \(ohrc.on.ca\)](#)

5.2. Employee Code of Conduct

Powell Contracting believes that ethics are a shared responsibility for all employees regardless of where they operate globally. Our Employee Code of Conduct reflects our ethics and aligns with the Purpose, Vision and Values of our organization. In turn, these values reflect the societal norms and expectations of the jurisdictions we operate in. Our ethics form the basis for all interactions, including those between employees, contractors and subcontractors alike. It also acts as the foundation for how we collaborate and work together in a respectful, transparent, and fair operating environment.

Our Employee Code of Conduct outlines our employees' responsibilities to the organization, to each other, and to the public. This includes protecting our reputation, thinking critically, acting objectively and impartially, making well-informed decisions, complying with all applicable laws and regulations, and seeking resources for assistance as needed. Furthermore, it prescribes standards of ethical conduct for personal integrity, respect for others, protection of assets and records, community involvement, and public communications.

Employees are also expected to avoid any relationships or activities that may impair their ability to make fair and objective decisions at work. In cases where a conflict of interest exists, employees are expected to disclose the details before any activity, transaction, or relationship begins. This expectation also extends to potential conflicts of interest and instances of perceived conflicts of interest. Improper use of company trade secrets will not be tolerated. Similarly, the use of corporate assets, authority or business relationships for personal gain is expressly prohibited.

Actual or suspected violations of our Employee Code of Conduct provisions with respect to human rights are required to be reported. Anyone who breaches the Employee Code of Conduct, or fails to report an actual or potential breach, is subject to corrective action that reflects the severity of the offence. Discipline can result in action up to and including termination of employment.

5.3. Supplier Code of Ethics

Among other requirements, our Supplier Code of Ethics requires vendors, suppliers and other subcontractors to comply with human rights, labour and employment standards. This policy also sets forth our expectations about treating stakeholders with dignity, fairness and respect.

As per our Supplier Code of Ethics, vendors and suppliers must be able to demonstrate that their workplaces are free from child labour, forced labour, compulsory labour, prison labour, or debt bondage. They must also be able to demonstrate that employees, contractors and subcontractors are not victims of human trafficking. This includes the transportation, harboring, recruitment, transfer, or receipt of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation.

Powell Contracting expects that all work must be voluntary, and workers must be free to leave or terminate their employment with reasonable notice. Workers must not be required to surrender government issued identification including passports, work permits, drivers' licenses or birth certificates as a condition of their employment. Appropriate and reasonable background screenings, including police background checks for prior criminal activity, are also considered to protect employees.

In suspected cases where our Supplier Code of Ethics appears to have been breached, Powell Contracting maintains the right to investigate, interview, and collect evidence of potential wrongdoing. This can include virtual, in-person, or on-premise actions as required. Failure to comply with these efforts, or steps taken to obfuscate an investigation can lead to the termination of existing contractual relationships without the standard notice period typically provided.

5.4. Anti-Corruption & Anti-Bribery Policy

Powell Contracting maintains an Anti-Corruption & Anti-Bribery Policy designed to identify and address potential conflicts of interest in a proactive manner. Under the *Foreign Corrupt Practices Act* (United States) and the *Corruption of Foreign Public Officials Act* (Canada), individuals found to be involved in corrupt activity can be fined or sentenced to imprisonment. Companies found to have taken part in corrupt activity can also face an unlimited fine. Due to the potential impacts of corruption and bribery, Powell Contracting takes these legal responsibilities very seriously.

Anti-corruption laws in the United States and Canada also have extraterritorial applications. As such, we uphold these requirements in all the jurisdictions we operate in. Powell Contracting takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all our business dealings and relationships. This expectation also extends to our various vendors, suppliers, and subcontractors. Our Anti-Corruption & Anti-Bribery Policy applies equally to all directors, officers, and employees. As per our conditions of employment, each such person agrees to be bound by the provisions of this policy.

In accordance with our Anti-Corruption & Anti-Bribery Policy, Powell Contracting plans to conduct annual company-wide human rights assessments. We will assess human rights risks by evaluating the scale, scope and irremediability of potential impacts of our actions or lack thereof across our supply chain. This analysis incorporates known hotspots and tactics used by human traffickers and criminal organizations. These insights help us improve our policies and processes as needed, prioritize future efforts to mitigate adverse human rights impacts, and ameliorate impacts to which we may be linked.

5.5. Whistleblower Policy

Powell Contracting implemented a Whistleblower Program in 2024 to provide a safe and confidential, or anonymous mechanism for individuals to report concerns about illegal, unethical or unsafe business practices without fear of retaliation or repercussions. This policy applies to all stakeholder groups, including board members, employees, contractors, subcontractors, suppliers, vendors, volunteers, and other members of the public involved with RSG International, its affiliated companies, or a related company or organization.

For more information or to submit a Whistleblower Complaint, please visit <http://www.rsgint.com/whistleblower>

6. Our Remediation Processes

Our Employee Code of Conduct requires all employees, vendors, suppliers, contract workers and subcontractors to report actual or suspected misconduct as it relates to modern slavery, bribery, and corruption. We encourage open communication to identify and address potential issues as quickly as possible. Company affiliates are expected to speak to a manager, senior management, or a

representative from Human Resources. We also implemented a Whistleblower Policy in 2024, including a process to submit a whistleblower report. The online whistleblower platform is a secure, confidential, and accessible 24/7. Individuals are also able to submit their concerns in writing, by voicemail, or anonymously if they desire.

Investigations into potential wrongdoing are managed at the highest levels within our organization. The whistleblower program that was implemented is administered by a designated Whistleblower Protection Officer, who is independent from Human Resources.

We have not identified any forced labour or child labour in our activities and supply chains, and as such, no remediation measures have been taken.

7. Assessing our Effectiveness

To move forward, we must evaluate our implementation effectiveness. We will review several factors regarding our success within the framework.

We will continue to develop our audit protocols to review our success, the number of employees trained, and the number of suppliers reviewed and communicated with. We will also conduct an annual review of our policies and procedures to ensure that they are in compliance with and that we meet our social commitments.

8. Conclusion

Powell Contracting is committed to preventing modern slavery and human trafficking from taking place in our businesses and supply chains. We will review our policies, procedures, and practices annually to determine if any adjustments can help prevent these and other serious human rights abuses.

9. Approval and Attestation

This Report was approved pursuant to Section 11(4) of the Act by the President of Powell Contracting.

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 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.

Lisa Laronde

Lisa Laronde

President

Date: May 31st, 2024

I have the authority to bind the Board of
Directors of Powell Contracting