



Supply Chain Transparency Report 2023

May 29, 2024

1. Introduction

This Supply Chain Transparency Report (the Report) is prepared by Priestly Demolition Inc. (PDI, we, us, or our) for the period beginning on February 1, 2023 and ending on January 31, 2024 (Fiscal 2024) in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the Act). This Report describes the steps PDI has taken in Fiscal 2023 to prevent the use of forced labour and child labour in its activities and supply chains.

2. Structure, Activities and Supply Chain

Founded over 25 years ago, Priestly Demolition Inc. is a leader in the demolition industry. We are committed to delivering high-quality demolition services while prioritizing safety, efficiency, and environmental responsibility. Our core values include integrity, safety, sustainability, and innovation.

PDI is a private company incorporated pursuant to the Laws of the province of Ontario and wholly-owned by The Ryan Priestly Family Trust (2021). PDI's head office is located in King, Ontario and we have affiliated branches located in Calgary, Alberta, Windsor, Ontario, Cincinnati, Ohio and Chantilly, Virginia.

PDI offers a comprehensive range of demolition services, including:

- **Structural Demolition:** Safe dismantling of buildings and structures.
- **Selective Demolition:** Targeted demolition of specific parts of structures.
- **Site Remediation:** Cleaning and preparing sites for new construction.
- **Recycling and Waste Management:** Responsible disposal and recycling of demolition materials.
- **Hazardous Material Abatement:** Safely manages hazardous materials with specialized equipment, trained professionals, and green procedures meeting LEED certification.
- **Asset Recovery/Salvage:** diverts 95% of materials from landfills, salvages valuable components for resale, and crushes concrete and asphalt on-site for future development, minimizing construction costs.

- **Concrete Crushing:** uses mobile concrete crushing units to recycle 95% of demolition debris, reducing landfill costs and environmental impact, while ensuring compliance with disposal laws and minimizing construction costs.

PDI's chain of command is structured as follows:

- **Executive Team:** Provides strategic direction and oversight.
- **Leadership Team:** Oversees key operational functions and ensures alignment with strategic goals.
- **Project Management:** Manages project execution and ensures compliance with safety and environmental standards.
- **Safety Compliance Team:** Ensures adherence to safety protocols and regulations.
- **Supply Chain Management:** Manages supplier relationships and ensures compliance with ethical standards.
- **Unionized Workforce:** 72% of our employees are unionized and adhere to strict labor codes, ensuring fair treatment, safe working conditions, and compliance with labor laws. All of the unionized employees are located in Ontario, Canada. The remainder of our employees are ununionized and located in Ontario, Canada.

PDI's supply chain includes businesses that supply goods and services to our organization, including suppliers of rental equipment, minor parts, fuel, disposal services, heavy machinery and specialized equipment. In total, PDI procures goods and services from approximately 400 suppliers and contractors. PDI purchases heavy equipment from Europe and the United States. The majority of PDI's suppliers are located in Canada (98%), the remaining are located in the United States and Europe.

3. Steps Taken to Prevent and Reduce the Risks of Forced Labour and Child Labour

Priestly Demolition Inc. is dedicated to maintaining a supply chain free of forced labor and child labor. Through rigorous compliance measures, continuous improvement, and transparent reporting, we aim to uphold the highest ethical standards in all our operations. Our commitment to ethical practices is further reinforced by our unionized workforce, which adheres to strict labor codes ensuring fair treatment and safe working conditions. Additionally, we ensure that our international procurement of heavy equipment from Europe and the United States complies with our ethical standards and anti-slavery policies. We remain committed to protecting human rights and ensuring ethical practices throughout our supply chain.

PDI has undertaken the following steps to prevent and reduce the risks of forced labour and child labour in its activities and supply chain:

- **Supplier Relationships.** PDI has established long-term relationships with suppliers committed to ethical practices.

- **Supply Chain Mapping.** Subsequent to Fiscal 2024, PDI conducted a detailed mapping of our supply chain, identifying all suppliers and subcontractors involved in our operations. We classified suppliers based on risk factors such as geographic location and industry.

4. Policies and Processes Relating to Forced Labour and Child Labour

PDI communicates its values and expectations through its organizational and governance policies. PDI sets a high bar for itself and its suppliers. PDI does not tolerate any forms of forced labour or child labour and we make every effort to prevent our activities from having a negative impact on human rights. PDI's relevant policies include the following:

New employees at Priestly Demolition Inc. undergo an orientation program led by the People Success and Health & Safety teams to ensure they start their careers successfully. They receive electronic access to the Employee Handbook on our fully accessible Employee portal, which covers PDI policies, reporting processes, code of conduct, and ethical business practices, all compliant with applicable laws. The handbook applies to all Priestly Group units, includes location-specific rules when necessary, and requires all employees to review and follow its terms. PDI ensures that policies are clearly communicated, easily accessible, and continuously reviewed by management.

Due Diligence Processes

PDI has not implemented any specific policies, governance or due diligence processes in relation to the use of forced labor or child labor in our supply chains, other than as identified above.

5. Risk Assessment and Monitoring

PDI has not started the process of identifying parts of our activities and supply chains that carry a risk of forced labour or child labour. However, a large portion of our employees are unionized (as noted above) which PDI believes mitigates the risk of forced labour or child labour within PDI's operations as our unionized workforce adheres to strict labor codes ensuring fair treatment and safe working conditions.

6. Remediation Measures

In Fiscal 2023, no incidents of forced labour or child labour were reported or identified in PDI's activities or supply chain. As a result, remediation measures were not required to correct any forced labour or child labour, or to compensation the loss of income to the most vulnerable families as a result of remediation measures.

7. Training

PDI does not currently provide training to employees on forced labour and/or child labour. However, when PDI onboards employees, they are provided with employee handbook training as discussed in section 4 above.

8. Effectiveness Assessment

PDI does not currently have policies or processes in place to assess our effectiveness in ensuring that forced labour and child labour are not being used in PDI's activities and supply chains.

9. Approval and Attestation

This Report was approved by PDI's Board of Directors on May 29, 2024 pursuant to paragraph 11(4)(a) of the Act 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.priestly.ca.

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 PDI. 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 Fiscal 2024.

I make the above statement in my capacity as a member of the Board of Directors of PDI.



Jeff Holmes

President

May 29, 2024

I have the authority to bind Priestly Demolition Inc.