

# FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS REPORT 2023

## INTRODUCTION

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) is a crucial piece of legislation aimed at addressing the pervasive issue of forced labour and child labour within supply chains operating in Canada. This Act sets out specific requirements and obligations for businesses to report on the measures taken to prevent and reduce the risk that forced labour or child labour is used by them or in their supply chains.

ROSEN Canada Ltd (“ROSEN”, “we” or “our”) is a Canadian-based business committed to ethical sourcing practices and corporate social responsibility. With a dedication to sustainable and responsible business operations, ROSEN recognizes the importance of preventing and reducing the risk of forced labour and child labour within our activities and supply chain.

This report aims to provide a comprehensive overview of the steps ROSEN has taken during its previous financial year (January 1, 2023 to December 31, 2023) to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by ROSEN, or of goods imported into Canada by ROSEN. This report demonstrates ROSEN's dedication to upholding the principles outlined in the Act and contributing to the eradication of forced labour and child labour in Canadian supply chains.

## ROSEN STRUCTURE, OUR BUSINESSES, and SUPPLY CHAIN

ROSEN has fully functioning operations in Canada with over 200 employees protecting critical oil and gas infrastructure through market leading inspection services, data quality, and integrity management. ROSEN is an Alberta Corporation under the *Alberta Business Corporations Act*. ROSEN is a wholly owned subsidiary of HORONA Inc., a Delaware corporation registered with the Delaware Secretary of State.

Our market includes providing asset inspection and integrity services for the thousands of kilometers of installed energy transport pipelines, storage tanks, and piping that exists in Canada.

ROSEN's supply chain includes suppliers of finished goods used in the day-to-day operations of its services. The overwhelming majority of goods imported by ROSEN come from established businesses in Germany (64%) and the USA (32%). Thirteen other countries represent the remaining 4% of imports.

## POLICIES AND DUE DILIGENCE PROCESSES FOR FORCED LABOUR AND CHILD LABOUR

At ROSEN we recognize our responsibility to exercise due diligence in respect of all our suppliers to make sure they uphold and prioritize the well-being and rights of workers throughout our supply chains to the utmost degree.

ROSEN, an ISO 9001, 14001, and 45001 certified company, has an Integrated Management System (IMS), including a Code of Conduct, a Human Resources Policy Manual, an Anti-Bribery Policy, an Environmental, Social and Governance (ESG) Statement of Priorities, guidelines for Contractor Management, and a process for Compliance Reporting (by phone, email, or web site) to our Chief Compliance Officer.

- **Code of Conduct:** ROSEN's Code of Conduct describes the rules and standards that we at ROSEN follow, and which we honor as the common guidelines for our behavior and our decisions. It supplies us with a framework inside of which we can breathe life into the attitude described therein as we go about our daily work and in our interactions with each other. ROSEN's Code of Conduct applies to all executives, employees, regardless of where we work, and are to be honored by our suppliers and contractors,

regardless of their collaboration with ROSEN. The Code of Conduct includes the following principles: (1) we abide by the law, (2) we respect human rights, (3) we take responsibilities for our employees (4) we conserve natural resources (5) we promote fair competition (6) we avoid conflicts of interests, and (7) we protect our know-how.

- **Human Resources Policy Manual:** ROSEN's Human Resources Policy Manual includes provisions with respect to Business Ethics, Conflicts of Interest, Representative Conduct, Whistleblowing, Data Privacy, Anti-Harassment, Anti-Violence, Fair Employment Practice, and protection of company and employee property.
- **Anti-Bribery Policy:** ROSEN's Anti-Bribery Policy describes the rules and standards to reduce the risk and avoid the appearance of bribery and corruption. ROSEN believes in fair competition on the merits of our products and services and we strive to avoid even the impression of improper conduct with our customers, government officials, or any third party. ROSEN is dedicated to ensuring its business is conducted in an ethical and transparent manner. ROSEN has a strict zero-tolerance approach in respect of Bribery and Corruption in any form, whether it be active, passive, direct or indirect. ROSEN is committed to complying with all relevant anti-bribery and anti-corruption laws where we do business. These laws generally prohibit bribes, kickbacks, or illegal payments to influence business transactions.
- **ESG Statement of Priorities:** ROSEN's Statement of Priorities defines ROSEN's ESG priorities and guide our business in setting their ESG goals, action plans and specific ESG initiatives. By incorporating the United Nations (UN) Sustainable Development Goals (SDGs) into our business strategies and practices, ROSEN is not only upholding its basic responsibilities to people and the planet, but also setting the stage for long-term success. We align our companywide ESG sustainability strategies to specific SDGs where we can make the greatest impact. For example, aligning business practices with the UN Guiding Principles on Business and Human Rights and ensure that human rights considerations are integrated into our ESG governance mechanisms.
- **Contractor Management:** The intent and purpose of ROSEN's guidelines for Contractor Management is to ensure the management of Health, Safety and Environment (HSE) and Quality responsibilities are applied consistently during the contractor procurement process, execution of the work, and ongoing evaluation. The four key elements are: (1) Contractor Pre-qualification – the process of qualifying and accepting contractors to perform work; (2) Contractor Selection – the process of selecting an acceptable contractor to perform a specific scope of work prior to work commencement; (3) Mobilization/Work in Progress – the process of implementing work activities to achieve the successful completion of the scope of work; and (4) Contractor Performance Evaluation – the measures used to periodically evaluate contractor performance against HSE requirements and goals.
- **Compliance Reporting:** We encourage any employee or business partner who knows or suspects a potential violation of law or of the ROSEN Code of Conduct to report this immediately. All reports are thoroughly investigated and subjected to the appropriate action. The information reported is treated as confidential and every person can report without fear of any retaliation, as set forth in the ROSEN Code of Conduct. We conduct regular Management Reviews to review and ensure this reporting process works effectively, and involve our legal and business operations teams to monitor it regularly and to adapt this process as necessary to the changing needs of our business.

ROSEN has zero-tolerance for any failure to adhere to the recognized laws and regulations related to forced labour and child labour. Noncompliance may result in the cessation of business dealings with that supplier if it is unable to submit a detailed proposal on how it will attain compliance. ROSEN's objective is to urge constant improvement of conditions in factories and abroad as opposed to automatic termination of the relationship.

We expect that each one of our suppliers comply with the Canadian Legislation, and through that expectation, we hope to further the efforts to eradicate any chance of risk of forced labour and child labour presence in our supply chains.

## **RISK ASSESSMENT AND MANAGEMENT**

We recognize that importing from sources outside of Canada results in a higher risk of forced labour and child labour involvement.

If a risk is identified from any region, supplier or otherwise, ROSEN takes necessary measures, such as avoiding, mitigating or monitoring these risks. This risk assessment is an on-going process.

ROSEN will continue to develop and enhance our policies, procedures and mandates regarding how we diagnose the risk of forced labour and child labour in our organization and with our suppliers.

In addition to the processes laid out above, we will continue to further develop our policies of mitigating risk of forced labour and child labour by reviewing, when necessary, the processes of our supply chain partners and assisting them, when needed, in implementing their own risk assessment programs.

## **TRAINING**

Above general employee training, we are evaluating the development of a training program for our staff to ensure a high level of understanding of the risks of forced labour and child labour in our business and in our supply chains, in addition to asking our suppliers to provide training to their staff and suppliers.

## **REMEDIATION**

No forced labour or child labour was identified in ROSEN's activities or supply chains in the last fiscal year. As such, no remediation was required with respect to forced or child labour or the loss of income to the most vulnerable families that may result from remediation efforts.

## **ASSESSMENT OF EFFECTIVENESS**

While no forced labour or child labour was identified in ROSEN's activities or supply chains in the last fiscal year, and our belief is the risk in our business and our supply chains is very low, our assessment has identified areas for improvement.

The following has been noted for further evaluation of effectiveness: improving our regular review of policies and procedures explicitly related to forced labour and child labour; improving our employee training specific to understanding the risks of forced labour and child labour in our business and in our supply chains; improving our supplier attestation process and review.

## **APPROVAL AND ATTESTATION**

This Report was approved by ROSEN's Board of Directors on May 20, 2024, pursuant to paragraph 11(4)(a) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in the report for the entity listed above. Based on our knowledge, and having exercised reasonable diligence, we 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. Signed on ROSEN's behalf by:

Shawn Peet  
Vice President,  
Business Resourcing

Brian Renaud  
Vice President,  
Business Execution

Shaun Kelly  
Vice President,  
Business Collaboration



We have the authority to legally bind ROSEN Canada Ltd.