



Report on Fighting Against Forced Labour and Child Labour in Supply Chains Act

May 30, 2025

Introduction

Clearway Amelioration Inc. and its subsidiaries listed below (collectively “Clearway” or the “Company”) acknowledge the potential modern slavery risks related to its business and are committed to putting into place steps aimed at ensuring that there is no slavery or human trafficking in its business or supply chains.

As part of the construction industry, Clearway recognizes that it has a responsibility to take a robust approach to addressing slavery and human trafficking. Company is committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

This is Clearway’s second report prepared pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (Bil S-211)*, also known as the “Modern Slavery Act”, which took effect on January 1, 2024 and summarizes both our current state and planned actions to improve our response across our operations to the requirements set out in the Act. This statement relates to our actions and activities during our fiscal year October 1, 2023, to September 30, 2024.

Organizational Structure, Activities and Supply Chains

As a diversified construction company, Clearway operates in different sectors, providing each with a unique set of services through knowledge, experience, and value engineering. The Company leverages its internal management, equipment, and haulage services to deliver projects across the heavy civil, dry utility, residential and commercial design build sectors with a project portfolio that extends across Canada. The Company's customers are mainly government agencies and other construction companies.

This report covers Clearway Amelioration Inc. and the following wholly owned subsidiaries, which collectively meet the reporting criteria set out in the Act: **Clearway Construction Inc. (or “CCI”), Clearway Utilities Inc. (or “CUI”), Clearway Equipment Limited (or “CEL”), Sterling Haulage Ltd. (or “SHL”), Signature Communities Inc. (or “SCI”), SynrgGroup Construction Partners Inc., and Clearway Payroll Management Inc. (or “CPMI”).**

Clearway is a privately held Canadian owned and operated company. Clearway and its predecessor companies have carried on business across Canada since 1973. Clearway’s mission is simple – to transcend the limits of construction and deliver sustainable communities and infrastructure excellence. It’s something the Company strives for every day through honest work, genuine care and extreme passion.

Clearway is based in Maple, Ontario with satellite operations in the Greater Toronto Area and Surrey, BC.

Clearway had 423 full and part-time employees as of September 30, 2024, comprised of: 221 unionized, hourly employees; 19 non-union, hourly employees; 176 salaried employees (full and part-time); and 7 fixed-term employees (including co-op students). This number is indicative of the size of the directly employed workforce, but the total number of employees at any time throughout the year varies as the Canadian construction industry is seasonal in nature, with less



work performed in the winter and early spring months, and it may also vary depending on the number and nature of ongoing projects. These figures do not reflect the total number of jobs created by Clearway as we may subcontract work to other construction companies or third-party contractors who employ their own workforce.

Clearway's ownership group and board of directors (the "Board") continues to be committed to fostering a governance structure that supports open communication, trust, candour and healthy debate as part of the corporate decision-making and oversight processes. Clearway has certain policies and controls already in place. As part of the organization's growth, and in an effort to mitigate potential modern slavery risks related to its business, the Board remains committed to ensuring that there is no direct or indirect instances of slavery or human trafficking in its own business or supply chains.

Activities and Supply Chain

Clearway works with more than 2,000 suppliers, subcontractors, contractors, and consultants. As an organization, Clearway is committed to carrying out business in a way that is respectful to human rights and endeavours to partner with like-minded individuals and organizations who share similar values.

Before becoming a supplier to Clearway and/or to Clearway-led projects, suppliers, including subcontractors, must complete a pre-qualification process. Many of these suppliers and subcontractors are also required to submit their own reports under the Modern Slavery Act, including when acting as the importer of record for goods produced outside of Canada.

To add depth to Clearway's existing supplier pre-qualification process, prospective suppliers will be asked to complete a pre-qualification questionnaire to understand supplier policies and processes designed to identify and prevent the use of forced and child labour. This new supplier assessment process will include steps for Clearway to monitor suppliers identified as potentially high-risk.

The Company also continues to work towards a Supplier Code of Conduct and a Corporate Social Responsibility Policy. Under these new policies, prospective suppliers will be required to:

- 1) Agree to be bound by Clearway's Supplier Code of Conduct.
- 2) Follow reasonable steps to identify and assess the risks of forced and child labour practices in their operations and supply chains used in the provision of goods and services to Clearway.
- 3) Respect and follow the laws, customs, and practices – including, without limitation, applicable health and safety and environmental legislation – in all activities related to the execution of Clearway projects; and,
- 4) Comply with the human rights principles set out in Clearway's Corporate Social Responsibility Policy.

Procurement of Construction Equipment, Services and Materials

Clearway procures construction equipment, services, and materials directly and indirectly through a network of primarily Canadian and US-based suppliers, subcontractors, contractors, and consultants. However, the manufacture or procurement of certain specialized goods, may take place outside of Canada, particularly for items required to meet client project specifications.



On Clearway's self-performed projects, construction services and materials are procured directly by the local project management team. Required construction services and materials will vary depending on the project scope and include such items as: reinforced steel, concrete, aggregates, fuel, electrical and mechanical equipment, industrial consumables and other types of common construction materials. Specialty construction equipment may be rented through local suppliers. Activities such as wet or dry vacuum excavation or crane operation may be procured locally or performed directly by Clearway's employees.

At the time projects are tendered, subcontractors are identified to perform specific work segments. Subcontractors may source and supply construction materials or services or perform work directly through the subcontractor's own labour force. The nature of the work outsourced to a subcontractor will vary depending on the scope of the project.

Policies and Due Diligence Processes in Relation to Forced and Child Labour

a. **Policies:** The following Company policies describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations:

- **Code of Business Conduct and Ethics.** The Company strives to maintain the highest standards of employee conduct and ethical behaviour when in its operations and in its dealings with partners, competitors, customers and suppliers alike. The Company's Code makes clear to employees the actions and behaviour expected of them when representing the Company and interacting with external stakeholders during day-to-day dealings.
- **Corporate Social Responsibility Policy and Supplier Diversity Policy.** The Company believes that our suppliers should be representative of the communities in which we operate and evidence our commitment to our external stakeholders and ensuring a barrier and bias-free approach to employment and people management. The Company's diverse suppliers program aims to support businesses that provide goods, services and materials owned by an individual or group recognized as being from one or more of the following communities: Female, Visible Minority/BIPOC, First Nations/Inuit/Metis, LGTBQ2+, Disables, or New Canadian/Skilled Immigrant/Foreign Trained Professional.

In addition to the aforementioned policies, Clearway continues to work to develop and implement the following policies to support our commitments to assess and address modern slavery and human trafficking risks in our business and supply chain:

- **Supplier Code of Conduct.** The Company is committed to ensuring that its suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they provide safe working conditions where necessary, treat workers with dignity and respect, and act ethically and within the law in their use of labour. This includes freedom of association and collective bargaining. The Company works with suppliers to ensure that they meet the standards of the code and improve their worker's working conditions. However, serious violations of the Company's supplier code of conduct will lead to the termination of the business relationship. As part of this policy's development and implementation, these requirements will be incorporated into all pre-construction contractual documentation and subcontractor agreements.



- **Whistleblower Policy.** The Company encourages all its employees, contractors, customers, community members, and other business partners to report any concerns related to its direct activities, or supply chains. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. The Company's whistleblowing procedure is designed to make it easy for users to make disclosures, without fear of retaliation. Employees, contractors, customers, community members, or others who have concerns can use our confidential helpline/complete our confidential disclosure form.
- **Anti-Corruption and Anti-Bribery Policy.** Clearway's Anti-Corruption and Anti-Bribery Policy reflects the Company's core values and business practices with respect to competition and transparency and outlines the expectations of employees as well as its subcontractors, contractors, consultants and any suppliers of goods and services when conducting business with, for or on behalf of the Company. This policy will require annual training that prescribes behaviours and procedures and provides internal stakeholders with an understanding of corruption and bribery risks and tips on how to avoid or mitigate them, and explains reporting obligations.
- **Privacy Policy.** As part of its continuous improvement efforts, Clearway will review its current privacy protection practices to ensure that information collected through its Supplier Code of Conduct and other applicable process is managed in an appropriate manner.

Forced Labour and Child Labour Risks and Management

Clearway's Canadian operations have a low exposure to the risk of forced and child labour. This is due in part to the overarching legislation in Canada at a federal and provincial level where our workforce and supplier network largely resides, with further support through similar legislative framework in the United States that governs any American suppliers.

Given that the majority of Clearway's hourly workforce is unionized, as a Company, considerable effort is expended for all new hires to verify each individual's background information, including, but not limited to:

- Collection of government-issued photo identification.
- Collection of Social Insurance Number (or "SIN") and/or authorized government; documentation showing the SIN and individual's registered first and last name.
- Verification of SIN validity through Service Canada; and,
- Where applicable, receipt of individual union clearance card(s) showing union registration information.

Clearway has made minimal use of third-party employment agencies but requires that suppliers of any workers through an agency maintain similar practices as outlined above for the verification of any supplied labour.

Clearway's employees are recruited directly by the Human Resources department and, for hourly field roles by the Operations teams, through Company-sponsored advertising of job postings, campus recruitment events, employee referrals, third-party recruiters providing introductions or assignment (where applicable) by union hiring halls.



Remediation Measures

At the time of this report, Clearway has not identified any instances of forced or child labour in its activities or supply chains. As such, no remediation measures have been required or taken to date. The Company will continue to assess its activities and supply chains and consider appropriate means of remediation for forced or child labour should issues arise.

Remediation of Loss of Income

At the time of this report, Clearway is not aware of any instance where its efforts to prevent and reduce the risk of forced or child labour in its activities or supply chain have failed or contributed to a loss of income for vulnerable families.

Training and Continued Education

As part of its implementation of its new Supplier Code of Conduct, Whistleblower Policy, Corporate Social Responsibility Policy, and Anti-Bribery and Anti-Corruption Policy, Clearway will undertake to train employees on each policy meaning, content and implications for its business day-today, in addition to offering training refreshers on its Code of Business Conduct and Ethics. As part of this training, content will be developed to include awareness and prevention of modern slavery issues.

Measuring Effectiveness

As implemented, policies are enforced. At the time of this report, Clearway has not yet developed a formal process to measure the effectiveness of Company efforts to mitigate and prevent the use of forced and child labour risks beyond a periodic review of its own activities, suppliers and supply chain. Where suppliers are identified as having a higher potential risk of non-compliance with Clearway's Supplier Code of Conduct and other efforts to mitigate forced or child labour, formal reviews of those specific firms and/or individuals will be conducted. As Clearway's policies mature and processes grow in this area, efforts around development of a more formal process including regular Board review and reporting will be considered.

Forward-Looking Information

The information in this report includes certain forward-looking statements which may constitute forward-looking information under securities laws. These forward-looking statements are based on currently available information and operating plans but are subject to risks and uncertainties. Forward-looking statements may include, without limitation, statements regarding the operations of the business, the addressing of future complex challenges, Clearway's human rights commitments, statements regarding suppliers, vendors or contractors continued compliance with Clearway's codes, policies and contract terms, Clearway's ability to meet its proposed objectives and next steps, Clearway's ability to effectively measure the effectiveness of its mitigation and prevention efforts. Forward-looking statements may in some cases be identified by words such as "may," "will," "expects," "target," "future," "plans," "believes," "anticipates," "estimates," "potential," "seek," "projects," "intends," "should" or the negative of these terms, or similar expressions. In addition to events beyond Clearway's control, there are factors which could cause actual or future results, performance or achievements to differ materially from those expressed or inferred herein including, but not limited to: the risk of receiving untruthful or inaccurate responses or information from suppliers, the risk of changes in Clearway's supply chain due to project requirements or the availability of materials, goods and services. These forward-looking statements are based on a variety of factors and assumptions including but not limited to that: there are no unforeseen changes to economic and market conditions, and no



significant events occur outside the ordinary course of business. These assumptions are based on information currently available to Clearway.

Approval and Attestation

This report was reviewed and approved on behalf of the Clearway Board on May 30, 2025, pursuant to section 11(4)(b)(ii) of the Act.

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 entities listed above. Based on my knowledge, and have exercised reasonable due 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.

I have the authority to bind Clearway Amelioration Inc.

Anthony Di Battista
President
May 30, 2025