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# REPORT IN RESPONSE TO THE REQUIREMENTS OF

## *The Fighting Against Forced Labour and Child Labour in Supply Chains Act*

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Prepared for Public Safety Canada

Revision Control

Version	Date	Author	Change Description
1	18 SEP 2025	P. Zerbe	Initial release

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## 1. PURPOSE

The purpose of this report is to:

- Identify and assess risks of child labour and forced labour as it might apply to the organization’s business activities and supply chains.
- Assess adequacy of the organization’s risk treatment controls to prevent/mitigate the risks, and
- Decide whether the risks warrant additional controls and actions

## 2. STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

- **Our Legal Classification:** North America Construction (1993) Ltd. (NAC) is a corporation headquartered in Morriston, Ontario, Canada.
- **Our Organizational Structure:** Appendix 1 shows NAC’s organizational structure.
- **Our Role:** NAC is a master constructor of industrial, manufacturing, energy and ethanol, mining, and heavy civil infrastructure projects. For more details, please refer to our [company website](#).
- **Number of Employees:** (i) three hundred fifty (350) in Canada, and (ii) zero (0) outside of Canada, as of September 2025.
- **Partner organizations:** NAC has no partner organization(s). NAC does not have membership in any group.
- **Operating Subsidiaries:** NAC Constructors Ltd. is a wholly owned subsidiary of NAC. This subsidiary performs work in British Columbia, Alberta, Saskatchewan, Manitoba and the Territories.
- **Control of other entities:** NAC has no control of other entities.
- **Activities:** Civil, structural, process mechanical, building mechanical, electrical, and instrumentation work. NAC specializes in water and wastewater construction, heavy industrial projects, and large-scale infrastructure development.
- **Supply chains:** NAC buys materials, tools and equipment largely from Canadian manufacturers and distributors. Rare exceptions include specialized equipment and instrumentation purchased from manufacturers based in the United States and Germany. **Table 1** breaks down NAC’s purchases over the past three years.

**TABLE 1. NAC’s Suppliers by Country of Origin and Dollar Value Percentage in Years 2023-2025**

NAC’s Suppliers by Country of Origin	YEAR		
	2025	2024	2023
Canada	\$120,151,004.40 (98.6%)	\$179,037,973.79 (99.1%)	\$187,852,799.56 (98.9%)
USA	\$1,076,400.1 (0.88%)	\$1,481,930.95 (0.82%)	\$2,056,427.83 (1.1%)
Germany	\$663,149.71 (0.52%)	\$26,447.72 (0.08%)	\$0.00
<b>TOTAL</b>	<b>\$121,890,554.21</b> <b>(100%)</b>	<b>\$180,546,352.46</b> <b>(100%)</b>	<b>\$189,909,227.39</b> <b>(100%)</b>

### 3. POLICES AND DUE DILIGENCE PROCESS

- In 2024, in response to the *Fighting Against Forced Labour and Child Labour in Supply Chain Act (Act)*, NAC implemented our *Fair Employment Policy (Policy)*.
- The Policy is signed by the President of NAC and is subject to annual review and acceptance by the Executive Team.
- Refer to **Appendix 2** for a copy of the current Policy.
- NAC's due diligence process is based on consistent application of our key controls that guarantee fair employment, including:
  - Respect a worker's free and informed consent to accept employment a job and their right to leave that employment without penalty, provided they give reasonable notice
  - When recruiting overseas workers, use only legitimate and reputable recruitment and employment agencies
  - Provide workers with written terms and conditions of employment for their review and signature before they begin work
  - Do not procure importing goods at a high risk of being produced by a child or through forced labour
  - Permit employment of minors who are at least 16 years old, with the proviso that the work does not interfere with or deprive them of the opportunity to attend school
  - Prohibit minors under 18 years old from working on any occupation that is deemed to be hazardous

### 4. FORCED LABOUR AND CHILD LABOUR RISKS AND MITIGATION CONTROLS

- As shown in **Appendix 3**, NAC identified two key types of risk associated with forced labour and child labour. They are:
  - Lack of Consent to Work (*The "route into" forced labour*), and
  - Menace of Penalty (*The means of keeping someone in forced labour*)
- Both risks were scored for:
  - Our Canadian job sites and suppliers
  - Our US suppliers
  - Our German suppliers
  - Likelihood and severity of occurrence in the context of country-specific legal frameworks and to-date experience/outlook
- NAC assessed the:
  - Likelihood of child labour and forced labour as "*Remote*" (defined as "*possible but has not occurred to date in any similar organization*"). The accompanying Likelihood value is 1 (out of 5).
  - Consequence of child labour and forced labour as "*Critical*" (defined as "*Agency inquiry; or "Brand" markedly affects organizational abilities*"). The accompanying Consequence value is 5 (out of 5).
  - Resulting risk score to be **LOW** (numeric value =5, out of 25)
- Given the low-risk score for NAC and our supplier chain, we concluded that:

- There is no evidence of NAC and our suppliers having faced, directly or indirectly, any potential for child labour or forced labour.
- The regulatory and market outlook does indicate any changes to NAC and our suppliers in terms of forced labour and child labour.
- The existing risk-mitigation controls listed in the Risk Register are adequate to NAC's needs and realities.
- There is no need to develop and monitor metrics and key performance indicators related to child labour and forced labour concerns in the context of NAC's business activities and supply chains.
- There is no need to invest resources in such additional child labour and forced labour controls as training, periodic audits, and other assessment instruments.

### **5. APPROVAL AND ATTESTATION**

In accordance with the requirements of the Act, and in particular Section 11 thereof, in the capacity of the President of NAC, attest that I have reviewed the information contained in this report on behalf of the Executive Team of NAC.

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 purposes of the Act, for the reporting year 2025

Trevor Smith, P.Eng.

President

18 SEP 2025

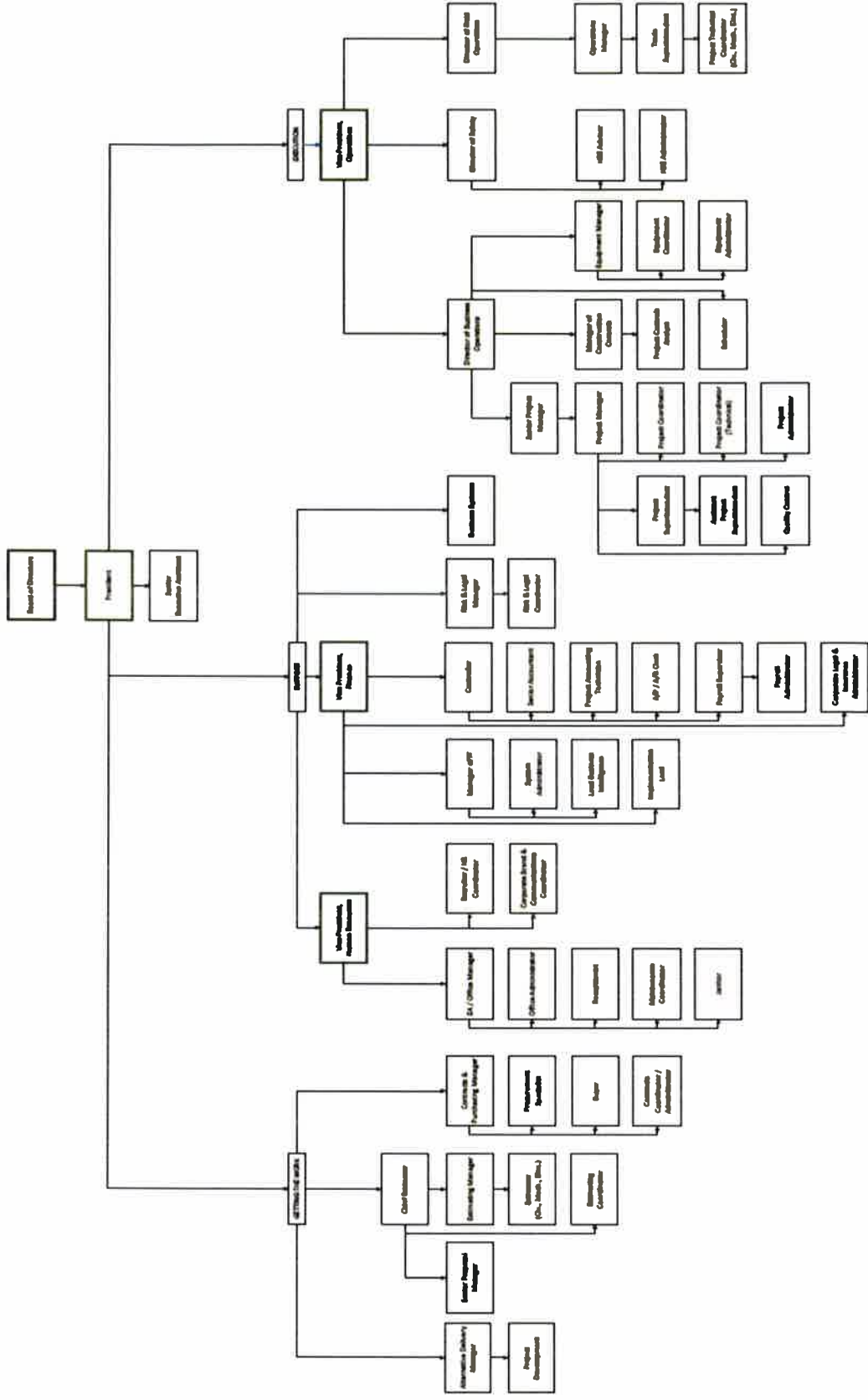


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*I have the authority to bind North America Construction (1993) Ltd.*



APPENDIX 1: NAC's Organizational Structure



**APPENDIX 1: NAC's Fair Employment Policy****COMMITMENTS**

NAC is committed to fair employment practices and expects our business partners, vendors and subcontractors to live by make this same commitment. Specifically, NAC:

- Provides employees with an equitable workplace,
- Does not tolerate forced, compulsory and child labour, and
- Is fundamentally against any forms of human trafficking and modern slavery

**PRINCIPLES**

- Guarantee respect for the human rights of all workers, without distinction of age, race, ethnicity, colour, gender, disability, religion, political opinion, national origin, sexual orientation, civil status, social origin, education, experience or any other condition, in accordance with NAC's *Workplace Respect Policy*
- Prohibit the use of forced or compulsory labour in any form – as it is defined in Bill S-211
- Respect free and informed consent of a worker to take a job and their freedom to leave their employment without penalty on giving reasonable notice
- When recruiting overseas workers, use only legitimate and reputable recruitment and employment agencies
- Provide workers with written terms and conditions of employment for their review and signature before they begin work
- Do not procure importing goods at a high risk of being produced by a child or through forced labour
- Permit employment of minors who are at least 16 years old, with the proviso of the work not interfering with or depriving them of the opportunity to attend school
- Prohibit minors under age 18 years old from working on any occupation that is deemed to be hazardous

**ACCOUNTABILITIES**

- All Managers and supervisors are expected to uphold the commitments and principles of this Policy
- Procurement shall incorporate forced and child labour prohibition requirements in NAC contracts
- Human Resources shall ensure fair hiring practices
- This policy is subject to annual review and acceptance by the Executive Team



**Trevor Smith**  
President

Date: 01 JAN 2025



**APPENDIX 3: Risk Register and Assessment**

<b>RISK OF</b>	<b>EXAMPLES</b>	<b>LOCATION</b>	<b>LEGAL FRAMEWORK</b>	<b>OUTLOOK</b>	<b>RISK SCORE</b>	<b>NAC's RISK MITIGATION CONTROLS</b>
<b>Lack of Consent to Work</b> <i>(The "route into" forced labour)</i>	<ul style="list-style-type: none"> <li>Descend into bonded status</li> <li>Physical abduction /kidnapping</li> <li>Physical confinement in the work location</li> <li>Psychological compulsion</li> <li>Induced indebtedness</li> <li>Deception or false promises about type /conditions of work</li> <li>Retention of identity documents</li> </ul>	<p>NAC's offices and project sites in Canada</p> <p>NAC's supplier sites in the US</p>	<p><b>CANADA:</b> Fighting Against Forced Labour and Child Labour in Supply Chain Act</p> <p><b>UNITED STATES:</b> Uyghur Forced Labor Prevention Act (UFLPA) Tariff Act of 1930 (Section 307)</p>	<p><b>CANADA:</b> In 2019, 60+ migrant agriculture workers were caught in a network of labour exploitation in Ontario. Absence of evidence of forced /child labour cases in construction and manufacturing.</p> <p><b>UNITED STATES:</b> Child labor violation cases in the U.S. are on the rise. Many cases involve minors working illegally in agriculture and sanitation. Absence of evidence of forced /child labour cases in manufacturing.</p>	<p><b>LOW</b> Likelihood = 1 Consequence = 5 Risk score = 5</p> <p><b>LOW</b> Likelihood = 1 Consequence = 5 Risk score = 5</p> <p><b>LOW</b> Likelihood = 1 Consequence = 5 Risk score = 5</p>	<ul style="list-style-type: none"> <li>Prohibit the use of forced or compulsory labour in any form</li> <li>Respect a worker's free and informed consent to accept employment a job and their right to leave that employment without penalty, provided they give reasonable notice</li> <li>When recruiting overseas workers, use only legitimate and reputable recruitment agencies</li> <li>Provide workers with written terms and conditions of employment for their review and signature before they begin work</li> <li>Do not procure importing goods at a high risk of being produced by a child or through forced labour</li> <li>Permit employment of minors who are at least 16 years old, with the proviso that the work does not interfere with or deprive them of the opportunity to attend school</li> <li>Prohibit minors under 18 years old from working on any occupation that is deemed to be hazardous</li> </ul>
	<ul style="list-style-type: none"> <li>Physical violence against workers or family</li> <li>Sexual violence</li> <li>Denouncing to authorities</li> <li>Exclusion from future employment</li> <li>Removal of rights and privileges</li> <li>Deprivation of food/shelter/other necessities</li> <li>Loss of social status</li> </ul>	<p>NAC's offices and project sites in Canada</p> <p>NAC's supplier sites in the US</p> <p>NAC's supplier sites in Germany</p>	<p>Trade Facilitation and Trade Enforcement Act (TFTEA)</p> <p><b>GERMANY:</b> The Supply Chain Act</p>	<p>on the rise. Many cases involve minors working illegally in agriculture and sanitation. Absence of evidence of forced /child labour cases in manufacturing.</p> <p><b>GERMANY:</b> No evidence of child labor or forced labour in Germany's manufacturing sector.</p>	<p><b>LOW</b> Likelihood = 1 Consequence = 5 Risk score = 5</p> <p><b>LOW</b> Likelihood = 1 Consequence = 5 Risk score = 5</p> <p><b>LOW</b> Likelihood = 1 Consequence = 5 Risk score = 5</p>	