



# Strilkiwski Contracting Ltd.

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Forced Labour and Child Labour in Supply Chains Company  
Assessment

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## Executive Summary

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Forced labour can be found in every country and every sector. The International Labour Organization estimates that there are approximately 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy. Forced labour and child labour risks occur primarily through the global supply chains of businesses. There is a risk that goods imported into and distributed in Canada were produced with forced labour or child labour. Entities and government institutions doing business in Canada have a responsibility to ensure that exploitative practices are addressed and eradicated from their supply chains.

In compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SCL has begun prioritizing the analysis of forced labour and child labour through mapping activities for the 2023-24 fiscal year. Strilkiwski Contracting Ltd. ("SCL") has statements and policies in place that emphasize commitment to human rights and abiding by local laws and legislation but also recognize there is always room for continuous improvement. SCL's policies, Workplace Safety guidelines, Human Rights Code, and everyday practices serve as a strong foundation as we look to implementing more anti-forced labour and anti-child labour measures. As a growing, socially conscious, construction company, SCL recognizes and is strongly committed to removing the risk of forced labour and child labour in our operations and supply chains.

## Background

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The measures introduced through former Bill S-211, an Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff ("the Act"), aim to increase industry awareness and transparency and drive businesses to improve practices. There are eight mandatory reporting areas that must be investigated and reported on which include:

- The steps the entity has taken during its previous financial year 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 the entity or of goods imported into Canada by the entity.
- Its structure, activities, and supply chains.
- Its policies and due diligence processes in relation to forced labour and child labour.
- The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.
- Any measures taken to remediate any forced labour or child labour.
- Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.
- The training provided to employees on forced labour and child labour.
- How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

The financial year for which SCL is reporting is April 1<sup>st</sup>, 2023, to March 31<sup>st</sup>, 2024. This is the first version

of the report submitted, and the report is for the entity. This is a joint report that includes Strilkiwski Contracting Ltd., Strilkiwski Bros Aviation Ltd., Strilkiwski Concrete Bros., Strilkiwski North Ltd., 7526726 MB Ltd., 10006699 MB Ltd., and 10006673 MB Ltd.

## Structure

SCL operates as a private corporation, with all its businesses located in Manitoba. SCL was founded in the 1950s, specializing in supplying, processing, and distributing aggregate materials. Additionally, SCL provides aviation and road building services and other heavy civil construction activities including concrete work, throughout Manitoba.

As per the Bill S-211 reporting requirements, SCL had more than \$20 million in assets, generated more than \$40 million in revenue, and currently has 180 employees. Therefore, meeting the Bill S-211 reporting requirements, with two out of the three compliance thresholds related to revenue and assets have been met.

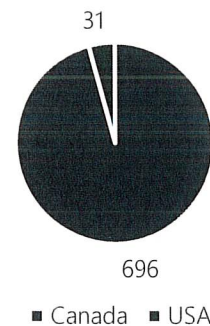
## Activities

SCL operates within the construction and manufacturing sectors. Our operations involve heavy construction, processing and supplying aggregate, concrete and aviation. Our operations are exclusively based in Canada, with no production or sales occurring beyond the country's borders. Our products include the sale of limestone, clean round stone, sand, gravel, and concrete. SCL also provides consulting services on technical support and expertise such as AutoCAD drawings, contributing to the design processes of clients within the engineering department.

## Supply Chain

The majority of products acquired by SCL are sourced from Canadian suppliers. The diagram illustrates the composition of our supply chain by country. SCL purchases goods from 727 suppliers, with 696 based in Canada and 31 in the United States. The accompanying pie chart provides an overview of the suppliers used by SCL. Suppliers operating in both Canada and the US are categorized under Canada to simplify the representation of countries in the chart.

Strilkiwski Supplier Breakdown



# Policies & Due Diligence

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## Current Policies

The construction industry is required to adhere to numerous quality and safety standards. As a result, we have robust policies in place to ensure safety and quality within our organization and supply chain. To reaffirm our dedication, we have formulated the subsequent policies, which are applicable to both employees and suppliers:

### ***Company Safety, Health and Environment Policy***

The Company Safety, Health and Environment Policy provides the fundamental principles which guide workplace safety, conduct, and operations at SCL. It is designed to demonstrate our commitment to a strong safety program to protect against incidents or hazards in the workplace. It further states that management will provide and maintain a safe, healthy work environment that follows industry standards and legislative requirements. Each employee is required to sign a form indicating that they have read, understood, and accepted all the policies, terms and conditions of the Company Safety, Health and Environment Policy. The policy also states the procedure for filing complaints regarding harassment and violence.

### ***Orientation Package***

Our orientation package has been updated to include a section on awareness regarding vulnerable workers and how to manage this risk, with follow ups done with any identified vulnerable workers after six weeks to ensure they are still aware of their rights. Additionally, it incorporates a "work refusal clause," empowering employees to decline work if they perceive their safety or that of a colleague to be compromised. This underscores our commitment to fostering safe working conditions and respecting employees' autonomy in deciding whether to work. Finally, the orientation package mandates employees to furnish their government-issued identification ("ID") particulars and provide their signature, ensuring adherence to company policies, procedures, and legal age requirements for employment.

### ***Labour Standards***

SCL complies with the Federal Commercial Drivers Hours of Service regulations, with daily log maintenance ensuring full alignment with federal mandates. Moreover, SCL adheres to the Construction Industry Wages Act and the Employment Standards Code, thereby demonstrating a commitment to ethical labour practices by upholding provisions related to minimum wages, overtime, vacation entitlements, and hours of work. Additionally, SCL mandates employees to submit a driver's abstract before orientation, primarily to facilitate discussions with insurance brokers. This requirement also assists in verifying employee age. Conformances to these requirements are stipulated in the orientation packages and checked as part of the wage cycle every two weeks. As an additional precaution for vulnerable employees, we require them to complete the young worker readiness course done through the Government of Manitoba and ensure that their parents (or guardian) have consented and are in agreement with the job requirements. Should subcontractors be used, SCL has taken extra steps to prevent forced and child labour being used by requiring subcontractors to sign an agreement that attests

to the fact that no forced or child labour will be tolerated by SCL.

## Due Diligence

### Supplier Questionnaires

As part of our obligation to prevent child or forced labour within our supply chain, SCL has requested that suppliers that pose the highest risk to SCL complete a questionnaire. This questionnaire is used to obtain confirmation from suppliers that they do not engage in child and or forced labour. SCL performs an internal audit of its suppliers on an annual basis. During this audit, SCL identifies the vendors that are the highest risk and circulates this questionnaire annually to those suppliers. Suppliers that have responded to the questionnaire have indicated that they have not identified any instances or unmitigated risks of forced labour or child labour within their business activities, operations, or supply chains. Suppliers that did not complete supplier questionnaire and were considered high-risk suppliers. SCL checked if they reported to Safety Canada previously.

We recognize that due diligence could be increased to improve overall safety and mitigation of child labour and forced labour.

## Risk Identification & Management

### Countries of Operations and Risk

Using the *Walk Free Global Slavery Index* and the *U.S. Department of Labour List of Goods Produced by Child Labour or Forced Labour*, we conducted a risk assessment on the countries that SCL operates in and found that there were low risks of forced labour or child labour. SCL only operates within Canada which has a low inherent risk. While the inherent risk associated with entities operating within Canada is low continued due diligence is required.

### Countries of Suppliers and Risk

Using the *Walk Free Global Slavery Index* and the *U.S. Department of Labour List of Goods Produced by Child Labour or Forced Labour*, we conducted a risk assessment on the countries of origin for our suppliers and found that there were inherent low risks of forced labour or child labour in Canada and the US. While the inherent risk associated with these countries is low continued due diligence is required. The table below depicts the number of suppliers and the country they operate from:

Country	Suppliers (#)	Supply (%)	Inherent Risk per Country
Canada	727	96 %	Low
United States	31	4 %	Low

## Type of Goods Procured and Risk

Using the *Walk Free Global Slavery Index*, a risk assessment was conducted to evaluate the types of goods acquired from suppliers. For the purpose of this report, material suppliers are defined as those contributing 1% or more of the total procurement expenditure during the fiscal year. The identified goods encompass fuel and oil, cement powder, groceries, furniture, office supplies, and other goods related to company operations such as parts and equipment. The risk analysis revealed low inherent risks of forced labour and child labour associated with the raw materials of these goods, except for cement powder and groceries, which exhibit an inherent risk of forced labour. This does not indicate evidence of forced labour or child labour was discovered to support this risk analysis but underscores an elevated inherent risk, warranting closer scrutiny to ensure these risks do not permeate into the procured goods.

Goods	Inherent Risk per Good	Country	Inherent Risk per Country	Overall Risk
Groceries (may include coffee, fruits, and vegetables)	Extreme	Canada	Low	High
Cement	High	Canada	Low	Moderate
Fuel & Oil	Low	Canada	Low	Low
Office Supplies	Low	Canada	Low	Low
Other Goods	Low	Canada, United States	Low	Low

## Remediation of Forced and Child Labour and Vulnerable Family Income Loss

We are committed to identifying human rights incidents and violations that occur within our operations and communities. As there were no incidents related to forced or child labour reported to or noted within SCL, there hasn't been any need for SCL to report, correct or remediate any incidents of forced or child labour. We recognize the significant impact forced and child labour can have on individuals and their families and thus rely on our policies and procedures in place currently to ensure that our supply chain is free of unethical practices while holding us and our suppliers up to the highest standards of practice.

## Awareness Training

SCL has provided specialized training on Canada's Law to Fight Child & Forced Labour through MNP. This training highlighted the purpose of the Act, who it applies to as well as general awareness on the

prevention of Child and Forced Labour. This core team of key gatekeepers who received training, are responsible for preventing child and forced labour within the company and supply chain and has been chosen to set a top-down approach and to raise awareness. While we do not have formal training in place on the topic of child labour or forced labour for all employees, we will continue to have additional employees take the training provided by MNP focusing on employees that we deem are more likely to encounter the potential for forced and child labour. However, in the interim we have enforced employee awareness through regular safety meetings and the provision of an annual refresher with supervisors on forced and child labour awareness and prevention.

Extensive training is also provided to all employees to ensure they are equipped with the necessary knowledge and skills to perform their duties safely and effectively. No individual is allowed to operate machinery or commence work without undergoing the required training. In light of this, our Safety Department participated in ISNetworld's (an online platform that provides services related to risk management and sustainability) Environment, Social, and Corporate Governance ("ESG") webinar on Modern Slavery, Forced Labour, and Industry. The webinar raised awareness about the 2023 Global Slavery Index, which sheds light on situations related to modern slavery. We have also emphasized the companies and all our employee's responsibility to ensure the safety of all our workers through regular briefings.

New employees are also required to go through our updated orientation, which includes the review and signoff of the Orientation Package and Company Safety, Health and Environment Policy. These documents cover company standards like awareness and prevention of forced and child labour, respect, workplace harassment, violence, and workplace safety policy in compliance to government legislation. We have also implemented additional protocols for vulnerable workers by introducing follow up evaluations after their first six weeks of employment. This is used to touch base with employees and their supervisors to determine if further training or orientation is required. To ensure the employee understands everything that was reviewed in their orientation package.

As a consolidated entity we recognize the opportunity to enhance employee training relevant to this Act, therefore, will be evaluating which staff members will take the "Canada's Law to Fight Child & Forced Labour" training in the foreseeable future

## Self-Assessment Process & Requirements

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The safety and security staff at SCL are responsible for conducting regular safety audits and providing reports on them. Our safety program undergoes monthly audits, ensuring ongoing compliance with established safety standards and as of 2024 it also includes assessments on the steps taken to prevent and detect child and forced labour. Additionally, external audits are conducted annually to further assess and validate our safety practices. In addition to audits, we hold tailgate meetings or job site meetings as part of our compliance efforts where we emphasise awareness and prevention of child and forced labour.

SCL has also established a committee to review and audit all new information, policies, and procedures implemented including those related to child and/or forced labour. This committee aims to enhance the controls in place for preventing and detecting such unethical practices by conducting regular audits and



assessments. They will evaluate the effectiveness of current measures and recommend improvements to ensure compliance with international standards. Additionally, the committee will oversee the implementation of training programs for employees and management, ensuring that everyone is aware of the signs of child and forced labour and knows how to report potential violations. By fostering a culture of vigilance and accountability, the committee will help safeguard against any form of exploitation within SCL and its supply chain. As a consolidated entity we are continuing the process of understanding and evaluating our supply chain and as part of this process, we will continue to evaluate our processes to understand areas of improvement especially around self-assessment processes including key performance indicators (“KPI”) metrics, internal audits, quality assessment programs to ensure the implementation of the Child and Forced Labour Policy. We will continue to review our practices to enhance the rigor of self-assessment processes to identify how effective it is ensuring that forced and child labour are not being used in our business and supply chains.

## Conclusion and Key Takeaways

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While we acknowledge the inherent risk of child and forced labour within our supply chain, we are proud to report that SCL has made meaningful strides in improving our processes to mitigate these risks. Through comprehensive training programs, updated orientation packages, thorough audits, and continuous evaluation, we have strengthened our commitment to ethical practices.

The establishment of dedicated committees and the implementation of enhanced protocols for vulnerable workers exemplify our proactive approach to safeguarding against exploitation. Our safety department’s participation in webinars and adherence to the latest global standards further underscores our dedication to this cause.

As we move forward, SCL remains steadfast in our resolve to identify and address potential risks within our supply chain. We will continue to refine our self-assessment processes, engage in rigorous audits, and foster a culture of vigilance and accountability. By doing so, we aim to ensure that our operations comply with legal requirements.

Our journey towards preventing child and forced labour is ongoing, and we are committed to making continuous improvements, as such we intend to take the following steps:

### Recommendations Related to SCL Activities:

1. **Employee Training:** We will investigate training opportunities for all employees, with an initial focus on those most likely to encounter instances of forced and child labour. The training will cover identifying and mitigating suspected cases, understanding supply chain risk assessment methodologies, and compliance protocols. It will also provide detailed guidance on utilizing our internal reporting and investigation mechanisms effectively.
2. **Reporting Mechanism:** SCL is currently finalising the introduction of a whistleblowing policy or

similar reporting mechanism to encourage reporting of any instances of forced labour or child labour within the organization or its supply chain. As part of this process, we will also consider introducing an awareness campaign that will be done annually to encourage reporting.

3. Self-Assessment Process: We will also evaluate how to develop a self-assessment process to identify the risk of forced labour and/or child labour in the company and within our supply chain. This may include KPI metrics, internal audits, quality assessment programs, partnering with an external organization for independent assessments, or collaborating with suppliers to measure the effectiveness of their actions.
4. Code of Conduct: SCL is currently in the process of developing a comprehensive company-wide code of conduct that will be applicable to all employees and contractors. This code will emphasize the company's zero-tolerance policy toward child and forced labour as well as emphasizing our core values as an ethical and socially responsible company.
5. Vulnerable Workers Policy: This policy is currently in draft form and is being developed to ensure the protection and fair treatment of vulnerable workers within our operations. It will include specific provisions for identifying, mitigating, and addressing any risks related to exploitation and abuse. The draft policy will also outline the responsibilities of all employees in maintaining a safe and respectful working environment and will provide clear reporting mechanisms for any concerns or violations.

### **Recommendations Related to Suppliers:**

1. Procurement Procedure: A procurement policy and/or procedure will be considered that details the supplier selection and onboarding process which may include reviewing supplier websites to confirm they have attestations on compliance to Bill S-211 or its equivalent. This will include screening (which includes the completion of a supplier questionnaire) and due diligence, implementing a Supplier Code of Conduct, the requirement to conduct audits at supplier sites deemed to be of a higher risk, and the implementation of procurement on a purchase order which outlines our requirement that suppliers do not engage in child and or forced labour.
2. Supplier Code of Conduct: SCL is finalising a Supplier Code of Conduct that will detail the expectations and requirements for all suppliers to comply with anti-child and forced labour standards. This code will include specific clauses that mandate adherence to applicable laws and regulations, such as Bill S-211. The code will also emphasize the importance of transparency and accountability within the supply chain, encouraging suppliers to implement their own robust compliance programs.
3. Anti-Child and Forced Labour Policy: SCL is currently in the process of drafting a comprehensive Anti-Child and Forced Labour Policy. This policy will outline the company's strict zero-tolerance stance against any form of child or forced labour within its operations and supply chain. The policy will include specific clauses detailing the steps that employees and suppliers must follow to ensure compliance with relevant laws and regulations. Additionally, it will provide clear guidelines on reporting mechanisms for any suspected or actual instances of child or forced labour, thus reinforcing the company's commitment to ethical practices.

## Approval and Attestation

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 or entities 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.

Harvey Strilkiwski  
Full Name

[Signature]  
Signature

Secretary / Treasurer  
Title

March 17, 2025  
Date

I have the authority to bind *Strilkiwski Contracting Ltd.* and this report covers financial year *March 31st, 2024*, and applies to *Strilkiwski Contracting Ltd.* and all entities considered reporting entities in terms of the Act and any controlling subsidiaries of *Strilkiwski Contracting Ltd.* if they apply.