



McASPHALT INDUSTRIES LIMITED
(416) 281-8181

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CANADA'S MODERN SLAVERY ACT [BILL S-211]

OVERVIEW

Starting **May 31, 2024**, certain Canadian entities must prepare annual disclosure on the measures taken in the previous financial year to prevent and reduce the risk of forced and child labour at every level in their supply chain.¹

¹Fighting Against Forced Labour and Child Labour in Supply Chains Act, SC 2023, c 9 (the "Act") also known as Bill S-211.

COMPLIANCE

STEP 1: Prepare a report that addresses each of the seven requirements of the Act:

1. the entity's structure, activities, and supply chains;
2. the entity's policies and due diligence processes in relation to forced labour and child labour;
3. the parts of its business and supply chains that carry a risk of forced labour and child labour and the steps it takes to assess and manage that risk;
4. measures taken to address/ remediate forced labour and child labour;
5. measures taken to remediate the loss of income to the most vulnerable families that results from the measure taken to eliminate the use of forced labour and child labour;
6. training provided to employees on forced labour and child labour; and
7. how the entity assesses its effectiveness in ensuring that forced labour and child labour is not being used in its business and supply chains.

STEP 2: Adopt the report by way of a board resolution.

STEP 3: Complete [online questionnaire](#) pertaining to each of the seven requirements of the Act. The information provided in the questionnaire must be consistent with the information provided in the report.

STEP 4: At the end of the questionnaire, upload adopted report in PDF format (not to exceed 10 pages/ 100MB) and "submit". The adopted report must be in one of the two official languages but may be submitted in both English and French as two separate PDF files. Obtain and save confirmation of completed submission.

STEP 5: *As soon as possible after May 31*, publish adopted report on a prominent place on the entity's website.



COLAS ENTITIES

1. Report prepared for all subject Colas entities will be consistent in format and content (See Annex “A”).
2. CCI legal department will complete the above steps for achieving compliance for all subject Colas entities.
3. The goal of the Act is to accomplish greater due diligence with respect to vendors, suppliers, and subcontractor. Colas entities will proceed in a uniform and consistent fashion as follows:
 - a. **Our customers** – Colas entities will respond to inquiries by reference to the report published on the entity’s website. Where such inquiries are in the form of a drop-down or pre-populated questionnaire, responses must conform to, and remain consistent with, the report prepared for that entity.
 - b. **Our vendors/ suppliers/ subcontractors** – Colas entities will ensure that the Group CSR Charter for Suppliers and Subcontractors continues to be embedded in our procurement policy and that our supply contracts and subcontracts continue to explicitly require compliance with the CSR Charter and all applicable labor laws and international human rights standards (see Annex “B”).

Failure to comply with reporting obligations or to give reasonable assistance in an investigation conducted under the Act may result in a fine of up to \$250,000. Directors, officers, and agents who directed, authorized, assented to, or participated in a violation are liable to the same extent as the entity, even where the entity itself has not been prosecuted or convicted. It is sufficient evidence that an offence was committed by an employee or agent, even where the individual cannot be identified or has not been prosecuted. Due diligence to prevent the offence is a defence.

Annexe A

Forced and Child Labour in Supply Chains Report 2024

This report is prepared pursuant to Section 13(1) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the “Act”). This report sets out the steps Colas Canada Inc. (“Colas”, “we”, “us”, “our”) has taken in the previous financial year, ended December 31st, 2023, to prevent and reduce the risk of forced and child labour throughout every step of our supply chain, including the import of goods by us to Canada.



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(a) Our Organizational Structure and Supply Chains

At Colas, we take pride in conducting our business responsibly and to the highest ethical standards. As part of a global network of Colas companies, we are a world leader in transportation infrastructure and maintenance. Globally, the Colas Group operates in three cornerstone business segments: Roads (road construction and maintenance), Materials (production and recycling of construction materials, mainly aggregates and bitumen) and Railways. The Colas Group is part of the larger Bouygues, an international diversified services group operating in over 80 countries.

In Canada, Colas operates as a holding and management company with operating companies across Canada. Since commencing our operations in Eastern Canada in the early 1960's, Colas has grown to employ approximately 8,500 employees nationally. Through our national network of companies, we provide private and public clients with transportation solutions, which include: construction, rehabilitation, and preservation of roads, highways, airport runways, and ports; manufacturing and recycling of construction materials; signage, safety, and traffic management systems; utilities network installation and maintenance; and railroad infrastructure, construction, and maintenance.

Our supply chain is engaged through individual orders, framework contracts, and subcontract agreements. In all instances, Colas maintains its commitment to vigilance regarding its suppliers and subcontractors to prevent the risk of human rights abuses. In promoting a partnership mindset, it is expected that all our supply chain members comply with the Group's Corporate Social Responsibility ("CSR"), which encompass the 10 principles of the UN Global Compact, including support and respect for human rights, commitment to not be complicit in human rights abuses, the elimination of all forms of forced and compulsory child labour, and the abolition of child labour.

(b) Our Policies and Due Diligence Processes

The observance of ethics and integrity is an integral management principle throughout Colas. The Bouygues Group Code of Ethics (the "Code") sets out core values that govern our day-to-day activities and the way we conduct our business. We recognize that modern slavery, in its various forms, causes suffering to communities and individuals globally. The Code reflects our ongoing commitment to prevent and reduce the risk of forced and child labour throughout our organization and our supply chain.

Internally, it is expected that all employees conduct themselves in accordance with the Code and to know and stay committed to the Group's CSR standards, which specify respect for persons is a key principle governing our organization. Respect for persons encompasses compliance with the principles of the UN's Universal Declaration of Human Rights and the



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fundamental conventions of International Labour Organization concerning forced and child labour. All employees are required to certify being informed of the Code and all managers, corporate officers, and all purchasing agents are required to personally commit to comply, and ensure compliance, with the Code.

The Code stipulates that Colas expects the same commitment with respect to forced and child labour to be adopted by all of contractors, suppliers, and other business partners. In an effort to prevent violations of law throughout our supply chain, Colas has implemented rigorous pre-qualification mechanisms for approval of vendors we work with. This includes mandatory information request, pre-qualification form, and comprehensive global background checks to evaluate history of compliance with domestic and international laws.

Through our Preferred Vendor Catalogues, Colas is able to ensure organizational uniformity in the use of approved suppliers and subcontractors believed not to engage in forced and child labour in their business. Our pre-qualification process together with the requirement that all supply chain members comply with the Group's CSR Charter compliment other due diligence measures we have implemented to maintain a system of awareness, accountability, and transparency across our business and supply chain.

Colas is committed to maintaining an honest and open environment in relation to all aspects of our operations. Transparency across our business and supply chain allows us to promote confidence between us and our stakeholders. In this regard, the Code explicitly encourages reporting concerns with respect to violations of the Code through the Whistleblowing Platform. All employees are expected to speak out if they reasonably suspect malpractice within Colas, and no employee suffers any detrimental treatment as a result of reporting a good faith concern, including a suspicion of forced or child labour within our business or our supply chain.

(c) How We Manage and Assess Risk of Forced and Child Labour within Our Business

Forced and child labour prevention is an ongoing agenda item and an area of significant focus for our sector of business. At Colas, we recognize that the construction industry is considered a high-risk sector for labour exploitation, and we remain committed to countering that risk within our business and supply chain. All existing measures detailed herein are subject to ongoing review and additional measures may be developed and implemented, as deemed appropriate in our sole discretion.



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Colas' compliance with applicable local and international laws pertaining to employer obligations, such as regulations governing minimum and living wage, serve to underpin the steps we are taking to ensure that forced and child labour are not present in our business.

Our recruitment and selection processes are attuned to forced and child labour through identity checks (including ensuring that employees are in possession of their own identification documents), and verification of references for permanent and temporary staff.

Our assessment of increased risk of forced and child labour indicates that a particular area of focus is where relatively low skilled operatives are engaged through subcontract arrangements in our operational business. As such, we remain committed to raising awareness in such parts of our business and to continue to liaise with suppliers to confirm ongoing compliance with the Code and the Group's CSR Charter.

(d) How We Address and Remediate Forced and Child Labour

The Code explicitly requires that all employees read and comply with the annually published Group vigilance plan, which includes the requirement that all employees take reasonable measures in their day-to-day activities to identify and prevent the risk of serious human rights violations within our business and supply chain. Colas employees are aware of the significance of compliance with the Code and that failure to comply therewith may result in disciplinary action, up to and including termination.

Our expectations regarding supply chain behaviour are reinforced through mandatory distribution of, and compliance with, the Group's CSR Charter for suppliers and subcontractor. Pursuant to the CSR Charter, as prerequisite to working with Colas, our suppliers undertake to comply with the principles of the UN Declaration of Human Rights and the Fundamental Conventions of International Labour Organization (ILO). As such, a failure to comply therewith is deemed a breach of the supplier's contractual obligations and may result in the termination of that contract.

(e) How We Address the Loss of Income that Results from Measures taken to Eliminate Forced and Child Labour

We are committed to consistently improving performance indicators to measure the global impact of our policies with respect to reducing and eliminating the risk of forced and child labour. Through our pre-qualification processes, Colas currently strives to ensure that no supplier or subcontractor we work with is currently, or has ever, engaged in any form of modern slavery in their business. Future initiatives will build on our existing pre-qualification



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processes to enhance transparency with respect to the impact of our policies, if any, including the loss of income that may result therefrom.

(f) Training Provided to Our Employees on Forced and Child Labour

Force and child labour is a consistent theme reflected in the Group's Ethics and Compliance Programs. The Group's Ethics and Compliance Programs and documentation is published on our intranet and at all times available to all employees in several languages.

Our annual Ethics and Compliance training, delivered by our legal department, encompasses the requirement for strict compliance with the Code, and explicitly stipulates respect for persons as one of our key values. Respect for persons includes respect for human rights through compliance with the Principles of the UN Universal Declaration for Human Rights; the Fundamental Conventions of the International Labour Organization; and the Principles of the United Nations Global Compact.

As part of our intake process, all new employees are required to complete the mandatory "Fair Play" module, a fundamental concept of which is to create an inclusive environment where individuals feel respected and are comfortable raising issues through our Whistleblowing Policy, including concerns pertaining to forced and child labour within our business and supply chain.

(g) How We Assess the Effectiveness of our Programs in Preventing and Reducing the Risk of Forced and Child Labour within our Business

We are committed to continually strengthening our review and risk assessment for the potential of forced and child labour within our organisation and supply chain. In this regard, we closely monitor employee attendance and completion of all Ethics and Compliance training programs and track supplier and contractor completion of our pre-qualification processes. We are diligent in investigating all alerts raised through our Whistleblowing policy, including effectively and efficiently responding to all concerns with respect to human rights violations within our business and supply chain. Our annual dialogue survey allows employees to anonymously and candidly comment on organizational performance, including with respect to promoting core values, ensuring diversity and inclusion, and overall satisfaction with remuneration. This allows us to productively direct our efforts and initiatives based on feedback results.



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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 Colas Canada Inc. 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.

I have the authority to bind McAsphalt Industries Limited.

Ron Vertz, President

July 10, 2024

A handwritten signature in blue ink that reads "Ron Vertz".

Chuck Van Dyk, Executive Vice President

July 10, 2024

A handwritten signature in blue ink that reads "Chuck Van Dyk".



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Annex B

Template CSR provisions.

At all times during performance of this Agreement, the Subcontractor/Supplier and its personnel, directors, officers or agent shall continually observe and promote ethical business practices. Subcontractor/Supplier acknowledges having received a copy of the Client's code of Ethics (the "Code of Conduct") and the Bouygues CSR Charter (the "**Charter**"). The Subcontractor/Supplier undertakes to conduct itself, and will cause its affiliates, employees, directors, officers or agent to conduct themselves, in all matters concerning the works/manufacturing and supply of the [goods/project] or that may reasonably be perceived as concerning the [works/ project or in connection with the manufacturing and supply of the goods], in a manner consistent with the Code of Conduct and the Charter and not to do (or fail to do) anything that, if done (or failed to be done) by the Subcontractor/Supplier, Subcontractor/Supplier's affiliates, directors, officers, employees, representatives or agents would constitute a breach of the Code of Conduct or the Charter. Any breach of this clause that has or is likely to have an impact on Client's activities, its directors, employees, officers or its affiliates shall, in addition to any other rights or remedies available under this Agreement, at law or in equity, entitle the Client to terminate this Agreement and/or any other agreement or relationship that the Subcontractor/Supplier or its affiliates have with the Client or its respective affiliates.