

Pomerleau Report

Fight against Modern Slavery

POMERLEAU

Introduction

The purpose of this report is to give an account of the actions Pomerleau Inc. has taken to prevent and fight modern slavery in our supply chain and in our relations with suppliers and subcontractors. Modern slavery can manifest itself in different ways and be cited by different things; it includes among other things slavery-like practices, that is, modern slavery, and forced child labour. It always involves depriving human beings of their freedom. That is why Pomerleau firmly believes in the importance of respecting fundamental workers' rights and in promoting ethical and integrity practices in our supply chain. Our report highlights our commitments, our policies and processes, and our measures and actions aimed at eliminating all forms of exploitation and guaranteeing workers a fair and equitable work environment.

Our Corporation

Our Profession

General Contractor

Our Activities

Construct buildings and civil engineering works across Canada

Our Expertise


Design, construction, financing, operation, maintenance and demolition

Pomerleau is a privately owned family business,¹ founded in 1964. Innovation and sustainable construction are at the heart of our development. We are one of the leading construction companies in Canada, with over 5,000 people working on more than 250 projects in 8 regional offices.

We take on all kinds of projects, from the simplest to the most complex, in traditional or alternative modes, for public authorities and private developers. We construct buildings for the institutional, industrial, residential and commercial sectors, with the assistance of specialized partners, as well as civil engineering works, mainly with our own experts and equipment.

Nothing is more important to Pomerleau than the health, safety and respect of the fundamental rights of our people, our clients, our partners and the general public. We never compromise on quality, whether on our construction sites or in our supply chain. We focus on risk prevention, detection and mitigation, and on awareness.

Our subsidiaries Borea Construction², ITC Construction³ and Pomerleau Capital⁴ bring expertise in renewable energies, residential construction and infrastructure financing.

We have been named one of Canada's Top 100 Employers since 2020 and one of Canada's Best Managed Companies for the last 19 years. 

¹ The corporation was constituted under the *Business Corporations Act* (OQLR, ch. S-31.1).

² See [Borea Construction](#) website.

³ ITC Construction is not subject to reporting obligations under section 9 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act").

⁴ Pomerleau Capital is not subject to reporting obligations under section 9 of the Act.

At Pomerleau, we take a unique approach to each project, based on its scope and delivery method. We offer a customized approach for each project: cooperation, innovation and cutting-edge expertise.

Our approach is rooted in collaboration among all of our players and stakeholders and the use of cutting-edge technologies that enable us to deliver projects of the highest quality.

We use our know-how in construction, project management and design optimization effectively to deliver buildings for the institutional, industrial, commercial and residential sectors. Our teams dedicated to each of these sectors are also responsible for selecting and guiding our partners and ensuring the quality and integrity of their work.

Our clients also rely on our own experts and fleet of heavy equipment to carry out most of our civil engineering work, on land or under water.

Each project is an opportunity to innovate and apply our rigorous health and safety and quality assurance programs, including in our supply chain, as well as the most stringent and forward thinking social and environmental standards. **▀**

Pomerleau in Numbers

\$4.8

billion in revenues

60

years of know-how

Over
5 000

employees

Over
200

active projects

Over
46,800

jobs created
in Canada

Our Supply Chain

Our supply chain is a process that ensures that the materials and equipment required for our operations are available. It involves several stakeholders and steps to ensure continuous and efficient procurement.

Our procurement process applies to the purchase of goods, equipment, materials and services, excluding subcontracting.

The following are purchases included in our supply chain:


- equipment and tools;
- consumable products;
- construction material;
- equipment replacement parts;
- leasing of production and support equipment and tools;
- mechanical maintenance services;
- waste management and sanitation services;
- transportation services; and
- other construction site services.

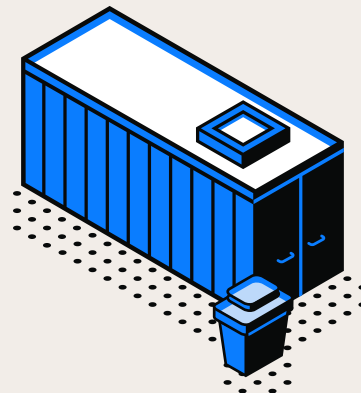
We give preference to local and national suppliers in our supply chain. However, certain situations may require us to import construction material owing to specific needs, availability constraints or particular technical requirements. At all time, we carefully assess cases such as these to ensure the quality and sustainability of our construction projects and to minimize our risk of forced labour and child labour in our global supply chains.

Close to 92% of our purchases are made from eligible suppliers in Canada. Only 8% of our purchases are made outside Canada, and 58% of these imports are made in the United States.

Imports represent 8% of Pomerleau's total expenses.

We are also careful not to make any purchases in countries considered to be at greater risk of modern slavery. This assessment is based on the measurements by Walk Free to the extent of modern slavery in 160 countries. Their Global Slavery Index (GSI) provides national estimates of modern slavery based on interviews with survivors of modern slavery as well as their assessment of national-level vulnerability. This assessment considers individual and national forced and child labour risk factors. The Global Slavery Index answers three key questions: how many people are living in modern slavery, what are vulnerable factors, and remediation measures are taken by governments.

Overall, we consider the global risk of forced and child labour to our supply chain to be low. 



Our Due Diligence Policies and Processes

Integrity matters for each of us

Pomerleau is committed to ensuring that there is no forced or child labour in our supply chain. To do so, we are continually working to put in place due diligence policies and processes. These measures are designed to ensure that our suppliers comply with international modern slavery standards and that they do not hire any forced or child labourers. Pomerleau aims to maintain an ethical and responsible supply chain, whereby each stakeholder contributes to respecting the fundamental rights and the wellbeing of the workers.

Suppliers' Code of Conduct

In alignment with our values and vision, Pomerleau has established a Code of Conduct designed to promote integrity and encourage sound and ethical business practices. The Suppliers' Code of Conduct sets out the principles and conduct that our suppliers and subcontractors must abide by and adopt. Pomerleau firmly believes that adopting honest and ethical conduct benefits not only our business, but also our clients and partners, as well as our employees. Our partners must prohibit and under no circumstances tolerate forced or child labour in their supply chain. These requirements are intended to promote honest and ethical business practices and to guarantee respect for the fundamental rights of workers. Pomerleau is committed to maintaining these practices in all its business relations.

To view our Suppliers' Code of Conduct, please visit our website: [Ethics and Compliance: To Cement Our Relationships | Pomerleau](#).

Employees' Code of Conduct

Our commitment to develop and maintain a corporate culture based on business ethics and integrity is clear.

Integrity, transparency and trust must permeate in our daily business practices, conduct and decisions. The Code of Conduct sets out the principles and conduct that our employees must abide by and adopt. Pomerleau believes that every human being should be treated with dignity, fairness, equality and respect for their fundamental rights. We are committed to providing a healthy work environment and fostering honest and respectful practices where no one will be exploited or forced to work. We require our employees to fight against all forms of modern slavery. At Pomerleau, people are our top priority, and we place the protection of human rights at the forefront of everything we do.

External Recruitment Policy

In collaboration with third-party recruiting agencies, Pomerleau focuses on attracting highly qualified and motivated talent to ensure our continued success. With this in mind, we work with recruitment providers who have been carefully selected through a rigorous evaluation process. Throughout the recruitment process, we place great importance on fighting against modern slavery, and we actively take measures to guarantee an ethical work environment, respectful of the fundamental rights of our employees. Pomerleau requires its recruitment providers to adopt honest and ethical recruitment practices, respect the fundamental rights of workers and commit to fighting against forced and child labour.

Pomerleau offers its employees competitive total compensation, attractive benefits, a wide range of training and development opportunities, and health and safety initiatives. Our construction site workers are unionized and their working conditions protected by collective agreements (e.g., wages, vacation, statutory holidays, working hours, etc.). In this manner, Pomerleau can guarantee that the working conditions of our workers are at least at par with those required by current laws and standards and that there is no

⁵Walk Free

form of modern slavery on our construction sites. We are committed to maintaining a work environment that respects workers' rights and complies with all relevant laws and standards.

Environmental, Social and Governance (ESG) Questionnaire

In 2022, Pomerleau created an ESG questionnaire in keeping with its values and strategic priorities. The objective is to assess the ESG profile of our suppliers, including their practices to fight modern slavery. This project has allowed us to improve the process and the questionnaire to gain a better understanding of our suppliers' ESG practices and their fight against forced and child labour. In 2023, we assessed a number of strategic suppliers on their alignment with our priorities and practices. Our objective with this questionnaire is to ensure that our suppliers raise awareness with their employees and executives on modern slavery issues and risks. Our suppliers are also required to perform due diligence on their own suppliers and put in place practices and measures to identify, prevent and mitigate the risks associated with forced and child labour within their supply chain.

In 2024, Pomerleau intends to identify a digital platform to automate the process of administering the questionnaire and processing responses.


Contracts with Suppliers and Subcontractors

Our contracts with suppliers and subcontractors include provisions requiring them to adhere to and respect our Supplier's Code of Conduct. In this

manner, they are required to actively engage in the fight against modern slavery. These measures are designed to ensure that our partners operate with integrity and in an ethical manner, and in compliance with international standards on workers' rights and fair working conditions.

Reporting Line

Pomerleau has taken steps to ensure confidentiality and anonymity when an actual or potential situation of modern slavery is reported by setting up an external reporting line, managed by an independent third party. Employees can report any concerns or misconduct related to forced or child labour. Pomerleau undertakes to review each report promptly and take appropriate action to investigate any allegation or misconduct related to modern slavery. With this reporting line, Pomerleau is demonstrating its commitment to transparency, accountability and the fight against forced and child labour. We encourage all our employees to help maintain an ethical and responsible supply chain.

Pomerleau is constantly working to improve its practices and minimize any risk of forced or child labour in our supply chains. 

Forced and Child Labour Risks

We have put in place measures to manage forced and child labour risks in our supply chain and the supply chain of our partners. We are committed to preventing, mitigating or ceasing all forms of modern slavery.

The following are some concrete actions we have accomplished:

Risk Identification

We have examined our supply chain to determine whether any purchases are being made in high-risk countries. We have started assessing our suppliers and subcontractors to detect any modern slavery vulnerability in our supply chain.

Reporting Line

We have set up an anonymous and confidential reporting line to allow our employees to report any modern slavery situation in our supply chain or those of our partners.

Monitoring

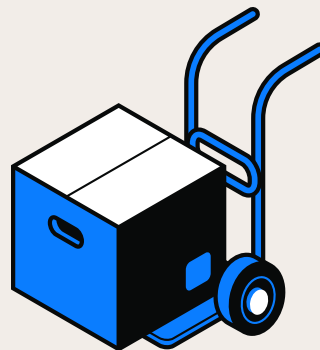
We may monitor the practices of our suppliers and subcontractors to ensure compliance with our values, our ethical and responsible business practices and modern slavery requirements. As part of this process, Pomerleau may decide to carry out more in depth verifications if a potential modern slavery situation is detected.

Risk Mitigation

We have adopted policies and put in place due diligence measures to minimize the risk of forced or child labour. Pomerleau gives preference to suppliers and subcontractors who share our values and our ethical and responsible business practices.

Over the next year, we will provide clear guidelines on the steps to take if a modern slavery situation is detected so that our employees know how to report such a situation and what action they should take to mitigate or put a stop to it in order to protect vulnerable workers.

In sum, the steps taken and the low percentage of imports from high-risk countries lead us to believe that our supply chain presents a low forced and child labour risk. Nevertheless, we remain vigilant and are committed to maintaining ethical and responsible practices with respect to modern slavery. ✓



Remedial Action

If any of partners fails to comply, we may require them to take appropriate action to mitigate or put a stop to modern slavery in their own supply chain, such as:

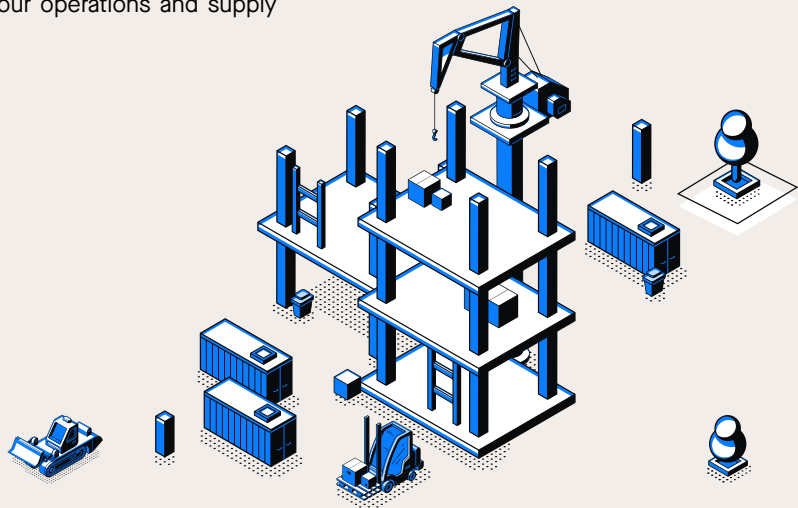
- taking the necessary actions to support victims of forced or child labour, which may include offering psychological support to victims;
- indemnification to victims of modern slavery and their families;
- taking steps to prevent any form of modern slavery from reoccurring in their operations or supply chains; and

- putting in place the necessary policies and processes required to put a stop to forced or child labour.

We may also decide to terminate our business relation with these partners. The decision to do so would be in keeping with our commitment to maintaining a supply chain free from any risk of forced or child labour.

Compensation for Loss of Income

Pomerleau has not identified any loss of income to vulnerable families as a result of measures taken to eliminate the use of forced or child labour in our operations and supply chain.



Training

Modern slavery training is essential to raise awareness and accountability among our employees and executives.

The following are some key elements to our training plan:

Awareness-raising

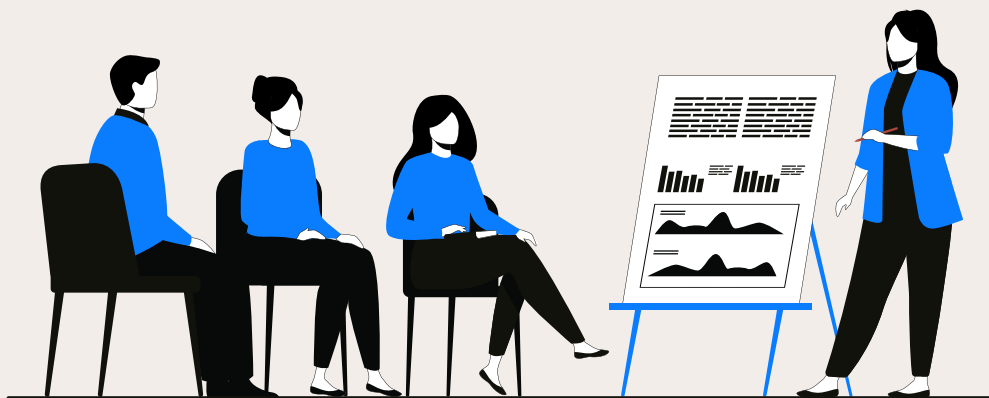
Some of our employees have been offered an internal training session to raise awareness of our obligations and the measures in place to ensure that forced and child labour in our supply chain are detected, prevented and stopped.

In the coming year, we will be putting in place awareness-raising measures for employees involved in our supply chain.

Risk Identification

Through our training plan and the measures, we have put in place, Pomerleau's employees will learn to identify modern slavery risks in our supply chain. They will be made aware of high-risk countries and regions and products likely to be affected so as to detect any potential forced or child labour situation in advance and take the necessary remedial action.

By raising awareness among our employees, Pomerleau strengthens its commitment to maintaining an ethical and responsible supply chain, free from any form of forced or child labour.



Assessing Effectiveness

In order to measure the effectiveness of our practices and due diligence measures and to make continuous improvements, it is essential that we assess them.

The key steps of our assessment may include the following:

Data Collection

We analyze the data collected in connection with our ethical and responsible practices to fight modern slavery.

Result Analysis

We analyze the data collected to assess the effectiveness of our practices. Doing so allows us to assess trends, deviations from objectives, risk elements and areas for improvement.

Performance Indicators

We are committed to defining specific indicators to measure the success of our efforts in fighting forced and child labour in our supply chain. Indicators may include the number of reports received, the number of modern slavery situations detected, monitoring carried out, training provided, etc.

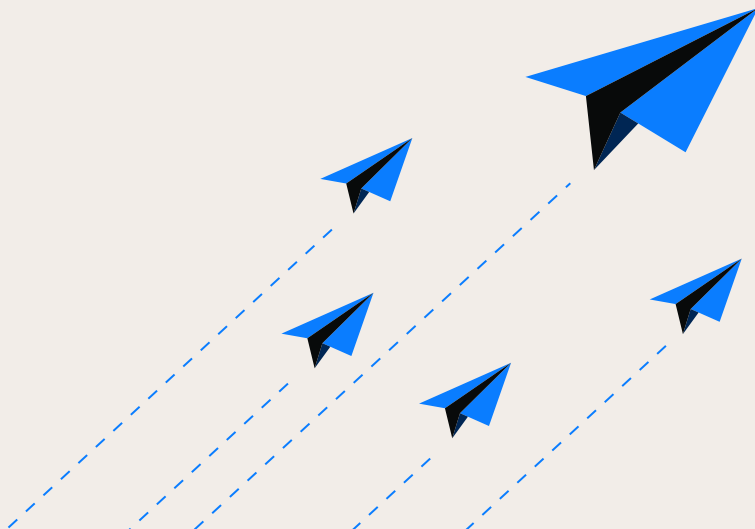
Stakeholder Feedback

We may solicit feedback from our stakeholders, including employees, suppliers and subcontractors. Their perspectives help us assess and improve our practices.

Adaptation and Improvements

Based on the results and feedback from our stakeholders, we will make the necessary adjustments to our practices. Doing so may include making changes to our due diligence policies and measures, putting in place new practices or providing additional training.

In sum, by continuously assessing our practices in the fight against forced and child labour, we are able to remain alert to any modern slavery situation in our supply chain, to constantly improve and to actively contribute to countering modern slavery, which runs counter to the fundamental rights of workers.





Approval

This report was approved by the Executive Committee of Pomerleau Inc. on April 11, 2024.

Certification pursuant to Section 11 of the Act

In accordance with the requirements of the Act, and more specifically section 11 thereof, I hereby certify that I have read the report submitted by Pomerleau and have approved the information contained therein.

Signed by

Philippe Adam
Chief Executive Officer
April 11, 2024

Shaping the future