

# Modern Slavery Report

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## SUBMITTED BY

Alberici Constructors Inc.  
Alberici Constructors Ltd.  
Alberici Constructors Holdings, LLC

## FINANCIAL YEAR ENDING

December 31, 2023

# Introduction

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*This statement is provided to meet our obligations under Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") and related guidance from Public Safety Canada, for the reporting period of January 1, 2023 to December 31, 2023. This is a joint report, and the main reporting entity and parent company is Alberici Constructors Holdings, LLC. The subsidiaries and affiliates considered in this joint report are Alberici Constructors, Inc. and Alberici Constructors, Ltd., Alberici's Canadian enterprise. For the purpose of this report, "Company" means Alberici Constructors Holdings, LLC. and all of its direct and indirect subsidiaries and affiliates previously listed.*

## Our Commitment

Forced labour, child labour, and human trafficking remain global issues. We commit to being proactive in preventing and reducing the risks associated with modern slavery and human trafficking within our enterprise. We understand the importance of our employees, stakeholders, and the communities we influence, and we are dedicated to protecting our workforce, contractors, partners, and clients from any form of modern slavery, ensuring their well-being in line with our core values.

Our first report, in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, details the key measures we have taken to address and mitigate the risks of forced and child labor within our operations and supply chain.

## Reporting as Required by the Act

This document constitutes Alberici Constructors Inc. report ("Report") pursuant to Section 11 of Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") for the financial year ending December 31, 2023. This report provides an overview of the actions Alberici has taken to assess and mitigate the risks of modern slavery within Alberici's operations and supply chains.

This is a joint Report made on behalf of Alberici Constructors Holdings, LLC, Alberici Constructors Inc. (ACI), and Alberici Constructors Ltd., (together "Alberici"), which is directly owned by Alberici Constructors Holdings, LLC.

# Structure, Operations & Supply Chains

## Structure

Alberici Constructors, Ltd. (ACL) is part of Alberici Corporation, a U.S.-based holding company comprised of 18 construction services firms. ACL operates throughout Central Canada, with principal projects in Ontario.

At the heart of ACL is the quality of its people and their dedication to the health and safety of every person involved in its projects. This emphasis on safety has garnered ACL an Excellence Awardee for Canada's Safest Employers, as well as receiving distinguished safety awards from the Ontario General Contractors Association (OGCA) and Hamilton-Halton Construction Association (HHCA). ACL is a COR certified contractor, a designation that symbolizes professionalism and commitment to safety. ACL is ISO 9001:2015 quality certified and uses proven resources, equipment and procedures.

In Ontario alone, Alberici has over 300 salaried and craft employees. Throughout the Enterprise, Alberici has over 3,500 staff and craft labour across North America.

Alberici's Canadian operations are built on a foundation of people, innovation and partnerships. ACL's parent company was founded in St. Louis, Missouri in 1918 by John Stanislaus Alberici.

Alberici's Canadian Head Office is located in Burlington, Ontario, on the traditional territory of the Anishinaabe and Haudenosaunee Peoples. This land is part of the Dish with One Spoon Treaty, an agreement between the Haudenosaunee and Anishinaabe nations to share and care for the resources around the Great Lakes. We also acknowledge the enduring presence of the Métis people, who have a deep connection to this land.

## Governance

Our strong corporate governance framework ensures the interests of our stakeholders are at the center of every decision we make. The Board of Directors ("Board") oversees the prudent management of Alberici's business.

Our governance systems include policies and processes that define the roles and responsibilities of our Board, along with the Executive Leadership Team.

Alberici's Audit Committee is responsible for overseeing Alberici's accounting and financial reporting processes and reviews audits of Alberici's financial statements. In addition, the Audit Committee reviews significant compliance policies with the Chief Legal Officer and Chief Integrity Officer, and also reviews procedures relating to the communication of and compliance with Alberici's Code of Conduct.

The ACI board, through its various committees, is responsible for the oversight, review and compliance of many of Alberici's key policies, including the Human Rights Policy, Code of Conduct and Procurement Policy.

Management of Alberici, under the direction of the Board have implemented a number of initiatives to help promote ethical behaviour by its employees, including maintaining an accessible database of key policies, new employee onboarding with respect to key corporate policies (including the Code of Conduct, Human Rights and Anti-Corruption Policies) and respective mitigation measures. Alberici fosters an environment of mutual trust where the strongest ideas – not the loudest voices – make a difference.

We know that we can't achieve our mission to strengthen communities and improve lives if we're not fully engaged and working together. We work closely with our teams and strategic suppliers to ensure that those associated with Alberici are prepared to achieve high levels of performance and accountability.

We strive to ensure that our teams are well informed about Alberici's rules and expectations and that they have the tools and training they need to manage risk in their individual areas of work.

## Activities

Alberici solves our client's most complex challenges. Alberici delivers a broad range of construction services to private- and public-sector clients. Alberici provides project development, construction management and general contracting services through a variety of delivery models.

Our expertise in Canada includes seven key sectors:

- » Automotive
- » Energy & Renewables
- » Food & Beverage
- » Heavy Industrial
- » Civil – Rail & Transportation
- » Industrial Process
- » Water & Wastewater

## Supply Chain

Alberici works with more than 2500 suppliers and contractors primarily from Canada and the United States. We have internal policies in place to assure we do business with individuals and organizations that conduct themselves in a way that is aligned with Alberici's Code of Conduct.

Alberici suppliers must:

- » Agree to be bound by Alberici's Terms and Conditions;
- » Take reasonable steps to identify, assess and address risks of forced- and child-labour practices in the operations and supply chains used in the provision of any goods and/or services to Alberici as stated within Alberici's Supplier Contract;
- » Respect and abide by the laws, customs and business practices of the countries (including, without limitation, applicable health and safety and environmental legislation) in which the activities with Alberici are to be carried out; and
- » Strictly comply with the human rights principles set out in Alberici's Human Rights Policy.

Before becoming an approved supplier to an Alberici-led project, suppliers must complete a pre-qualification questionnaire designed to understand the prospective suppliers' policies and processes. Responses are reviewed by a centralized vendor master team. Suppliers identified as carrying a high risk are monitored.

## Procurement

While ACL's direct and indirect procurement of goods, materials and services is conducted primarily with Canadian suppliers, the manufacture of certain products, and procurement of certain goods and services, may take place in the US. Since ACI operates in the US, most of ACI's contract costs are with US suppliers and subcontractors. Typical goods and services sourced outside of Canada and the United States include design and consultation services from the UK or Australia. The overseas costs incurred are rarely significant, comprising of less than 0.5% of total expenditures

Procurement with Alberici's strategic suppliers is managed at a corporate level, while operational procurement is split between a centralized Procurement Team based out of our Cambridge warehouse and Burlington office as well as operations staff located at project sites. All Alberici-led projects utilize a corporately maintained enterprise resource planning solution where supplier master data is housed. All new supplier setups for Alberici-led projects are administered by a centralized corporate vendor master team.

The delivery of projects utilizing Alberici's "self-perform" capabilities (i.e., without the use of subcontractors) involves the direct procurement of goods, materials and services by the construction site or procurement team. Goods and materials directly procured in this way vary depending on the scope of the project and may include structural steel, reinforcement steel, concrete, aggregates, lumber, fuel, electrical and mechanical equipment, consumables and other common construction materials. This project delivery method may also require the procurement or rental of specialty construction equipment. Directly procured services may include design services, hydrovac, excavation, crane services, engineering and installation of scaffolding.

## Use of Subcontractors

Goods, materials and services may also be indirectly procured by Alberici through our subcontractors. The engagement with subcontractors for the procurement of goods, materials and services is conducted by construction sites or our procurement team utilizing a centralized Enterprise Resource Planning system. Alberici's procurement team maintains an Approved Vendor List to manage key supplier relationships to provide goods and services. Performance of the qualified vendors are evaluated post order of the goods or services and are reevaluated every three years to maintain in good standing.

When delivery of a project involves the use of subcontractors, the work performed by subcontractors may include the supply of goods or materials, as well as labour. The labour and material components of subcontracted work vary depending on the scope of the work and trade.

## Policies and Due Diligence

### Code of Conduct

Alberici's Code of Conduct outlines the Company's expectations for its business conduct with respect to human rights, health, safety, environmental stewardship, and compliance with laws. It is a core responsibility of every Alberici employee to conduct business in an ethical and lawful manner. The Code applies to all directors, officers and employees of the Company and its affiliates. All of our directors, officers, employees and affiliates must conduct themselves according to the policies of this Code and seek to avoid even the appearance of improper behavior. Our suppliers, agents, representatives and consultants are expected to embrace the values and standards similar to those reflected in this Code. Alberici employees are required to complete a Code of Conduct online module as part of the onboarding process.

### Terms and Conditions for Vendors

Our standard supplier terms and conditions were recently updated to include assurance of Alberici's suppliers compliance with relevant laws and commitment to mitigate the risk of human trafficking and forced and child labour.

### Supplier Contract

Alberici's subcontractor contract template has been updated to include standard contractual terms highlighting and addressing modern slavery issues and concerns. Additionally, it requires those we do business with to take reasonable steps to identify and address risks of forced- and child- labour practices in their operations and supply chains.

### Human Rights Policy

Our recently updated Human Rights Policy reaffirms Alberici's commitment to protecting human rights and providing remedies for victims of business-related abuses. This policy sets the standard for the conduct of Alberici employees, subcontractors, and suppliers, emphasizing our commitment to prevent human trafficking and modern slavery.

### Procurement Policy

Alberici recently introduced an updated Procurement Policy. The policy establishes procurement rules of conduct including providing clear expectations of how we conduct procurement practices within Alberici, as well as guidance related to supplier qualifications and risk management. Alberici's Procurement Policy requires Alberici personnel responsible for procuring goods and/or services, in collaboration with internal stakeholders, to evaluate the level of risk suppliers may create for Alberici and act as appropriate. This includes, but is not limited to, conducting appropriate due diligence before committing to procure goods and/or services. Supplier risks we intend to assess per the Procurement Policy include Modern Slavery risks, performance quality risk, financial viability, litigation risk, regulatory compliance risk, supply disruption risk, intellectual property risk, insurance risk and cybersecurity risk.

### **Anti-Corruption Policy**

Alberici's Anti-Corruption Policy establishes clear guidelines and procedures for preventing, identifying, and addressing any forms of corruption, including bribery and fraud. The Policy promotes a culture of ethical conduct and integrity among employees, contractors, and business partners, ensuring compliance with relevant laws and regulations. The policy prescribes behaviours to protect the company's reputation, foster a transparent and fair business environment, and minimize the risk of legal penalties and financial losses.

### **Child Labour and Young Worker Policy**

Alberici is committed to protecting and supporting the rights of young workers and prohibits child labour. This policy reinforces Alberici's fundamental values of creating a safe, respectful, and nurturing environment for all individuals involved in our operations.

### **Forced Labour and Child Labour Risks**

Alberici does not consider any of its wholly owned operations in Canada to carry a significant risk of Modern Slavery given the legal frameworks, our workforce and human resources policies and procedures. The employees within our reportable operating segments work in North America only, which has a low prevalence of Modern Slavery, a low risk of vulnerability to Modern Slavery and a reasonably robust government response to Modern Slavery. Moreover, our global workforce largely consists of skilled, qualified and experienced individuals. Alberici is broadly signed to the Building Trades in Ontario. These collective agreements apply an additional level of control ensuring all work is carried out by highly skilled and trained tradespeople.

We also have a number of internal controls designed to safeguard the rights of our employees. These include our internal policies and practices, including our recruitment, employee engagement and remuneration practices, our speak-up and investigations processes, our grievance resolution processes

(applicable at our unionized locations), and our commitment to respecting and observing all human rights, in accordance with applicable law and the principles set forth in applicable international standards.

Alberici has the ability to control its supply of steel through Hillsdale Fabricators, an Alberici wholly owned subsidiary that specializes in the fabrication of structural steel. If Hillsdale cannot fulfill an order for ACL, steel is sourced from within Canada or the United States.

Alberici has no operations in countries with high levels of corruption risk as determined by Transparency International's 2023 Corruption Perception Index (that is, the countries that are part of the 20 lowest rankings).

Based on our Modern Slavery Scoping Exercise and Risk Assessment, we consider the overall risk of Modern Slavery in our supply chains to be low. The Risk Assessment indicated that the majority of the goods we purchased were from low-risk jurisdictions.

Typical goods and services sourced outside of Canada and the United States included geotextiles and electrical supplies. We have cross-referenced the above list of countries against the Walk Free's Global Slavery Index 2023, identifying the United States, Turkey and China as the geographic areas that have the potential to pose the greatest risk of forced or child labour in Alberici's supply chain.

We recognize that a large number of our direct suppliers are likely to rely on extensive global supply chains for the goods and/or services provided to us which makes it particularly challenging for us to have direct and meaningful visibility across our supply chain beyond our direct suppliers.

Our governance, policies, and due diligence, help us mitigate the potential risks in our supply chain. We continuously work to improve our due diligence processes, including refining our Risk Assessment process, to assess and manage the risk of Modern Slavery in our supply chain.

## Steps Taken in the Previous Year

Alberici has taken a number of steps to prevent and reduce the risk of Modern Slavery within our operations and supply chain. These steps include, but are not limited to:

- » Developed and implemented due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour or child labour in our activities and supply chains.
- » Developed and implemented anti-forced-labour and anti-child labour contractual clauses.
- » Enhanced our supplier onboarding pre-qualification evaluation criteria to more directly address potential concerns of forced or child labour.
- » Updated our Procurement Policy to require that suppliers take reasonable steps to identify, assess and address risks of forced and child labour practices in the operations and supply chains used in the provisions of any goods or services.
- » Conducted an internal assessment of risks of forced labour and child labour in our activities and supply chains.

## Next Steps

Alberici has identified a number of policies that will be implemented in the coming years including but not limited to:

- » Create a Supplier Code of Conduct which will reaffirm the responsibility of suppliers to take reasonable steps to identify, assess and address risks of forced and child labour practices in the operations and supply chains used in the provisions of any goods or services.
- » Continue to evolve and expand our due diligence process, including developing an anti-modern slavery questionnaire to be included in the prequalification process.
- » Develop training for Alberici employees to

increase awareness around forced labour and child labour

- » Integrate forced- and child-labour risks into Alberici's Enterprise Risk Management process, which identifies potential events that may affect Alberici, manages risk to be within Alberici's risk profile and provides reasonable assurance regarding the achievement of Alberici's objectives.
- » Publish a sustainability report to identify the environmental, social and governance (ESG) impacts of our business activities and assess the risks and opportunities.

## Remediation Measures and Remediation of Loss of Income

Based on our assessment of our activities and supply chain, as described above, in 2023, there were no measures taken to remediate the loss of income to the most vulnerable families given that there was no Modern Slavery identified in our operations or supply chain.

## Training

Alberici has an extensive onboarding process which provides employees with an Employee Handbook that includes all corporate policies and procedures. Code of Conduct training is also part of the onboarding process. Alberici intends to incorporate training regarding the awareness and prevention of modern slavery issues into its Code of Conduct training.

## Assessing Effectiveness

Alberici has not yet established a formal process to measure the success of our efforts in preventing forced and child labor. Currently, we rely on regular reviews of our operations, suppliers, and supply chain. When we identify suppliers with a higher risk of non-compliance or labor issues, we conduct a third-party open-source investigation at the beginning of our partnership, with annual reviews commencing in 2024. We are committed to developing a more structured approach moving forward.

## Approval and Attestation

This report was approved by the Board of Directors of Alberici Constructors Holdings, LLC on behalf of itself and each of the Alberici Reporting Entities.

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.

For clarity, I have provided the attestation above in my capacity as a director and officer of ACI and not in my personal capacity.



Richard Jagers  
Treasurer

I have the authority to bind Alberici Constructors Holdings, LLC  
May 31, 2024



BUILT FOR THE CHALLENGE  **Alberici**