



2023 REPORT

FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS



| | |
|--|---|
| Overview and Summary of Steps Taken in 2023 | 2 |
| Structure, Activities and Supply Chains | 2 |
| Policies and Due Diligence | 3 |
| CEDA’s Supply Chain | 3 |
| Areas of Risk | 4 |
| <i>Suppliers of Products and Services</i> | 4 |
| <i>Customers</i> | 4 |
| <i>Recruitment and Employment</i> | 4 |
| Remediation Measures | 5 |
| <i>Measures Taken to Remediate Any Forced Labour or Child Labour</i> | 5 |
| <i>Measures Taken to Remediate the Loss of Income</i> | 5 |
| Training | 5 |
| Measuring Effectiveness | 6 |
| Attestation | 7 |



Overview and Summary of Steps Taken in 2023

This report (the “**Report**”) was developed in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c 9 (the “**Act**”) to disclose CEDA’s efforts related to preventing forced labour, child labour and modern slavery (“**Forced Labour**”) in its supply chain, workforce and operations during the business year that ended on December 31, 2023 (the “**Reporting Period**”).

In 2023, CEDA celebrated its 50-year anniversary and a fifth consecutive year as one of Canada’s Best Managed Companies. As part of our ongoing commitment to excellence and delivering best-in-class services safely and efficiently, we also undertook a review, self-evaluation and a preliminary assessment of supply chain activities in accordance with the requirements of the Act.

This Report has been completed by CEDA Parent Holdings Ltd. to jointly address the reporting requirements of itself and five of its operating legal entities: CEDA Services and Projects LP, CEDA Industrial Services LP, CEDA Specialty Services LP, CEDA Field Services LP and CEDA West Services Limited. CEDA Parent Holdings Ltd. and its wholly owned subsidiaries listed above are collectively referred to as “**CEDA**”, “**we**” or “**our**”.

Structure, Activities and Supply Chains

CEDA is a portfolio company of the Ontario Municipal Employees Retirement System (OMERS), the defined benefit pension plan for municipal employees in the Province of Ontario. Headquartered in Calgary, Alberta, CEDA employs up to 2,200 people during peak operating periods. CEDA’s business operations and workforce are located in North America, with staged operations throughout Canada and one location in Pasadena, Texas, which presents a low risk for Forced Labour. A list of our locations can be found at <http://www.ceda.com/locations>.

Our operations focus on stand-alone or integrated industrial maintenance, turnaround and environmental services. Through our client partnerships over the past five decades, we have developed a broad range of technical expertise serving a wide variety of industries – chemical, mining, municipal, oil and gas, pipeline, power, pulp and paper and steel.

In support of our operations and customers, CEDA purchases a variety of goods and services including but not limited to: materials, rentals, equipment, hospitality, transportation and labour.

As part of CEDA’s core philosophy on community investment, wherever possible, we are committed to supporting local businesses, community organizations and Indigenous groups, as well as training, employing and procuring locally from communities where we operate, as guided by our Procurement Policy. The majority of CEDA’s suppliers are Canadian, but we do import goods from the United States and abroad as necessary to meet technical specifications.



Policies and Due Diligence

It is important to CEDA to be a good corporate citizen wherever we conduct business. Our commitment to our owners, employees, customers, suppliers, communities and other stakeholders is to ensure our business activities meet or exceed industry standards and are compliant with all local laws and legislative requirements.

This commitment to corporate social responsibility is supported by CEDA's Corporate Core Values, the CEDA Code of Conduct and Ethics Policy (the "**Code**") and the CEDA Diversity, Equity and Inclusion Policy. In 2023, CEDA updated the Code to include specific sections on diversity and inclusion and ethical work environments. We continue to monitor and self-assess our governance performance in relation to our industries and legislative requirements and are considering what changes may be appropriate to our policies and practices to specifically address the potential for Forced Labour in our supply chain and operations.

CEDA's Whistleblower Policy facilitates anonymous disclosure of any alleged Forced Labour. The Code mandates that CEDA employees, contractors and suppliers are expected to report any potential violations of applicable law or other misconduct. CEDA is committed to investigating any such allegations and violations can lead to disciplinary action, up to and including termination.

CEDA's Supply Chain

CEDA's Supply Chain team collaborates with our Operations and Contracts functional teams in selecting and engaging suppliers that align with our core values, while maintaining our commitments to local businesses, community organizations and Indigenous groups in the regions where we conduct business. CEDA's suppliers, at a minimum, must follow all local laws and legislation and must agree to conduct business in compliance with our governance policies including the Code and in accordance with the contracted requirements. These commitments are supported by our third party and supplier prequalification process as well as our purchase order and contract terms and conditions.

In 2023, CEDA issued a Forced Labour questionnaire to its Tier 1 suppliers. The purpose of this questionnaire was to begin the process of mapping out the supply chain and to identify suppliers intending to publish their own Forced Labour Report and their activities and efforts in relation to mitigating Forced Labour. As of May 30, 2024, CEDA has not identified or received any reports of instances of Forced Labour in its business.

Based on the above described supplier evaluation activities, CEDA is in the process of assessing whether to incorporate Forced Labour considerations and contractual clauses into our formal market approaches and executed contracts.



Areas of Risk

As we engage with customers, joint venture partners and suppliers spanning various locations, we recognize that the risk of Forced Labour may differ across our business operations and may not be negligible. We also know that some of our services, particularly those in the construction, fabrication and industrial services sectors have the potential to carry a risk of Forced Labour, depending on the origin location of some of the goods integrated into the services. We have therefore identified the following risk areas to help us assess and address Forced Labour:

Suppliers of Products and Services

We know that supply chains are complex. Suppliers might use secondary or tertiary suppliers or sub-contractors as part of their supply chain who engage in Forced Labour manufacturing processes. As a result, the risk of not seeing Forced Labour in our primary supply chain is increased. All of our commercial commitments to suppliers include mutual expectations to follow applicable laws and legislation and to adhere to our Code.

Customers

While minimal, a small segment of some of our customers might be a Forced Labour risk. Our Business Development team collaborates with our Contracts team and Leadership group to ensure new and existing customers are screened. Potential issues raised in this process are then reviewed and additional due diligence may be done to further understand the issues. We only engage in business with entities that meet our responsible business assessment standards.

Recruitment and Employment

Both direct hire and contracted personnel through agencies, including temporary staff and contractors, may face the risk of human trafficking, bonded labour, low-wage and other forms of Forced Labour and precarious work. As part of CEDA's hiring practices, criminal records verifications are completed. Canada is a signatory member to the International Labour Organization's declaration on fundamental principles and core working rights, inclusive of the principle that there should be an elimination of all forms of forced or compulsory labour. As such, we follow applicable employment standards legislation and utilize equitable recruitment and screening practices, employment policies and procedures to ensure everyone is treated ethically and to mitigate the potential risks of underage employment, Forced Labour or precarious work.



Remediation Measures

CEDA acknowledges the requirement to report on what remediation measures it has taken, if any, to remediate any instances of Forced Labour in its business operations or supply chain and counteract the potential loss of income for vulnerable families impacted by it.

Measures Taken to Remediate Any Forced Labour or Child Labour

CEDA developed a Forced Labour questionnaire that was circulated to its Tier 1 suppliers in 2023. In 2024, the focus is on reviewing responses and collaborating with our key suppliers to identify and eliminate instances (if any) of Forced Labour within our supply chain network and refining policies and procedures to be adhered to by all suppliers.

CEDA did not identify or receive reports of any instances of Forced Labour in the Reporting Period and therefore no remediation measures with respect to Forced Labour were taken.

Measures Taken to Remediate the Loss of Income

CEDA is in the initial stages of addressing the unique challenges of Forced Labour, prioritizing compliance with legislative requirements and gathering information about our supply chain. CEDA did not identify or receive reports of any instances of Forced Labour in the Reporting Period and therefore no remediation measures with respect to loss of income attributed to Forced Labour were taken. CEDA acknowledges the need to consider this potential impact going forward if any instances of Forced Labour within our business operations or supply chain activities are identified.

Training

CEDA formed a formal committee comprised of Supply Chain, Contracts, Finance and Human Resources representatives (the "**Committee**"), conducted a readiness analysis and evaluated how the Act affects our business across Canada. The Committee also explored available tools and industry/association training on the Act.

As the legislation is newly introduced in Canada, limited resources were available; however, CEDA has determined that similar legislation in the UK and Australia could serve as a potential source of information related to training programs and governance policies to pursue in 2024. As CEDA has focused on an initial self-assessment in 2023 for the inaugural reporting year, there was no specific training mandated by CEDA or provided to our employees or suppliers. However, all CEDA employees receive training on the Code as part of the employee onboarding process. Annual attestations of CEDA policies, including the Code are also mandatory. CEDA will continue to evaluate and implement training requirements as it pertains to Forced Labour within its operations and supply chain as appropriate.

Our focus in 2024 is anticipated to shift to a further assessment of training requirements and governance policy and procedure adjustments that may need to be made.



Measuring Effectiveness

This is CEDA's inaugural Report, and for 2023, efforts were focused on understanding the Act and reporting requirements, researching existing practices, conducting a self-analysis, drafting and circulating a questionnaire to our Tier 1 suppliers and developing this Report.

As the steps to be taken in the future have not been fully determined, no assessment has been conducted with respect to the effectiveness of our policies and procedures to ensure that Forced Labour is not used in CEDA's supply chains or operations.

CEDA is committed to continual improvement in managing human rights and Forced Labour risk in its operations and supply chain. To evaluate our performance, we will consider both qualitative and quantitative indicators, including but not limited to those related to supplier qualification and certification, audits and assessments, training, client engagement and external benchmarking and will continue to monitor our performance on a go-forward basis and implement changes as necessary.



Attestation

This report was approved by the Board of Directors of CEDA Parent Holdings Limited on May 30, 2024, for the financial year ended December 31, 2023 in accordance with the Act.

“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.”

A handwritten signature in purple ink, appearing to read "K. Fleury", is written above a horizontal line.

Kevin Fleury
Director, President & Chief Executive Officer

Date: May 30, 2024

I have the authority to bind CEDA Parent Holdings Limited and am attesting this Report on its behalf and not in my personal capacity.