

Fighting Against Forced Labour and Child Labour in Supply Chains Act

2023-2024 Report from
The Jacques Cartier and Champlain Bridges Incorporated
May 31, 2024

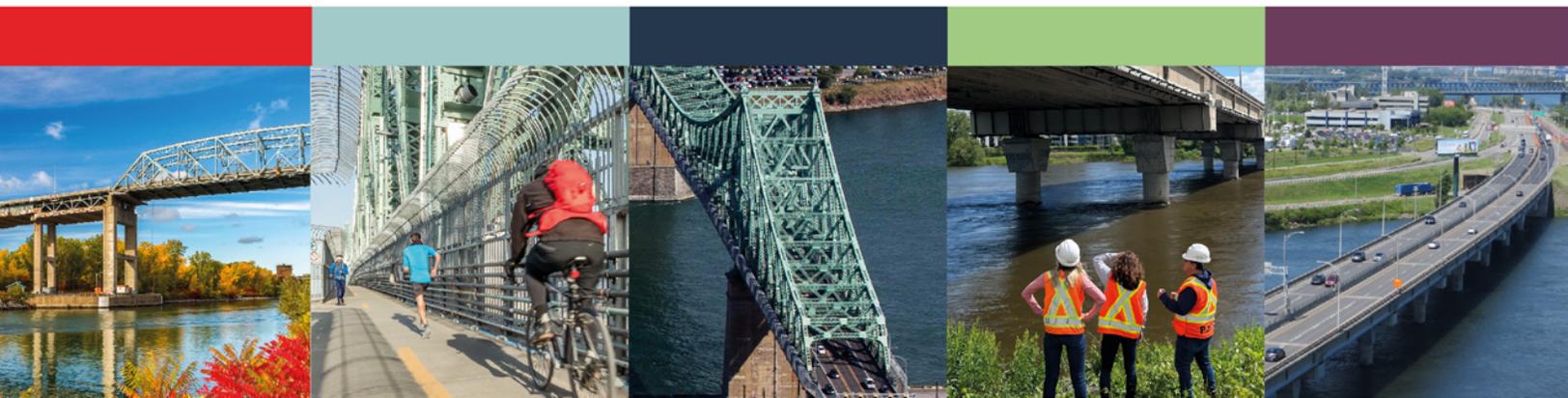


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1. Background

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “**Act**”) came into force on January 1, 2024.

The Act stipulates that every government institution producing, purchasing, or distributing goods in Canada or elsewhere must, on or before May 31 of each year, submit a report to the Minister of Public Safety. The report must detail the steps the government institution 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 produced, purchased, or distributed by the government institution.

This report (the “**Report**”) is part of the steps undertaken by The Jacques Cartier and Champlain Bridges Incorporated (the “**Corporation**”) to identify, prevent and mitigate the risks associated with forced labour and child labour in its supply chains.

2. General Information

2.1 The Corporation

The Jacques Cartier and Champlain Bridges Incorporated is a federal parent Crown corporation established in 1978. It is responsible for the Jacques Cartier Bridge, the original Champlain Bridge (whose deconstruction was completed in fiscal year 2023-2024), the Estacade, the Île des Sœurs Bypass Bridge (currently being deconstructed), the federal section of the Bonaventure Expressway, the federal section of the Honoré Mercier Bridge and the Melocheville Tunnel.

The Corporation ensures the safe passage of thousands of users every day by managing, maintaining, and repairing these infrastructures, which are essential to Greater Montreal. The Corporation ensures that these structures remain safe, fully functional, and aesthetically pleasing, for today and tomorrow.

Its mission is to ensure user mobility, safety, and infrastructure longevity using a systemic management approach based on sustainable development.

2.2 Fiscal Year Covered by the Report

This Report covers fiscal year 2023-2024, that is, the period extending from April 1, 2023 to March 31, 2024. It is the first report produced by the Corporation under the Act. It is therefore not a revised report.

2.3 Sectors of Activity

The Corporation carries out its main activities in the public service sector, which services are described in Section 2.1.

The Corporation’s head office is located in Longueuil, Province of Quebec.

3. Structure, Activities and Supply Chains

The Corporation's organizational structure comprises eighteen (18) divisions, which report to Executive Management and five (5) departments, as follows:

3.1 Structure

+ Executive Management

- . Communications Division

+ Administration Department

- . Finance Division
- . Information Resources Division
- . Project Support and Continuous Improvement Division
- . Procurement Division

+ Asset Management Department

- . Asset Information and Innovation Division
- . Environment and Sustainable Development Division
- . Diagnostics and Planning Division
- . Technical and Special Mandates Division

+ Operations Department

- . Engineering Division
- . Construction Division
- . Health and Safety Division
- . Operations and Maintenance Division

+ Legal Affairs and Human Resources Department

- . Legal Affairs Division
- . Human Resources Division

+ Projects Department

- . Three (3) Projects Division

3.2 Activities

The Corporation's activities include the management, maintenance, and rehabilitation of major structures, most of which are entrusted to external professionals, contractors, and service providers.

All the Corporation's purchases of goods and services are administered by its Procurement Division, which reports to the Administration Department.

The Corporation's Senior Director, Administration and Treasurer is the designated person responsible for managing the risks associated with forced labour and child labour in its supply chains.



3.3 Supply Chains

The Corporation neither specializes in the production of goods (including manufacturing, extracting, growing, and processing), nor in the distribution of goods (of any kind). Its activities are therefore limited exclusively to the purchase of goods and services in Canada and, to a marginal extent, abroad.

In short, the Corporation's supply chains consist solely of service inflows and, to a lesser extent, good inflows, whose essential purpose is to ensure the supplies required for the continuity and smooth running of its operations.

As of the date of this Report and to the best of the Corporation's knowledge, no use of forced labour or child labour has been identified in its operations or supply chains.

4. Remedial Measures for Forced Labour or Child Labour

With regard to the implementation of measures to remediate any forced labour or child labour in the Corporation's supply chains, a preliminary action plan (the "**Plan**") has been drawn up in the following sequence:

- + Phase I: mapping and analysis of the Corporation's supply chains
- + Phase II: integration of the risks into the Corporation's corporate risk management framework
- + Phase III: integration of the risks into the Corporation's regulatory framework

The Corporation plans to develop and update the Plan in line with current legislation, and in accordance with the priority areas of intervention identified in the management of the risks related to the Act.

The mapping and analysis of the Corporation's supply portfolio corresponds to Phase I of the Plan, which is in progress at the date of this Report. The main aim of these activities is to characterize the Corporation's portfolio of acquisitions in order to assess its exposure to the risk of forced labour and child labour in its supply chains.

The aim of this diagnostic phase is to qualify the risks inherent in the Corporation's procurement of goods from the triple perspective of (a) the type of goods purchased, (b) their origin and (c) the identification of the direct suppliers of said goods. This phase also aims to identify the supplier markets (namely the sectors or industries) most exposed to the risk of forced labour and child labour.

At the preliminary stage, the mapping and analysis activities initiated during fiscal year 2023-2024 as part of this Report confirm, among other things, that all of the Corporation's suppliers of goods are located in Canada. Marginally, some of these suppliers may be considered entities within the meaning of the Act.

In the same reference year, less than 3% of the total net value of the purchase orders placed by the Corporation related to acquisitions of goods, which are the ones covered by the Act. Furthermore, the analyses carried out to date have confirmed that all of these goods, which were purchased in Canada, consist mainly of software, hardware, supplies, and miscellaneous equipment.

5. Assessment of the Risk of Forced Labour or Child Labour

In 2018, the Corporation undertook the process of implementing a corporate risk management framework. Such process has been included in the strategic planning action plan since 2017-2018. Its objective is to enable the Corporation to identify the key corporate risks and establish mitigation measures to address high-risk areas.

The Corporation's corporate risk management framework has been formally defined in both the *Integrated Corporate Risk Management Policy* and the *Integrated Corporate Risk Management Implementation Guide*. Collectively, these policy and guide support the implementation of the Corporation's risk management process.

The Corporation's corporate risk management framework has been designed to identify the key risks, other than project risks that could have a negative impact on the Corporation's objectives and activities. The risks related to the negative impacts of forced labour and/or child labour in the Corporation's supply chains fall under Category 6 (*Risks related to Suppliers and Procurement Processes*), whose statement is as follows:

- + The Corporation adopts the policies and processes required to ensure, among other things, that it has a rigorous method for awarding contracts and selecting reliable suppliers who meet the Corporation's requirements.
- + In addition, the Corporation monitors and supervises the quality of the services provided, in order to ensure that they meet contractual expectations.
- + Finally, the Corporation rigorously assesses its suppliers' health and safety measures.

As part of Phase II of the Plan, the Corporation plans to adjust the definition of Risk 44 (*Goods and Services Procurement and Contract Award Process*) to incorporate compliance with the Act as part of its supplier selection process, and to implement any other relevant mitigation measures.

As mentioned above, Phase I of the Plan, that is, the phase in progress, is a prerequisite for identifying the risks inherent in the Corporation's procurement of goods from the perspective of (a) the type of goods purchased, (b) their origin and (c) the identification of the direct suppliers of said goods, in order to identify the supplier markets most exposed to said risks.

6. Due Diligence Policies and Processes

The Corporation has a Code of Conduct and Ethics for Suppliers, the latest version of which is dated December 1, 2022 (the "**Code**"). The Code sets out the Corporation's expectations of all its suppliers with regard to the rules of conduct and ethics to be observed in their business dealings with the Corporation, notably in terms of integrity, ethics and respect for people and the environment.

All the Corporation's tendering templates refer to said Code, while requiring successful bidders to comply therewith at all times, under penalty of sanctions. In this sense, the integration of the due diligence processes into the obligations set out in the Code is a key element in the implementation of the measures planned as part of Phase III of the Plan.

The upcoming completion of the mapping and analysis activities, which are currently underway, will enable the Corporation to initiate Phases II and III of the Plan, in order to complete, notably, the integration of risk monitoring into the Corporation's corporate risk management framework, and responsible business conduct into its regulatory framework.

7. Remedial Measures for Loss of Income Suffered by Victims

As this type of remedial measures is directly linked to the conclusions of the risk assessment to be carried out as part of Phase II of the forthcoming Plan, the Corporation should be in a position to assess the relevance and feasibility of implementing such measures at the end of said Phase II.

8. Employee Training Measures

As the Procurement Division is responsible for ensuring the supply of goods and services for the Corporation, its staff are currently trained in the obligations laid down by the Act, all within the framework of weekly team meetings.

Based on the conclusions of Phases II and III of the Plan, the Corporation should be in a position to assess the relevance, content and format of a training plan tailored to the specific needs of its staff, based on their degree of involvement in implementing the obligations set out in the Act.

9. Evaluation of the Effectiveness of the Measures

As mentioned above, the upcoming completion of the mapping and analysis activities, which are currently underway, will enable the Corporation to initiate Phases II and III of the Plan, in order to complete the integration of risk monitoring into the Corporation's corporate risk management framework, and responsible business conduct into its regulatory framework.

It is in the context of the progress of these two phases that the Corporation plans to identify performance measures and key risk indicators in order to monitor the results obtained and evaluate the effectiveness of the measures implemented under the Plan.