REPORT UNDER THE FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

INTRODUCTION

This report has been prepared for the financial year ending September 30, 2023, pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**"). This report describes the steps that RCS Construction Inc. ("**RCS**") has taken to prevent and reduce the risk of forced labour and child labour in RCS's supply chain.

RCS's sole director approved this report as attested below on May 31, 2024.

1. STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

RCS's Structure

RCS is a corporation incorporated under the Province of Nova Scotia. Registry of Joint Stocks Number 3321025 and Business Number 894378470. RCS is a privately held company with three current shareholders Douglas Doucet, Andrew Doucet and Chris Baldwin and there is currently no separate board of directors in place. RCS has no reporting subsidiaries.

RCS's Business & Activities

RCS is engaged in commercial general contracting, construction management and design build services across Atlantic Canada. Its purpose includes providing exemplary customer service to our construction clients who range from businesses in retail, hospitality, industrial, institutional and multi-storey residential. At present, RCS has a head office in Bedford, NS, an office in St. John's, NL, and an office in Moncton, NB that services the New Brunswick and PEI regions. As of December 31, 2023, RCS employed 125 persons engaged in administration, finance, human resources, project management, project administration, site supervision, carpentry and general labour.

RCS's Supply Chain

In 2023, RCS purchased and imported goods from mostly North American sources. The majority of our products are not procured directly, so equipment and manufacturing purchases are primarily the responsibility of our subcontractors. Sourcing of these products is based on the consultant specifications. Manufacturers are well known and have the necessary CSA approvals to delivery and use goods in Canada. With regards to the supply chain of the component parts, that is outside of our control or knowledge. If we are required to procure equipment directly, it is on behalf of large, national clients, but the equipment sources remain the same as our trade contractor partners.

2. POLICIES & DUE DILIGENCE PROCEDURES

All of RCS procurement contracts require suppliers to adhere to all applicable laws, including all federal, provincial, municipal, local, or other laws, rules, statutes, regulations, orders, codes, judgments, decrees, treaties or other requirements having the force of law.

Supplier Code of Conduct

RCS does not have a specific Supplier Code of Conduct (the "**Code**"). RCS has various policies and documentation provided to all active subcontractors. The subcontractor policy is focussed

on items such as pre-hazard assessments, WCB coverage, work-site safety procedures, training requirements, etc. All subcontractors sign an rcs subcontract which references the CCA-1 contract whereby all terms and conditions are expected to flow down to their suppliers. Prior to beginning work RCS subcontractors must sign our subcontractor policy, provide up to date WCB, and provide current insurance coverage.

RCS policies do not currently have explicit requirements for suppliers related to forced / child labour. To date we have not encountered or been made aware of any concerns in this area as we are not ordering component parts, but rather the final manufactured item from well known national and international suppliers.

Consequences for not complying with our subcontractor and safety policies can include fines, back charges or removal from an RCS project.

These policies are not currently on our website. The list of policies and documents are provided to our subcontractors through the tender and award stages of preconstruction as well as through the onboarding and orientation for a project.

Code of Business Conduct and Ethics and Whistleblower Policy

RCS has a Code of Business Conduct and Ethics which would cover such areas as behavioural expectations, confidentiality, employee concerns and complaints, abuse of authority, harassment and social media usage. In addition, under RCS's Whistleblower Policy, RCS is committed to integrity and ethical behaviour in the workplace. The policy encourages employees to report any wrongdoing, as defined in the policy, without fear of retaliation or retribution. The goal of the policy is to encourage employees, subcontractors, clients to report possible violations of law, policy and other suspected wrongdoings. This policy addresses illegal conduct which would include forced child labour. Any incidents are to be reported to either the Director of HR or the Chief Financial Officer.

Other policies RCS would have in place that are relevant include our Code of Conduct for external events, Confidentiality Policy, Social Media Policy, Project Delivery Processes & Quality Management, Harassment Policy and Violence in the Workplace Policy.

3. FORCED LABOUR AND CHILD LABOUR RISKS

At this time there have been no specific activities undertaken to assess the risk of forced labour and child labour at RCS. Our imports are minimal and very specifically driven by specification from our large corporate clients. It is the responsibility of our subcontractors to procure the majority of the items related to our projects and most of our work and product is dictated by 3rd party consultants who recommend and/or determine the specifications for the end product. This does not always specific the end supplier but often times it creates a very short and known list of suppliers that can meet those requirements.

In future years as a result of this new legislation, RCS will investigate what, if any, practices and policies need to be identified to manage risks of forced labour and child labour in its supply chain.

4. REMEDIATION MEASURES

To date, RCS has not become aware of any forced labour or child labour in its activities and supply chains. As a result, RCS has not taken any remedial measures.

5. REMEDIATION OF LOSS OF INCOME

To date, RCS has not become aware of any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains. As a result, RCS has not taken any remedial measures with respect to loss of income as a result of efforts to reduce forced and child labour.

6. TRAINING

RCS has not yet implemented formal training on forced labour and child labour but as a result of this legislation will consider what, if any, plans are required to begin implementing formal training. Our focus is always to meet all guidelines and specifications laid out by our clients. Our client list is extensive and includes large national and international clients who have a variety of pre-qualification requirements to by on their construction bid list to begin with. We are diligent in terms of having updated insurance, WCB and all required safety documentation with our staff and our subcontractors.

7. ASSESSING EFFECTIVENESS

As discussed above, RCS has not become aware of any risks of forced labour or child labour in its supply chains.

ATTESTATION

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the sole director of RCS Construction Inc.

In accordance with the requirements of the Act, and in particular section 11 thereof I, the undersigned, attest that I have reviewed the information contained in the report for the entity specified below. 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 specified above.

I make the above attestation in my capacity as the sole director of RCS Construction Inc.

I have the authority to bind RCS Construction Inc.

RCS CONSTRUCTION INC.

Per: _____

Name: Doug Doucet
Title: Director
Date: May 31, 2024