



**MUNICIPAL GROUP OF COMPANIES**

REPORT FOR FINANCIAL YEAR ENDING JANUARY 31, 2024:

# **FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS**

This report is published in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act, SC 2023 c 9* (the “Act”) by Municipal Enterprises Limited on behalf of itself and the entities within its group of companies that meet the definition of an “entity” in the Act (“Qualifying Entities”). The following companies are Qualifying Entities for the financial reporting year ending January 31, 2024:

- MUNICIPAL ENTERPRISES LIMITED
- DEXTER CONSTRUCTION COMPANY LIMITED  
(DEXTER CONSTRUCTION)
- GENERAL LIQUIDS CANADA LIMITED
- DNA DESIGN BUILD LTD.
- GREY ROCK SERVICES INC.
- DEXTER QUEBEC INC.
- MUNICIPAL MINING AND LEASING LIMITED
- ROYAL ENVIRONMENTAL INC.
- FERRO WASTE AND RECYCLING INC.
- MBW COURIER INCORPORATED

and are collectively referred to throughout this report as the **Municipal Group**.

## **Structure, Activities and Supply Chains**

The Municipal Group operates across three principal business segments: heavy civil construction services, environmental services, and transportation services.

Commercial activity carried out by Qualifying Entities primarily takes place in Eastern Canada. Select civil construction projects have also been completed in various Caribbean countries in recent years.

Qualifying Entities in the heavy civil construction industry include Dexter Construction Company Limited, Dexter Quebec Inc., DNA Design Build Ltd., and Grey Rock Services Inc. These companies engage in a variety of heavy civil construction work. Municipal Mining and Leasing Limited leases civil construction equipment to its clients in Northern Canada. General Liquids Canada Limited supplies asphalt products, materials research, and performance testing to its customers.

Our environmental services division offers environmental waste solutions across Nova Scotia and New Brunswick. Qualifying Entities in this division are Royal Environmental Inc., which offers waste and recyclable collection and disposal services in Nova Scotia, and Ferro Waste & Recycling Inc., which provides waste collection and recycling services in Nova Scotia and New Brunswick.

MBW Courier Incorporated is a Qualifying Entity in our courier and transportation division. This company operates in Atlantic Canada and offers a range of shipping and courier services. Municipal Enterprises Limited qualifies based on its consolidated financial statements.

The Municipal Group is primarily service based but does manufacture goods for sale such as aggregate and asphalt products, predominantly within Canada. Municipal's primary sources of supply include entity-specific materials and equipment, commodities such as fuel and asphalt, and subcontractor services.

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## Policies and Due Diligence Processes

The Municipal Group has implemented an Anti-Forced Labour, Child Labour, and Modern Trafficking Policy (the "**Policy**") which applies to all entities within the Municipal Group's corporate group.

The Municipal Group offers an employee training program. During the 2023-2024 fiscal year, a dedicated online training course based on the Policy was developed for employees who could come into contact with forced labour and/or child labour ("**Forced and Child Labour**") as part of their job duties, such as the purchasing group at Municipal Enterprises Limited, and members of Dexter Construction's operations group who are working in the Caribbean. In 2024, employees will be trained in the Policy to support our due diligence in relation to Forced and Child Labour. Employees will learn what steps to take to reduce the risk of Forced and Child Labour in our supply chains and will be informed what actions to take if a violation of the policy is suspected.

Dexter Construction's subcontracts require our vendors to represent and warrant that they are and will remain in compliance with all applicable laws that prohibit forced labour and child labour in the performance of the subcontract, and specifically, that they are in compliance with the Act.

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## Potential Risks in Business and Supply Chains

The risk of Forced and Child Labour is very low within the Municipal Group's operations. Our operations are almost exclusively located within Canada or the United States, in low-risk business sectors. Dexter Quebec Inc. and Grey Rock Services Inc.'s work in the Canadian mining industry is similarly low in risk, as its services are confined to civil construction operations to support clients who carry out mining work. For work in other regions, such as occasional civil construction projects in the Caribbean, the Policy, employee training, and newly implemented supplier intake processes will assist Municipal Group employees in assessing and managing risks of forced labour and child labour. On occasions where seasonal migrant workers are recruited, employees are advised of their rights, and their employment agreements confirm the voluntariness of the employment relationship.

The risk of Forced and Child Labour is similarly low in the Municipal Group's tier one suppliers, as we source almost exclusively from the United States and Canada. The Municipal Group has identified the following areas within our supply chain that carry a potential risk of Forced and Child Labour. Those areas of risk are:

- **IMPORTING GOODS FROM COUNTRIES OUTSIDE OF CANADA AND THE UNITED STATES**
- **HIRING SUBCONTRACTORS FOR WORK OUTSIDE OF CANADA AND THE UNITED STATES**

For goods imported from countries outside North America, the purchasing department takes measures to assess the risk of Forced and Child Labour and make inquiries where appropriate. When Dexter Construction hires subcontractors in foreign locations, those subcontractors are required to confirm their compliance with applicable anti-Forced and Child Labour laws. Furthermore, staff working overseas will be trained in the Policy.

## Remediation Measures

Not applicable. No instances of Forced and Child Labour have been identified in the Municipal Group's operations or supply chain, and accordingly, no measures were required to remediate any Forced and Child Labour. Likewise, no measures were required to remediate loss of income arising from remediation efforts.

## Training

Senior supply chain staff have been trained to identify countries and commodities that contain the greatest risk of Forced and Child Labour as well as the process for reporting any potential violation against our current policies. The Municipal Group has developed additional training programs in fiscal year 2023 which will be rolled out in the first quarter of fiscal year 2024. Training is mandatory for employees who work in purchasing, senior management including the executive committee, the legal and risk department, the estimating group, and others who are regularly involved in making purchases for the Municipal Group. The training covers both forced labour and child labour.

## Assessing Effectiveness

The Municipal Group measures our effectiveness in ensuring that forced labour and child labour are not being used in our businesses and supply chains by: tracking reports of suspected forced labour or child labour made pursuant to the Municipal Group's Anti-Forced Labour, Child Labour, and Modern Trafficking Policy; monitoring compliance with our terms and conditions with our subcontractor terms and conditions; and periodic meetings with internal stakeholders to discuss the effectiveness of the Policy, and other issues related to forced labour and child labour

## Approval and Attestation

I confirm this report was approved by the Executive Committee of the Qualifying Entities.

In my capacity as a Vice President of the Qualifying 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 Qualifying Entities. 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.

MAY \_\_\_\_\_, 2024

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SIGNATURE

**Ken MacLean**  
Vice President

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SIGNATURE

**David Wood**  
Vice President

I/WE HAVE THE AUTHORITY TO BIND THE FOLLOWING ENTITIES:

MUNICIPAL ENTERPRISES LIMITED  
DEXTER CONSTRUCTION COMPANY LIMITED  
GENERAL LIQUIDS CANADA LIMITED  
DNA DESIGN BUILD LTD.  
GREY ROCK SERVICES INC.

DEXTER QUEBEC INC.  
MUNICIPAL MINING AND LEASING LIMITED  
ROYAL ENVIRONMENTAL INC.  
FERO WASTE AND RECYCLING INC.  
MBW COURIER INCORPORATED