



7663609 Canada Inc.

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Forced Labour and Child Labour in Supply Chains Company Assessment

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## Compliance Report on Child labour and Forced Labour

Montreal, May 23<sup>rd</sup>, 2024

This compliance report is submitted by 7663609 Canada Inc., a leading construction company committed to upholding ethical labor practices in all aspects of its operations. We build homes, condominiums in the greater Montreal region in the province of Quebec. The report aims to demonstrate our adherence to legal requirements and our commitment to eradicating child labor and forced labor within our activities and supply chains.

Financial reporting year – August 1<sup>st</sup>, 2022 - July 31<sup>st</sup>, 2023  
BN:844584409

### Introduction

Forced labour can be found in every country and every sector. The International Labour Organization estimates that there are 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy. Forced labour and child labour risks occur primarily through the global supply chains of businesses. There is a risk that goods imported into and distributed in Canada were produced with forced labour or child labour. Entities and government institutions doing business in Canada have a responsibility to ensure that exploitative practices are addressed and eradicated from their supply chains.

The measures introduced through Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act), aim to increase industry awareness and transparency and drive businesses to improve practices. There are eight mandatory reporting areas that must be investigated and reported on which include:

- The steps the entity 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 in Canada or elsewhere by the entity or of goods imported into Canada by the entity.
- Its structure, activities, and supply chains.
- Its policies and due diligence processes in relation to forced labour and child labour.
- The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.
- Any measures taken to remediate any forced labour or child labour.
- Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.
- The training provided to employees on forced labour and child labour.
- How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

## Legal Framework and Commitments:

Our company operates in accordance with Canadian labour laws, including the Employment Standards Act and the Criminal Code, (LES NORMES DU TRAVAIL CNESST) which prohibit child labour and forced labour.

## Structure and Activities:

Our head office is located at 7260 rue St Urbain, suite 600, Montreal (QC) H2R 2Y6 Canada. We meet 2/3 criteria. In the period in question (August 1<sup>st</sup>, 2022- July 31<sup>st</sup>, 2023) we have at least \$20 million in assets and have generated \$40 million in revenue. There are 2 owners with a Vice-President -Operations and a Vice-President- Finance.

Construction activities encompass the planning, design, procurement, execution, and maintenance of infrastructure, buildings, and other structures. These activities involve a diverse range of tasks, including:

1. **Project planning and Design:** This phase involves conceptualizing projects, preparing designs, and obtaining necessary permits and approvals.
2. **Procurement:** Procurement activities include sourcing materials, equipment, and services required for construction projects.
3. **Construction Execution:** The construction phase involves on-site activities such as excavation, foundation work, building erection, and finishing.
4. **Quality Control and Assurance:** Quality control measures are implemented throughout the construction process to ensure compliance with specifications and standards.
5. **Health and Safety:** Health and safety protocols are enforced to protect workers and mitigate risks associated with construction activities.

## Supply Chains:

The construction supply chain is multifaceted and encompasses various tiers of suppliers and subcontractors. Key components of our construction supply chain include:

1. **Material Suppliers:** Material suppliers provide construction materials such as concrete, steel, lumber, and electrical components. All our materials are from Quebec, Canada.
2. **Subcontractors:** Subcontractors are engaged to perform specific tasks or trades within construction projects, such as plumbing, electrical work, and carpentry. All subcontractors sign a standardized contract provided by regulatory bodies like the CCQ (Commission de la construction du Quebec). These contracts typically outline the terms of the subcontractor's engagement with the contractor and may cover aspects such as scope of work, payment terms, timelines, dispute resolution mechanisms, and compliance with regulations.
3. **Labour Agencies:** Labour agencies may be involved in recruiting and supplying skilled and unskilled labour to construction projects, including temporary workers and subcontractor

personnel. In Quebec's construction industry, skilled labourers often belong to unions and must adhere to the regulations set forth by the Commission de la Construction du Quebec (CCQ). These regulations cover various aspects such as wages, working conditions, training requirements, and dispute resolution procedures.

4. **Equipment Providers:** Equipment providers supply machinery, tools, and heavy equipment essential for construction activities. Our rental equipment is minimal (we rent containers, fences, and portable toilets) as the subtrades furnish their machinery, such tractors, backhoe, and scaffolds.
5. **Logistics and Transportation:** Logistics and transportation companies facilitate the movement of materials, equipment, and personnel to and from construction sites.

## Employees:

Employees play a crucial role in the construction activities, contributing to project execution, safety and quality. During this period, we had 21 employees in total. Our youngest employee is 37 years old. They may be engaged in various capacities, including:

1. **Skilled Tradespeople:** Skilled tradespeople such as carpenters, electricians, plumbers, and masons perform specialized tasks on construction sites.
2. **General Labourers:** General labourers assist with tasks such as site preparation, material handling, and cleanup.
3. **Project Managers and Supervisors:** Project managers and supervisors oversee construction projects, ensuring adherence to schedules, budgets, and quality standards.
4. **Health and Safety Officers:** Health and safety officers monitor and enforce safety protocols to prevent accidents and ensure compliance with regulatory requirements.
5. **Administrative staff:** Administrative staff provide support services such as project coordination, procurement, accounting, and human resources management.

## Policy and Procedures:

We have established comprehensive policies and procedures to prevent, and address force labour within our operations and supply chain. Our policies include clear guidelines\* on recruitment practices, age verification, and zero-tolerance for any form of coercion or exploitation.

- Except from our employee handbook:

### RECRUITMENT AND SELECTION

All employment opportunities at MONDEV are posted for a minimum 10 working day period. They are posted on [mondev.ca](http://mondev.ca) and on the websites of affiliated organizations. Occasionally, they are posted on employment websites or with an employment agency. Applications are encouraged from current employees but will be screened in the same manner as applications received from outside applicants.

Applicants are invited to submit their application, along with a current resumé, demonstrating that they meet the minimum criteria for the position being sought. At the closing date, all applicants are screened, and candidates selected for interview are contacted. If the interview is positive, references will be contacted. Depending on the feedback provided, a position may be offered to the applicant.



**HOURS OF WORK**

The regular office hours for MONDEV are from 9-5 Monday through Friday inclusively (excluding holidays), with core operational hours being 10-4 with flex hours available for certain positions. During core hours, it is expected that all the staff will be available. All employees are expected to work 7 hours per day, which include those hours indicated as core.

**HEALTH & SAFETY**

MONDEV, along with its employees, must take reasonable precautions to ensure that the workplace is safe. The organization complies with all requirements for creating a healthy and safe workplace in accordance with *Les Normes du Travail*.

Employees who have health and safety concerns or identify potential hazards should contact the Executive Vice-President - Operations (MICHELINE GRECO) / VP.

**WORKPLACE VIOLENCE**

Workplace violence can be defined as a threat or an act of aggression resulting in physical or psychological damage, pain or injury to a worker, which arises during the course of work. Further to the definition of violence, is the definition of abuse. Abuse can be verbal, psychological or sexual in nature. Verbal abuse is the use of unwelcome, embarrassing, offensive, threatening or degrading comments. Psychological abuse is an act which provokes fear or diminishes a person's dignity or self-esteem. Finally, sexual abuse is any unwelcome verbal or physical advance or sexually explicit statement.

MONDEV has a zero-tolerance limit with regards to harassment and violence. Employees or volunteers engaging in either harassing or violent activities will be subject to discipline, which may include termination of employment, removal from Boards or committees and possibly criminal charges.

**Supply Chain Mapping:**

Our supply chain encompasses various shareholders, employees, including material suppliers, subcontractors, and other construction agencies (Commission de la Construction du Québec, known as CCQ, Commission des normes, de l'équité, de la santé et de la sécurité du travail, known as CNESST) as we build in the province of Quebec and must adhere to Quebec laws.

The CCQ, or Commission de la construction du Québec, is the regulatory body that oversees the construction industry in Quebec, Canada. It plays a crucial role in regulating various aspects of the construction sector to ensure fair practices, worker safety, and industry standards compliance. Here are key functions and responsibilities of the CCQ:

1. **Labour Relations:** The CCQ manages labor relations within the construction industry, including the negotiation and enforcement of collective agreements between employers and construction unions. These agreements cover wages, benefits, working conditions, and other aspects of employment.
2. **Certification and Licensing:** The CCQ is responsible for certifying and licensing construction contractors, workers, and employers. This includes ensuring that individuals and companies meet specific qualifications, training requirements, and safety standards to work in the industry.

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3. **Training and Education:** The CCQ oversees training and education programs for construction workers, apprentices, and industry professionals. It promotes skill development, safety awareness, and compliance with industry standards through various training initiatives and certification programs.
4. **Regulatory Compliance:** The CCQ enforces regulations related to construction activities, including building codes, safety standards, and environmental regulations. It conducts inspections, investigates complaints, and imposes penalties for violations of these regulations.
5. **Dispute Resolution:** The CCQ provides dispute resolution services for issues related to labor relations, contractual disputes, and other conflicts within the construction industry. It facilitates negotiations, mediation, and arbitration to resolve disputes and maintain peace in the workplace.

The CNESST (Commission des normes, de l'équité, de la santé et de la sécurité du travail) oversees labor standards, pay equity, and workplace health and safety in Québec. Here are some key points regarding labor laws that the CNESST oversees:

1. **Labour Standards:** The CNESST sets and enforces rules related to minimum wage, hours of work, overtime pay, vacations, holidays, and other employment standards. These standards aim to ensure fair treatment of workers and employers' compliance with labor laws.
2. **Pay Equity:** The CNESST also ensures pay equity between men and women in the workplace. Employers must evaluate and adjust salaries to ensure equal pay for work of equal value, regardless of gender.
3. **Health and Safety:** Workplace health and safety regulations enforced by the CNESST aim to protect workers from hazards, accidents, and occupational illnesses. Employers are required to provide a safe work environment, adequate training, and necessary protective equipment.
4. **Workers' Compensation:** The CNESST manages Quebec's workers' compensation system, which provides benefits to workers who suffer injuries or illnesses arising from their employment. This includes compensation for medical expenses, lost wages, and rehabilitation services.
5. **Labour Standards Inspections:** The CNESST conducts inspections to ensure compliance with labour laws and investigates complaints from workers regarding violations of their rights.

## Risk Assessment:

We have begun to conduct a risk assessment to identify vulnerabilities within our supply chain. This assessment considered factors such as subcontractor practices and regulatory compliance. Since we build solely in the province of Quebec, our risk to the geographical location is minimal. No instances of child labour or forced labour were identified within our direct operations or immediate suppliers. As we approach future reporting years, we will begin conducting a review of supplier practices, goods procured, and the associated risks.

## Due Diligence Measures:

We implement robust due diligence measures to ensure compliance with labour standards:

- **Supplier assessments:** All suppliers are required to adhere to our Supplier Code of Conduct, which includes provisions against child labour and forced labour. (CNESST SAFETY MEASURES, CCQ Convention Collective)
- **Regular audits:** We conduct regular audits of our suppliers to verify compliance with our labour standards.

## Incident Reporting and Response:

While no incidents of child labour or forced labour have been reported within our operations, we have established procedures for reporting and responding to such incidents promptly. (Included within our employee handbook) Any allegations or suspicions are thoroughly investigated, and appropriate actions are taken in accordance with our policies and legal obligations.

## Continuous Improvement:

We are committed to continuously improving our labour practices:

- **Collaboration:** We collaborate with industry associations, CNESST, CCQ, APCHQ and government agencies to share leading practices and address common challenges.
- **Innovation:** We explore innovative technologies and methodologies to enhance supply chain transparency and accountability.
- **Shareholder Engagement:** We actively engage with employees, suppliers, and local communities, to raise awareness and foster a culture of ethical conduct.





Conclusion:

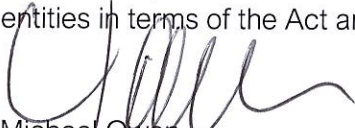
In conclusion, 7663609 Canada Inc. remains steadfast in its commitment to preventing child labor and forced labour within our activities and supply chains. Through stringent policies, diligent monitoring, and continuous improvement efforts, we strive to uphold the highest standards of ethical labour practices.

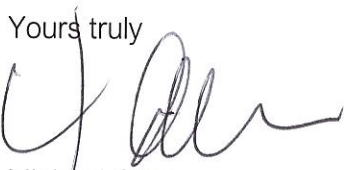
Contact Information:

For further inquiries or information regarding this compliance report, please contact  
Micheline Greco, Executive Vice-President – operations at [mgreco@mondev.ca](mailto:mgreco@mondev.ca) or 514-651-6032

In Accordance with the requirements of the Act, and in particular section 11 of thereof, I attest that I have reviewed the information contained in the report for the entity 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 the materials respects for the purpose of the Act, for the reporting year listed above.

I have the authority to bind 7663609 CANADA Inc. and this report covers financial year August 1<sup>st</sup>, 2022, to July 31<sup>st</sup>, 2023, and applies to 7663609 CANADA Inc and all entities considered reporting entities in terms of the Act and any controlling subsidiaries of 7663609 CANADA Inc if they apply.

  
Michael Owen  
President  
Date:

Yours truly  
  
Michael Owen  
President  
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