



Flatiron Constructors Canada Limited/Flatiron Equipment Company Canada Limited Modern Slavery Act Report (Fiscal Year 2023)

INTRODUCTION

This report is published pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) and addresses the period from January 1 to December 31, 2023 (“FY2023”). This report is made on behalf of Flatiron Constructors Canada Limited and Flatiron Equipment Company Canada Limited (“Flatiron”). This is Flatiron’s first modern slavery statement.

At Flatiron, our foundation is built with a focus on ethics and compliance with the law. We uphold four cornerstone core values — people, accountability, innovation, and excellence — all deeply rooted in safety. These principles serve as our guiding light, shaping our actions and decisions on every project, every day. Our dedication to combatting modern slavery (including forced and child labour) and human trafficking is ingrained in every aspect of our operations. We expect our employees to uphold the rights of others, and we selectively collaborate with suppliers and partners who share our commitment to ethical conduct. Any form of modern slavery or human trafficking within our business or supply chains is prohibited and will not be tolerated. If instances arise where these expectations are not met, we will review and respond.

OUR STRUCTURE, ACTIVITIES, AND SUPPLY CHAIN

Structure

Flatiron Constructors Canada Limited was incorporated in British Columbia on April 8, 2004. Flatiron Equipment Company Canada Limited was incorporated in Alberta in September 2006. Both are wholly owned subsidiaries of Flatiron Constructors, Inc., a Delaware corporation. Through a series of intermediary companies, Flatiron Constructors, Inc. is ultimately owned by HOCHTIEF Aktiengesellschaft (“HOCHTIEF AG”), a German corporation.

Only the “Flatiron” entities (defined in this report as Flatiron Constructors Canada Limited and Flatiron Equipment Company Canada Limited) do business or have a place of business or assets in Canada. As of December 31, 2023, Flatiron employed 3,178 employees, 178 of which work in Canada (37 Flatiron Equipment Company employees working in Alberta and 141 Flatiron Constructors Canada Limited employees working in British Columbia).

Activities

Flatiron is a leading heavy civil construction company dedicated to providing innovative solutions for infrastructure challenges throughout the United States and Canada. We specialize in collaborating with both public and private clients to deliver a diverse range of heavy civil projects, including highways and bridges, aviation, rail and transit systems, dams, and water treatment facilities.

Supply Chain

Flatiron’s Procurement Team acquires equipment, materials, subcontract services, and professional technical services in accordance with the project schedule, procedures, and budget. In accordance with a project’s scope, dedicated procurement professionals purchase equipment, non-engineered items, bulk materials and commodities, small tools and supplies, as well as negotiate subcontracts, site services and rental agreements ensuring alignment with Flatiron’s core values and business strategies.

FLATIRON

The Procurement Team bids on, purchases, and manages the delivery of equipment and materials as specified by our engineering team, schedule, and project requirements. The Procurement Team sends out the request for proposals and awards, and manages subcontracts as specified by our engineering and construction teams.

We source ninety-nine percent of our products and services from subcontractors and suppliers within the United States and Canada. We use those products and services during preconstruction, design, construction, and business operations. In 2023, we worked with approximately 4,500 direct domestic suppliers, with the largest spend going to the following:

Most of the products that we procure are pre-made. On some projects, we produce our own concrete using batch plants. We use the concrete we produce to complete those projects and, in some circumstances, sell the concrete to other contractors on-site. We also have a single joint venture project producing its own precast concrete.

- materials such as concrete, steel, asphalt, piping, aggregates, and cement; industrial consumables such as fuel, lubricants, and sealants;
- major plant and equipment for water and wastewater projects;
- subcontractors such as electricians, HVAC, rebar installation, Maintenance of Traffic (MOT), and other trades;
- labour;
- insurance;
- professional services including quality assurance/control, engineering services, and other specialized services; and
- technology.

Risk Of Modern Slavery in Our Operations and Supply Chain

We recognize that we may be indirectly linked to a risk of modern slavery because of our business activities in the construction industry and that certain sectors in our supply chain (including the provision of materials, contractors, and labour) may pose a higher risk of modern slavery. Flatiron manages modern slavery risk through a variety of policies, processes, and practices, which are outlined in this report.

Our Policies and Due Diligence Processes

POLICIES

Our Code of Conduct

At Flatiron, we are committed to maintaining high ethical standards when performing business to create a work environment that encourages productivity, teamwork, and respect. Flatiron employees are expected to conduct business and themselves with professionalism and uncompromising ethics, which is all outlined in Flatiron's Code of Conduct. All employees in both the United States and Canada are required to abide by its terms. All employees are trained on Flatiron's Code of Conduct each year.

Flatiron's Code of Conduct addresses topics such as maintaining a harassment-free and safe workplace, compliance with laws such as anti-bribery and anti-corruption, Flatiron's non-retaliation policy against employees who in good faith report misconduct, and holding fellow employees and Flatiron's subcontractors, suppliers, and other business partners accountable

Our Human Rights Statement of Principles and Code of Conduct for Business Partners

HOCHTIEF AG's Human Rights Statement of Principles and Code of Conduct for Business Partners are binding on all HOCHTIEF companies, including Flatiron. The Human Rights Statement of Principles applies to all Flatiron employees, while the Code of Conduct for Business Partners governs third-party relationships.



The Human Rights Statement of Principles requires Flatiron employees to strictly comply with the principles adopted by the International Labour Organization, including:

- Rejection of all forms of forced labor, slavery, and human trafficking, including modern slavery. Eradication of all forms of child labor.
- Decent work conditions, including fair payment, fair working hours, and access to social security.
- Occupational health and safety, and decent living conditions if housing is provided to workers.
- Equal opportunity, professional development, and work-life balance.
- Fair, free, and transparent recruitment processes.
- Diversity, inclusion, non-discrimination, and rejection of harassment and any kind of degrading treatment.
- Freedom of association, assembly, the right to association, and collective bargaining.

The Code of Conduct for Business Partners requires the same degree of observance among Flatiron's customers, suppliers, vendors, and other contractual parties to comply with ("Business Partners"). The Code of Conduct for Business Partners sets out the minimum standards to which Flatiron requires its Business Partners to adhere. This includes a prohibition of forced and child labour, an obligation to implement measures for the responsible procurement of goods and materials, and requirements to respect human dignity, uphold human rights, maintain fair working conditions, take responsibility for the health and security of employees, and to comply with applicable law. Business Partners are also obligated to communicate the basic principles of the Code of Conduct for Business Partners to their own immediate contractual partners.

Acceptance of the Code of Conduct for Business Partners or its content is a general prerequisite for all contractual agreements with Flatiron. Flatiron includes a mandatory "Contractor's Code of Conduct" clause in all third-party agreements. Among other things, this clause requires third-parties to comply with the Code of Conduct for Business Partners. This standard clause in third-party agreements also requires the third-party to insert Flatiron's Contractor's Code of Conduct clause into any sub-subcontract entered into in relation to its contracted work for Flatiron.

Our Open Door Policy

Flatiron has an open-door policy. Employees have multiple avenues to raise complaints or concerns. Employees are encouraged to report through any avenue that is most comfortable. These include reporting directly to their manager, to any manager or leader at Flatiron, Human Resources, local Compliance Champion, or the Flatiron Compliance Department, which has a phone number and email. Identity of reporters is kept as confidential as possible and consistent with applicable laws.

Our Whistleblower Hotline, Investigation Process, and Anti-Retaliation Policy

In FY2023, Flatiron made significant strides in enhancing transparency and accountability mechanisms. We implemented a new whistleblower hotline integrated with a robust tracking system through OneTrust. All employees have 24/7 access to the OneTrust whistleblower hotline that offers services in multiple languages. Reports can be made via telephone or through a web-based system. As OneTrust is an independent third-party ethics partner, employees have the option to remain anonymous when making a report.

OneTrust then notifies Flatiron's Compliance Department of the report. We expect the OneTrust whistleblower hotline will fortify channels for reporting and assist Flatiron in addressing concerns promptly and effectively.



Flatiron takes all reports of misconduct and policy violations seriously and seeks to investigate and address any violations or potential violations as early as possible to prevent their reoccurrence. Our Labor & Employment and Compliance team is responsible for managing and reviewing all potential complaints and assigning the appropriate investigators when applicable. Regardless of reporting channel, Flatiron reviews all claims indicating potential violations of Flatiron's Code of Conduct, policies, procedures, or applicable law. Where it is determined that an investigation is required, Flatiron takes appropriate steps to examine the allegations in accordance with the requirements of applicable local laws. Reports are treated confidentially, only sharing information on a need-to-know basis or as required by law.

Flatiron strictly prohibits retaliation against any individual who, in good faith, reports concerns of discrimination or harassment, known or perceived violations of the law, Flatiron's Code of Conduct, company policies, or other conduct harmful to the Company's best interests. Such conduct by supervisors, co-workers, managers, contractors, or anyone who does business with Flatiron towards any applicants, employees, interns, volunteers, contract workers, or anyone working on behalf of Flatiron, is prohibited.

Our Due Diligence Process

To assess any risks related to modern slavery, Flatiron leverages its governance, compliance, procurement, and human resources departments to ensure we apply a consistent approach across the companies. Each of these departments work in collaboration with each other and the business to ensure compliance.

Our Hiring Process

In general, Flatiron does not hire anyone under the age of 18. During the onboarding process for all new hires, potential employees present identification to verify who they are and that they are eligible to work in either the United States or Canada. Flatiron reviews and records the Social Insurance Number and follows all required employment verification processes.

Our Procurement

Flatiron uses a Bid Review Committee ("BRC") to assess project and contract risks prior to submission of bids or proposals. The BRC is comprised of members of the executive team and senior vice presidents from the business units and is supported by corporate department heads.

Flatiron's Procurement Team, along with the BRC, is integral in the evaluation and risk assessment of each project that Flatiron bids and is successfully awarded. The procurement team and BRC's primary focus is on the subcontractors and vendors that pose the largest amount of risk either due to their sheer size or scope. During the different review cycles, the Procurement Team and BRC collaborates with the estimating and job teams to discuss the project, including the subcontractors and suppliers for each of the most critical scopes. The intent is to verify that we have multiple bidders, at least three, and discuss the challenges associated with their work, and any perceived or actual risks associated with those vendors.

If awarded the project, the efforts are set to intensify immediately following the notice to proceed, with a focus on refreshing RFQ packages to initiate the final vendor selection process. This phase underscores the critical role of the Procurement team in evaluating proposal responses and selecting approved vendors and subcontractors based on stringent criteria. The structured approach to procurement emphasizes the importance of quality, safety, availability, experience, schedule, and price in vendor selection.

Additionally for those critical scopes, supplier and subcontractor pre-qualification will be conducted, leveraging pre-qualified vendors and subcontractors wherever possible. Flatiron's rigorous evaluation process will encompass criteria such as experience, personnel qualifications, financial stability, availability, safety, quality, and claims history. By adhering to these stringent pre-qualification standards, Flatiron aims to ensure that only the most qualified and capable suppliers and subcontractors are engaged, thereby minimizing project risks and maximizing operational efficiency.

Our Suppliers

Flatiron requires all our suppliers, vendors, subcontractors, and service providers comply with the Code of Conduct for Business Partners, which, as detailed above, prohibits the use of forced labour and child labour and requires Business Partners to respect human dignity, uphold human rights, maintain fair working conditions, take responsibility for the health and security of employees, and to comply with applicable law, among other things.

As we continue to enhance our supplier compliance requirements in 2024, Flatiron is implementing a new system to help us understand our vendors and subcontractors at a much higher level. Flatiron expects this new third-party vendor system, Bedrock, will provide deeper insight into our suppliers' capabilities and how well they align with Flatiron's values and ethical standards.

OUR REMEDIATION MEASURES IN FY2023

As further described in this report, we undertake diligence efforts to mitigate the risk of forced labour and child labour in our business and supply chains. In FY2023, we did not identify any incidents of forced labour or child labour in our supply chains or business, or any loss of income experienced by the most vulnerable families resulting from our prevention and mitigation measures against forced/child labour. We have accordingly not taken any corresponding remedial measures. If a situation of non-compliance is identified in the future, we are committed to implementing remediation measures to correct the situation and improve the enforcement of our prevention measures within our business and supply chain.

ASSESSING OUR EFFECTIVENESS

After implementing the Human Rights Statement of Principles, Flatiron created a Human Rights Task Force that meets biannually to discuss any concerns related to human rights, including child and forced labour. The Human Rights Task Force is comprised of members of our human resources, risk management, procurement, legal, and compliance departments.

Flatiron also boasts a comprehensive ethics and compliance program to ensure our business can operate and comply with all ethical and legal standards. This program is led by our General Counsel and Chief Compliance Officer and is supported by a dedicated corporate ethics and compliance team, which includes regional compliance champions.

Oversight of the ethics and compliance program is provided by the Compliance Committee. The Compliance Committee meets each quarter to discuss all compliance related activities, including investigations and litigation. The Compliance Committee is comprised of the President and Chief Operating Officer, Senior Vice President of Human Resources, Chief Financial Officer, and Chief Compliance Officer.

In addition, in 2023, Flatiron implemented its Indigenous Relations Policy and provided related training to all Canadian employees. This policy and overall initiative ensure that the Flatiron team is well-equipped to engage effectively and respectfully with Indigenous communities, further aligning our practices with our commitment to social responsibility.

As part of the governance process, Flatiron also monitors compliance with our policies on an ongoing basis. We review all concerns raised through our whistleblower hotline, employee exit interviews, and any other informal mechanism of employee feedback. To date, Flatiron has not identified any significant concerns or complaints.

Flatiron also assesses the effectiveness of our policies through various methods, including tracking relevant performance indicators such as levels of employee awareness, numbers of cases reported and solved through grievance mechanisms, and numbers of contracts with anti-forced labour and child labour clauses. As part of Flatiron's ISO Certification 37001, Flatiron undergoes an annual audit conducted by a third-party, which includes a review of policies and other controls.



In February 2024, Flatiron in collaboration with HOCHTIEF sent out a survey to approximately 450 vendors. The survey's focus was human rights efforts, including child labour and forced labour. At the time of this report, the results are being reviewed by a third party. To date, no violations or instances of child labour or forced labour have been identified.

APPROVAL AND ATTESTATION

This Report was approved by the Boards of Directors of Flatiron Constructors Canada Limited and Flatiron Equipment Company Canada Limited, pursuant to subparagraph 11(4)(b)(i) of the Act and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at www.flatironcorp.com.

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.

May 31, 2024

ADOLFO VALDERAS

Executive Chairman

I have the authority to bind Flatiron Constructors Canada Limited and Flatiron Equipment Company Canada Limited.

JAVIER SEVILLA

President & COO

I have the authority to bind Flatiron Constructors Canada Limited and Flatiron Equipment Company Canada Limited.