

**2023 Report  
on the  
*Fighting of Forced Labour and Child Labour in Supply Chains Act***

May 31<sup>st</sup>, 2024

By GDI Integrated Facility Services Inc.

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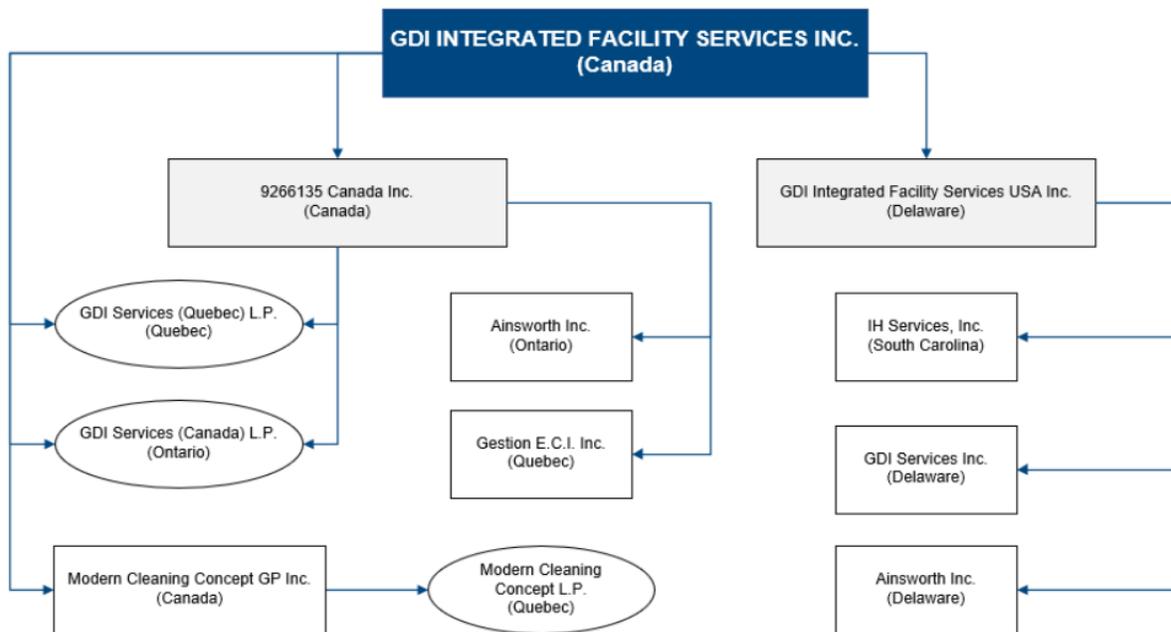
This report (the “**Report**”) is made on behalf of GDI Integrated Facility Services Inc. (“**GDI**” or the “**Company**”) and its subsidiaries pursuant to Section 11(1) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) covering the most recently completed fiscal year which ended December 31, 2023. This Report outlines the measures implemented to prevent and mitigate the risk of forced labour or child labour of goods imported into Canada by the Company.

**Corporate History and Structure**

GDI is a leading integrated facility services provider which offers a range of commercial cleaning services and other complementary services in Canada and the United States to owners and managers of large property portfolios and large specialized facilities. GDI’s facility services capabilities include commercial janitorial and building maintenance, energy advisory and system optimization, the installation, maintenance and repair of HVAC-R, mechanical, electrical, and building automation systems, as well as janitorial products manufacturing. GDI’s head and registered office is located at 695, 90th Avenue, LaSalle, Québec, H8R 3A4.

GDI is a Canadian public company listed for trading on the Toronto Stock Exchange (TSX: GDI).

The following organization chart indicates the inter-corporate relationships of the Company and its material subsidiary entities together with the jurisdiction of incorporation or constitution of each such entity as of March 28, 2024:



**Business of the Company**

GDI operates in the North American outsourced facility services industry. The Company’s services are used by the majority of the largest owners or managers of large property portfolios and large specialized facilities in Canada, and by an increasing number of clients in the U.S. As of December 31, 2023, the Company had approximately 29,081 employees across Canada and the U.S. Of these employees, approximately 2,495 had executive, managerial, supervisory or administrative positions. The Company carries on its business through three business segments: (i) Business Services, (ii) Technical Services, and (iii) Corporate and Other Services.

***Business Services Segment***

Representing the Company's largest business segment by revenue, the Business Services consist of cleaning services provided by the Company in Canada or in the U.S. The Company provides a wide range of daily or weekly commercial cleaning services that can include cleaning and dusting desks and tables, vacuuming carpets, cleaning floors, sanitizing kitchens and washrooms, watering plants, cleaning exterior facilities, cleaning interior parking areas, and removal of garbage amongst others, as well as other services completed less frequently (monthly, quarterly or even annually) including stripping and waxing floors, carpet cleaning, heavy dust cleaning and window cleaning, amongst others.

***Technical Services Segment***

Second largest business segment by revenue, the Technical Services refer to building system controls, repairs, servicing and energy performance optimization across Canada and in the U.S. Those services are provided through Ainsworth Inc. and Ainsworth U.S., GDI's subsidiaries, and are centered on the installation, control, repairs and servicing of the mechanical and electrical systems and equipment within a facility, as well as the installation and operation of the building automation systems that control and monitor the energy usage, environment, lighting, and various other systems within the facility. Additionally, Ainsworth Inc. operates one motor shop that rebuilds, rewinds, reconditions and redesigns all types of AC & DC motors, pumps and generators, and provides high voltage services for the distribution and transmission of electricity and a leading energy services business, providing turn-key solutions in energy and greenhouse gas reduction. The Company provides these services for commercial, industrial, institutional, government and multi-tenant residential building clients.

***Corporate and Other Services Segment***

Composed of business units that provide products and services in certain regions in Canada and in the U.S., the Corporate and Other Services are complementary to the products and services offered through the other two business segments. These business units include (a) the manufacturing and distribution of cleaning supplies and equipment, and (b) the integrated facility services.

***Manufacturing and Distribution of Cleaning Supplies and Equipment***

On February 1, 2024, GDI sold Superior Solutions L.P. cleaning products distribution process, however, it maintains the chemical manufacturing business, which will continue to supply the Company's needs.

Superior Solutions L.P., a subsidiary, distributes a range of cleaning supplies and equipment and provides rental and repair services for cleaning equipment, servicing a diverse range of clients such as commercial properties, educational and government facilities and entertainment and hospitality complexes through distribution centres located in Ontario, Québec and Nova Scotia. Additionally, Superior Solutions L.P. manufactures a range of cleaning products. The subsidiary Fuller Industries LLC manufactures, in the U.S., a full line of cleaning chemicals, and to a lesser degree manufactures a range of cleaning products such as spray bottles, plastic containers and specialty customized brushes for the commercial and industrial markets.

***Integrated Facility Services***

GDI's integrated facility services ("**GDI IFS**") business provides facility to clients who are interested in consolidating outsourced suppliers under one contract. GDI IFS offers the full range of facility services required to operate and maintain a facility including all the services provided by GDI's business segments, however it does not provide real estate management, occupancy management or real estate advisory services. GDI IFS target clients are owners, users and occupiers of facilities throughout North America.

## Supply Chain

Regarding its Business Services segment, GDI does not produce or sell goods, nor does it source materials directly from outside of Canada. Consumables and supplies (toilet paper, cleaners, mops, some machinery, etc.) are purchased from inside Canada and used as part of its service offering. In respect of its Technical Services segment, the supply chain consists of product suppliers and highly technical subcontracted service providers. Over 95% of products and services are sourced and bought in Canada and in the United States. However, periodically, some are bought from original equipment manufacturers and distributors in UK, Germany, Turkey, Israel, Ireland, Sweden, India, Norway, Italy and Australia. The types of sourced goods and services are heating, ventilation, air conditioning, refrigeration, plumbing, Building Automation Systems (BAS), Master Systems Integration (MSI), electrical, power and motor shops, equipment rental and business support. Although the majority of the products purchased by GDI are purchased in Canada or in the United States, the manufacturing of certain products may take place in foreign countries.

## Governance, Policies and Due Diligence Processes

### *Oversight*

The Company believes that strong corporate governance practices are essential to the corporate performance and overall success of the Company. The Board of Directors (the “**Board**”) is responsible for the stewardship of management and for setting the firm’s strategy, and reviewing key policies, including on issues such as labour and human rights. The Board regularly reviews the Company’s approach and policies and addresses risks as they arise. It has two standing committees: the Human Resources and Governance Committee (the “**HRGC**”) and the Audit Committee, to help fulfill its duties and responsibilities and to ensure proper oversight of the operations and affairs of the Company. The HRGC and Audit Committees collaborate notably to overview the Company’s environmental, social and governance (“**ESG**”) program, reporting and disclosure.

The Company, through its employee handbook, addresses a comprehensive suite of corporate responsibility practices relating to, amongst others, equal employment opportunities, discrimination, harassment, health and safety, and conflicts of interest. The Company views corporate culture as a cornerstone underpinning all its sustainability-related efforts.

Policies are reviewed regularly by the Company’s executive committee and HRGC and communicated to key stakeholders. Compliance with GDI’s policies is assessed and enforced by Internal Audit, management oversight and whistleblower hotline.

### *Approach to Sustainability*

Under the leadership of the Board and the management team, the Company launched its ESG Initiative in 2021. To support the initiative, the Company formed an ESG committee with a focus on formalizing and structuring the Company’s ESG efforts. The Company’s latest ESG report outlines its progress and continued commitment towards people, the planet, and the overall business performance of GDI.

The Company is committed to gaining a full understanding of its ESG related impact, to demonstrating its commitment to continuous ESG improvement and evolution. Sustainable practices, such as greenhouse gas and waste reduction and sustainable sourcing are essentials for the protection of the environment.

In 2022, GDI finalized its Modern Slavery Statement. The Company has developed communication, training and supply chain audit plans. Additionally, in 2020, the Vendor Code of Conduct was developed to ensure all businesses GDI works with conduct their business interactions and activities with integrity and in compliance with the applicable laws and regulations of their respective countries, including all age-related work restrictions and the prohibition of child labour.

### *Code of Ethics*

The Board adopted a written code of ethics (the “**Code of Ethics**”) which is applicable to all directors, officers, employees, representatives and agents of GDI or of any company or business of the GDI group. It also applies

to all consultants or sub-contractors of a company or business of the GDI group, more specifically to the contractual relationships between the parties. The Code of Ethics summarizes the standards of business conduct expected of employees, officers and directors, and provides guidance on their ethical and legal responsibilities.

The Code of Ethics aims to deter wrongdoing and promote honest and ethical conduct, avoidance of conflicts of interest, confidentiality of corporate information, protection and proper use of corporate assets and opportunities, compliance with applicable laws, rules and regulations, including compliance with securities laws and regulations, and internal reporting of any violations of the Code of Ethics and accountability for adherence of the Code of Ethics.

#### *Modern Slavery Statement*

In furtherance of the Company's commitment to upholding human rights through the Code of Ethics, the Company's modern slavery statement (the "**Modern Slavery Statement**") reiterates its position to not use child or forced labour. GDI believes that modern slavery is a crime and a human rights violation. Employees are critical to the success of the Company, and GDI is committed to operating free from forced labour, slavery, and human trafficking. In support of this commitment, the Company expects all employees at all levels, as well as its business partners, to act accordingly.

#### *Vendor Code of Conduct*

In 2020, GDI developed and implemented its vendor code of conduct (the "**Vendor Code of Conduct**") to ensure its business interactions and activities are conducted with integrity and in compliance with the applicable laws and regulations within the geographies where they operate. GDI is committed to maintaining the highest level of ethics and integrity. The Company believes that its values should never be compromised, and it always strives to do the right thing. Any temporary or subcontracted employee, agent, contractor, consultant, or other representative of a GDI supplier, vendor or subcontractor of goods, services or labour is expected to follow the Vendor Code of Conduct.

One principle of the Vendor Code of Conduct is Human Rights, Diversity & Inclusion. In that vein, GDI prohibits the use of prison labour, forced labour, slave labour or trafficked labour by its suppliers or subcontractors. Human trafficking or forced labour in any part of its business activities or anywhere within the supply chain won't be tolerated. Furthermore, vendors and subcontractors must comply with all age-related work restrictions and prohibit the use of child labour.

### **Assessing and Managing Risks**

Due to the nature of the services provided in the Business Services segment, GDI does not believe that the Company has any risk in the sourcing of subcontracted services. They are always sourced and provided locally. The Company also has processes in place to ensure that all subcontractors comply with requirements under applicable provincial and federal laws including, among others, the *Decree and regulation respecting building service employees in the Montréal region* enforced by the *Parity Committee for the Building Services*.

GDI, however, is of the view that there is a low to moderate level of risk in the Technical Services segment as many of this segment's products originate from different countries. GDI is at the very end of the supply chain and does not have much visibility into the downstream parts of the chain. To manage those risks regarding the Technical Services segment, the Company adopted a supplier policy, which was updated in February 2024, to address modern slavery, to provide supplier and subcontracted service provider expectations to prevent modern slavery and to enable an audit of the suppliers or subcontracted service providers. GDI also maintains a list of approved suppliers. Additionally, GDI has developed internal policies and practices to prevent modern slavery its supply chain, including, amongst others, sustainable sourcing practices in the selection of its suppliers, as well as conducting due diligence on suppliers to assess performance and manage potential risks.

GDI also conducts varying levels of due diligence on its business partners depending on the assessment of the potential risk presented by that relationship. Since 2021, all suppliers are required to acknowledge the Vendor Code of Conduct, which clearly indicates that there is zero tolerance for human trafficking or forced labour in any part of GDI's business activities or anywhere within the supply chain. In addition, in some instances, the Company will require that a supplier confirm they have taken steps to eradicate modern slavery within their business, that they hold their own suppliers to account over modern slavery, and that they pay their employees at least the national or prevailing minimum wage. GDI may terminate a supplier's contract or require the vendor to implement a corrective action plan at any time, should any instances of modern slavery come to light. Every GDI vendor will be expected to cooperate with reasonable audits to verify a vendor's compliance with the Vendor Code of Conduct.

### **Remediation Measures**

The Company is committed to applying the highest possible standards of professional ethics, morality and conduct. Employees who become aware of a possible violation of the Code of Ethics, or of a violation to the law by the Company, any of its employees, or its suppliers, have an important duty to report it.

Compliance with the Code of Ethics is based first and foremost on the cooperation and vigilance of all persons subject to the Code. Employees are encouraged to discuss any perceived or actual violation of the Code of Ethics with the appropriate persons and to promptly report any potential violations, suspicions or concerns through the whistleblower hotline, accessible 24 hours a day, 7 days a week. Such reports and the identity of the reporter will be kept confidential, to the fullest extent possible, within the limits imposed by law and consistent with the need to conduct a thorough investigation. Reporters will be protected from dismissal or retaliation of any kind for reporting in good faith a potential violation, suspicion, or concern regarding the Code of Ethics.

As GDI has not identified any instances of forced or child labour in its supply chains and operations, no steps were undertaken to eliminate the use of forced or child labour. GDI remains dedicated to upholding its commitments to combat these issues while actively working to mitigate any resulting adverse impacts, including financial, on the Company and its operations.

### **Training**

GDI conducts training for all management on how to spot risks of modern slavery and human trafficking and how to report concerns. The Company also trains the procurement and buying teams so that they understand the signs of modern slavery and what to do if they suspect that it is taking place within the supply chain.

All employees receive a copy of the Code of Ethics and are required to confirm upon their employment and annually thereafter, through the annual performance appraisal form, that they have read the Code of Ethics, understand its provisions, and agree to comply with its terms. This acknowledgement form is kept in every employee's personnel file. Consultants, sub-contractors, agents or representatives also receive a copy of the Code of Ethics and, when feasible, endorse their understanding and acceptance of it in their service agreement or otherwise.

A proven violation of the Code of Ethics may give rise to penalties under applicable law or otherwise. Penalties will vary according to circumstances and may include disciplinary measures such as termination of employment when the offender is an employee, cancellation or non-renewal of a contract when the offender is a consultant or subcontractor, and the recovery of property or amounts due to the business or company of the GDI group. In certain cases, such as the commission of a criminal offence, a complaint may also need to be filed with appropriate authorities.

### **Assessing Effectiveness**

This being the Company's first report on modern slavery, the Company envisions evolving practices as they relate to modern slavery and human rights and will continue to monitor its supply chain in relation to forced and child labour as well as human trafficking.

All potential new suppliers or subcontracted service providers are subject to a due diligence of potential risks (including modern slavery), and key findings are considered in the overall selection process. In addition, the Code of Ethics is currently under review and amendments will be considered as it relates to the Company's commitment to preventing the risk of, in its supply chains and operations, forced and child labour.

Finally, as the Company strives to be more accountable to its customers and communities, the Company recognizes the inherent complexity in assessing the effectiveness of its actions to ensure its entire supply chain is free of any forced or child labour, and therefore acknowledge the importance of such evaluations in mitigating risks.

### **Approval and Attestation**

This Report was approved on May 31, 2024 by the Board of Directors of GDI, pursuant to subparagraph 11(4)(b)(ii) of the Act.

In accordance with the requirements of the Act, specifically under section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this Report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the specified reporting year.

I have the authority to bind *GDI Integrated Facility Services Inc.*



Per: \_\_\_\_\_

Full Name: Claude Bigras  
Title: President, Chief Executive Officer and Director  
Date: May 31, 2024