2024 Report on Forced and Child Labour in Supply Chains





Message and Attestation from Tamara Vrooman, President & CEO

Vancouver Airport Authority (the "Airport Authority") operates Vancouver International Airport | L'Aéroport international de Vancouver ("YVR") in service of our community and the economy that supports it. As we strive to be a world-class, sustainable hub airport, we are guided by our core values of safety, teamwork, accountability, and innovation. We work to connect B.C. to new ideas, experiences, goods, and investment to support a healthy and sustainable economy. We want to ensure that such connections are made in a socially responsible manner, upholding and promoting Canadian human rights and values in our corporate practices.

In our second year of reporting, we have continued to review and advance our efforts to eliminate forced and child labour within our operations and supply chain. With zero tolerance for such practices, we maintain rigorous standards and extend our reach through stronger collaborations. Locally, we are working even more closely with community partners, government agencies, and airlines to ensure passenger safety and proactively prevent human trafficking through education and awareness. Our support for regional organizations has increased, protecting those at risk through enhanced donations and expanded employee volunteering initiatives.

At the supply chain level, we continue to adapt with the rest of the world as the geopolitical climate remains in a state of heightened uncertainty. As political tensions arise and looming tariffs affect us and our partners, we maintain a steady path to explore new and alternative sources to expand our supply chain options and minimize the risk to our operations.

The following report sets out the steps that we took in the prior fiscal year to ensure that forced labour and child labour have no place at YVR. This report is for the financial year of January 1, 2024 to December 31, 2024. Looking forward we will continue to improve our practices, ensuring that YVR will continue to be a conscientious and responsible driver of the economy.

This report is hereby submitted to the Minister of Public Safety on behalf of the Airport Authority. In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**"), and in particular section 11 thereof, I attest that this report was approved by the Airport Authority's Board of Directors on March 25, 2025, and that I have reviewed the information contained in the report for the Airport Authority. 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.

Tamara Vrooman, President & CEO

March 25, 2025

I have the authority to bind the Vancouver Airport Authority.

Section 11(3)(A) Structure, Activities, and Supply Chains

This is the Airport Authority's second report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

OVERVIEW OF ACTIVITIES & GOVERNANCE

The Airport Authority is a private non-share capital corporation formed in 1990 under Part II of the *Canada Corporations Act*, and continued in 2013 under the *Canada Not-for-profit Corporations Act*. It operates Vancouver International Airport | L'Aéroport international de Vancouver ("YVR") pursuant to a ground lease from the Government of Canada of a significant portion of sq^wsaθən (Sea Island, translation of "Sloping into the water, sunken shore") at the mouth of the Fraser River, in Richmond, British Columbia, Canada. This land is the traditional, unceded, and ancestral land of the Musqueam people.

YVR proudly holds the unprecedented record for being voted Best Airport in North America for 12 consecutive years (2010–2021), and we were voted the Best Airport in North America again in 2024. As Canada's second-busiest airport, YVR is served by over 50 airlines and connects passengers and cargo to 120 destinations worldwide. In 2024, approximately 26.2 million passengers and 339,000 tonnes in cargo travelled though the airport, supporting the Airport Authority's mission of connecting British Columbia proudly to the world. The Airport Authority is responsible for the construction, operation, and maintenance of YVR's facilities and surrounding areas, including its terminal, airside assets (e.g., runways and taxiways), and groundside roads.

In addition, the Airport Authority has three wholly-owned subsidiaries located on Sea Island, British Columbia, which are not reporting entities subject to the Act: Vancouver Airport Enterprises Ltd., which provides capital project management and consulting services, Vancouver Airport Enterprises (Templeton) Ltd., which holds an investment in the partnership that has developed a retail designer outlet centre on Sea Island, and Vancouver Airport Properties Ltd., which manages the entities that hold leasehold interests and operates tenanted buildings on Sea Island. Further information is set out in the Airport Authority's consolidated financial statements, which are published annually on the YVR website. These subsidiaries are all operated by Airport Authority employees and are subject to the same policies, procedures, and practices. Furthermore, all purchasing, compliance, and supply chain activities for these subsidiaries are conducted by the Airport Authority.

The Airport Authority is governed by a <u>Board of Directors</u>, which oversees the business conduct and activities of the Executive Management Team. Nine members of the Board are nominated by certain nominating entities, four Directors are appointed by the Board from the community at large, and the President & CEO of the Airport Authority is also a member of the Board. The nominating entities include, among others, the Chartered Professional Accountants of British Columbia, Law Society of British Columbia, Metro Vancouver, and the City of Richmond.

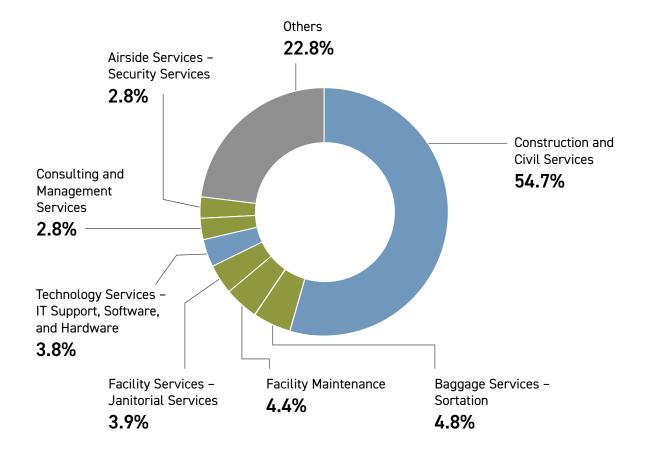
ORGANIZATIONAL STRUCTURE

As of December 31, 2024, the Airport Authority had 1,046 employees (total head count) in Canada. The Airport Authority does not have any employees outside of Canada. Appendix 1 to this report sets out an overview of the Airport Authority's organizational structure. Each business unit, consisting of <u>unionized</u> and non-unionized personnel, generally has a reporting structure consisting of non-managerial staff, Managers, Directors, up to a Vice-President or Executive Management Team member, ultimately reporting into the President & CEO.

SUPPLY CHAIN

The Airport Authority's operations are based in Canada, which according to the Walk Free Foundation's Global Slavery Index, has a very low risk of vulnerability to forced and child labour, and a government with strong oversight on such matters. Of the Airport Authority's total spend of \$398.2 million in 2024, approximately 95 per cent was with Canadian suppliers, with approximately 75 per cent of that total being suppliers from British Columbia. This represents an increase of six per cent spend with B.C. suppliers, directly supporting local suppliers. With the shift in the geopolitical landscape, we will continue to source as close to home as possible, in order to minimize supply chain disruptions, and ensure we are dealing with low risk suppliers.

The Airport Authority sources goods and services from over 1,700 suppliers. Figure 1 below sets out the top supplier categories by spend:



Most of the relevant supply chain risk identification and compliance activities take place across the Operations, Airport Development & Asset Optimization, Innovation & Information, Legal & Supply Management, and People & Brand teams in the organization.

Section 11(1) Steps Taken to Prevent and Reduce Risks and Section 11(3)(B) Policies and Due Diligence Processes

CODES & POLICIES

The Airport Authority has zero tolerance for forced or child labour (and its related activities such as human trafficking) in any part of our operations or supply chain. The following codes and policies support this commitment:

- <u>Social Policy</u> This policy sets out the Airport Authority's commitment to being a socially responsible organization, and is based on the United Nations Global Compact and the ISO 26000 standards, which includes commitments to fair labour practices as defined by the International Labour Organization ("ILO");
- <u>Sustainable Purchasing Policy</u> This policy aims to embed sustainability in the Airport Authority's purchasing decisions and ensure meaningful consideration of environmental, social, and economic criteria, including the protection of human rights throughout the supply chain;
- <u>Supplier Code of Conduct</u> Based on the core conventions of the ILO, this code sets out the minimum standards for suppliers and their subcontractors to promote safe and healthy workplaces, basic fair labour practices, environmental responsibility and has also been updated to address forced and child labour. This includes ensuring employees are freely choosing employment and meet minimum age requirements; and
- <u>Code of Ethics</u> The Code of Ethics acts as an umbrella policy for key issues like ethics, business judgment, and general conduct. All employees are required to complete the internal annual Code of Ethics training and make a declaration to confirm compliance. The Code of Ethics also provides a channel for employees to report on any breaches of the Code of Ethics, including violations of law.

The Airport Authority continues to require all employees to complete annual training on its internal Code of Ethics and Anti-Corruption Policy, achieving a completion rate of 70 per cent in 2024, supporting a rigorous Enterprise Risk Management program that monitors the organization's exposure and controls against risks. It also actively engages with its supplier community to underline its commitments to these policies and codes through supplier information sessions.

LIVING WAGE

YVR was the first airport in Canada to become a certified <u>Living Wage Employer</u>. Different than minimum wage, a living wage ensures a household, defined as two adults and two children, can meet basic expenses, as determined by Living Wage BC. It includes costs like rent, groceries, extended healthcare, and two weeks' savings for each adult.

As detailed in its <u>Living Wage Policy</u>, all Airport Authority employees are paid at or higher than the living wage (which includes salary and benefits) for the Metro Vancouver region. The Airport Authority has strived to ensure that personnel working for the airport's direct service providers, such as janitorial, building maintenance, landscaping, and traffic management contractors who are on site at Sea Island are being paid a living wage, representing approximately an additional 1,900 employees across Sea Island. The Airport Authority includes the living wage requirement in its relevant contracts in accordance with its Living Wage Policy, and also requires attestations with respect to compliance from its subject contractors in the past fiscal year.

RECONCILIATION & INDIGENOUS PEOPLES

On June 21, 2017, the Airport Authority and Musqueam signed the Musqueam Indian Band – YVR Airport Sustainability Friendship Agreement. The first of its kind, this 30-year agreement recognizes Musqueam and YVR's commitment to develop a collaborative working relationship and achieve a sustainable and mutually beneficial future. The agreement commits to benefits including education, employment, and contracting opportunities, and revenue sharing, and the Airport Authority provides preference to suppliers who demonstrate the capacity to meaningfully support the achievement of these benefits. In its procurement processes, the Airport Authority strives to incorporate evaluation criteria that reflect the importance of these commitments. The Sustainability & Friendship Agreement sets a strong precedent for how YVR honours its relationship with Indigenous Peoples and how it works together with its partners to manage the airport for the benefit of everyone. We continue to work with vendors to explore new opportunities that support this agreement and the building of further capacity within the Musqueam Indian Band.

DUE DILIGENCE PROCESS

For all new suppliers providing goods and services with a dollar value over \$100,000, all or part of the following due diligence is undertaken prior to awarding or executing a contract:

- Confirmation of compliance with the Airport Authority's policies, including the Supplier Code of Conduct;
- Review of credit reports and/or audited financial statements for the last three years;
- Review of insurance coverage at time of commencing a contract and throughout the contract term;
- WorkSafeBC compliance and coverage at time of commencing a contract and throughout the contract term;
- Reference checks:
- Review of litigation history and court records checks; and
- Corporate registry check to ensure the supplier is registered to conduct business in British Columbia.

Further, except for specific circumstances justifying sole or single sourcing, the Airport Authority selects its suppliers following a competitive procurement process. As part of such process, the evaluation of suppliers for award of bids includes scoring in the social, community, and environment category and governance category, which may address the following criteria related to forced labour or child labour in the supply chain, depending on the type of good or service being provided:

- Commitment and track record on the environment and community that align with the Airport Authority's objectives;
- Relevant social accreditations or certifications:
- Demonstrated social responsibility and participation in their community;
- Local presence, local employment, and wealth generation;
- Commitment to health and well-being of its employees;
- Commitment to ongoing training and growth of its employees;
- Support of local apprenticeship opportunities;
- Provision of new opportunities for the local supplier community, as well as capacity building for these opportunities;
- Understanding of the Airport Authority's role in the community;
- Consideration of supply chain risks;
- Commitment to compliance with the Supplier Code of Conduct or any other social or community requirements set out by the Airport Authority;
- Demonstrated ethical behaviour and reputation; and
- Identification of how negative social impacts are to be minimized or how positive impacts are to be created.

Typically, the scoring of the social, community, and environment category will be weighted between 10 and 20 per cent of the overall evaluation, depending on the type of good or service. The governance category is a go/no-go threshold, which the supplier must clear to proceed in the evaluation.

In addition, all Airport Authority contractors and suppliers are required to comply with the Airport Authority's <u>Supplier</u> <u>Code of Conduct</u> pursuant to the Airport Authority's policies and contracts.

In 2025, we will explore the possibility of using our existing supply chain risk management tool to automate a process in order to audit the compliance of our suppliers.

Section 11(3)(C) Forced Labour and Child Labour Risks

As part of early market research prior to undertaking a procurement process, the Supply Management Team may identify certain goods that are known to carry a higher risk of forced labour or child labour, such as electronics, food items, textiles, coffee, or garments. For example, for the purchase of coffee and garments, the Airport Authority has identified and evaluated local suppliers or distributors to reduce such risks. Although the Airport Authority understands that no country is free of forced labour and child labour risks, the Airport Authority seeks to reduce such risks by focusing on supply from Canadian vendors and striving to evaluate sources of goods for those vendors. The Supply Management Team is also currently in the process of considering appropriate online environmental, social, and governance ("ESG") reporting or rating tools to identify such risks more consistently, and to undertake a risk assessment.

The Airport Authority intends to continue to identity purchases that carry higher risks and focus on evaluating the social and community factors in the purchasing process, such as looking for specific types of certifications, originating and documented sources, and vendor activity to reduce such risks. The Airport Authority also intends to update our procurement documents to request more information at the procurement stage, to allow us to better evaluate the full supply chain journey for goods we are purchasing. We continue to explore a more formal system or risk assessment to identify high-risk purchases prior to developing our procurement strategy for such purchases.

The Airport Authority is not aware of any incident of forced labour or child labour relating to its supply chain.

Section 11(3)(D) and (E) Remediation Measures and Remediation of Loss of Income

Through our community investment program, the Airport Authority is committed to supporting regional organizations that support vulnerable populations, including those at risk of forced labour and child labour, as well as those who may experience loss of income from any measures taken to eliminate the use of forced labour or child labour. Organizations supported by the Airport Authority through corporate and employee donations and employee volunteering in 2024 include:

- Covenant House: Provides housing, meals, and support to youth experiencing homelessness in Vancouver.
- Quest Outreach Society: Works to disrupt the cycle of poverty in Vancouver's Lower Mainland region through access to healthy and affordable food that is sourced sustainably.
- Take a Hike Foundation: Supports youth mental health with clinical counselling and outdoor activities.
- The Ballantyne Project: Supports underserved Indigenous youth in remote communities.
- <u>Stanley Park Ecology Society</u>: Supports a program that provides curriculum-based, in-park field trips for approximately 300 school-aged youth from equity-deserving classes.
- <u>#NotInMyCity</u>: YVR is a founding partner of the Human Trafficking Prevention Network and has joined 14 other airports as an ally aiming to disrupt and end human trafficking and sexual exploitation through awareness and education. The Human Trafficking Prevention Network also provides support to survivors.
- <u>Employ to Empower ("ETE")</u>: YVR supports ETE's first-ever Make Change Market, empowering low-income individuals to overcome barriers through entrepreneurship. Barriers can include mental or physical health challenges, disability, and recovery from addiction. Many amazing charities help with short-term survival needs like clothing, food, and housing, and ETE is the next step. It empowers people to thrive through building capacity with entrepreneurship skills training.

The Airport Authority also partnered with community organizations on key initiatives, including:

- <u>Pacific Autism Family Network ("PAFN")</u>: YVR and PAFN partnered together to create an inclusive and accessible coffee bar, Paper Planes Café, to provide meaningful employment opportunities at the airport for individuals across the neurodiverse community.
- <u>Canucks Autism Network ("CAN")</u>: YVR supports various initiatives in collaboration with CAN, including the creation, delivery, and growth of mental health programming for autistic youth and adults including introductory wellness programs, peer support groups, and 1:1 services.
- <u>A Better Life Foundation ("ABLF")</u>: YVR partners with ABLF to support its daily meal program through its Plenty of Plates initiative where volunteers prepare and serve a three-course dinner for 80 individuals from the Downtown Eastside community, and YVR also supports over 660 meals the next day.
- <u>Hope Air</u>: YVR is proud to support Hope Air in its mission to provide free travel and accommodation for Canadians who need to access vital medical care far from home. In 2024, an incredible 8,615 patient flights passed through YVR. By reducing barriers to healthcare for rural and remote communities, Hope Air helps address health inequities and supports Canadians living in poverty or low-income households. Its work strengthens communities by enabling people to remain in their home communities, even while managing serious illness.
- Native Education College ("NEC"): YVR and NEC collaborate on joint initiatives for Indigenous learners, including scholarship programs and networking opportunities.

Section 11(3)(F) Training

In 2023, the Airport Authority <u>partnered</u> with <u>#NotInMyCity</u> to provide a mandated e-learning course for all employees on the effects and signs of human trafficking. Developed by #NotInMyCity, a non-profit that raises awareness and takes collective action to prevent and end human trafficking and sexual exploitation, the 30-minute course includes written materials and a quiz in the training. The course, "Mobilizing Communities to Disrupt Sexual Exploitation and Sex Trafficking in Canada," covers forced and child labour and includes written materials and a quiz. In 2024, the Airport Authority continued to mandate the e-learning course for all Airport Authority employees and Green Coat volunteers, and 70 per cent of Airport Authority employees took the training as of December 2024. As a direct result of this training, Green Coats and Guest Experience agents at YVR have identified potential human trafficking cases curbside and in the terminal, by recognizing the signs and reporting them to the RCMP non-emergency line and/or YVR Operations.

In continuation of our partnership with #NotInMyCity, in 2024, the e-learning course was expanded to provide access to the whole YVR Sea Island community through our e-learning portal, as an optional course for those partners who do not have similar training in-house. This will help to enhance awareness around the risk of human trafficking across the airport community.

In 2025, we intend to update the #NotInMyCity course to include a French version, provide quarterly training reports which will include both Airport Authority employees and the airport community staff and the Airport Authority training target will be set at 80 per cent completion.

YVR collaborates with the government agencies operating on site to ensure the safety of all travellers passing through the airport. The Airport Authority liaises with the Canadian Border Services Agency ("CBSA"), Canadian Air Transport Security Authority ("CATSA"), US Customs and Border Protection ("US CBP"), and RCMP on security topics, including human trafficking in relation to forced labour and child labour. #NotInMyCity decals have been posted on the mirrors of public washrooms throughout the terminal to increase awareness amongst the travelling public as well as to connect with potential victims.

Section 11(3)(G) Assessing Effectiveness

The Airport Authority has included an assessment of the social, community, and environment category in evaluation of all its competitive Request for Proposals processes and required all contractors to comply with the Supplier Code of Conduct in order to reduce the risk of forced labour and child labour in its supply chain. Furthermore, the Airport Authority required all subject contractors to attest to their compliance with the Airport Authority's Living Wage Policy, which indirectly reduces the risk of forced labour or child labour. The Airport Authority continues to explore potential assessment tools to create a more formal system to audit its effectiveness in preventing and reducing risk of forced labour and child labour in its activities and supply chains, such as audits or attestations.

Appendix 1

ORGANIZATIONAL CHART

- Communications
- Strategic Customer Relationship
- · Indigenous Relations
- · Air Service Development
- · Government Relations
- Innovative Travel Solutions
- · Corporate Systems & BI
- Infrastructure and Airport Applications
- Digital Program Delivery
 & Office Systems
- · Software Development

- · Guest Experience
- Passenger Programs
- Parking and Ground Transportation
- Retail Experience and Commercial Management Services
- Marketing, Partnerships, and Advertising
- Financial Partnering & Analysis
- Enterprise Risk & Sustainability
- · Finance & Controller
- · Corporate Finance
- · Internal Audit

External Affairs

Innovation & Information

Passenger Experience Finance

Environment & Climate

- Climate & Environment
- Archaeology

President & CEO

Business Development

- · Real Estate
- · Real Estate Development

Airport Development & Asset Optimization

- Engineering Projects
- · Facilities Maintenance
- · Asset Management
- · Engineering Services
- Planning

Operations

- · Airside Operations
- · Airport Operations
- Airport Capacity
- YVR Fire & Rescue
- Security & Operational Safety
- Facilitation & Passenger Program
- Baggage Operation & Maintenance
- Operational Strategy & Reporting
- Operational Excellence & Improvement

People & Culture

- · People Experience
- Total Rewards
- Health & Safety
- Culture
- Learning & Development
- Talent Strategy
- Diversity, Inclusion & Belonging

Legal & Supply Management

- Corporate Governance
- Supply Management
- Legal Services & Legal Counsel