



2024 Forced Labour and Child Labour Report

1. ABOUT THIS REPORT

This report relates to the financial year ending March 31, 2025. It is published by Consultants F. Drapeau Inc. (the “**Company**”) in compliance with Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). References in this report to “Drapeau”, “we” or “our” are to the Company.

This report provides an overview of the steps taken by the Company within its last financial year to prevent and reduce the risk of forced labour or child labour in its activities and supply chain.

At Drapeau, the health, safety and wellbeing of our employees is one of our highest priorities. As such, we are committed to promoting human rights in all aspects of our business and we expect the same of our suppliers.

During our last financial year, Drapeau:

- Continued to closely monitor hiring processes and gather information on the recruitment of our workers to ensure that they are recruited voluntarily and treated fairly.
- Adopted a Supplier Code of Conduct requiring our suppliers to adhere to human rights, labour, and employment laws in the countries where they operate.
- Added a clause to our purchase orders requiring suppliers to comply with, and ensure that employees, suppliers, and subcontractors comply with our Supplier Code of Conduct.
- Continued working with our main suppliers that we know are sourcing their materials in foreign countries to identify any potential risk of forced labour and child labour and, where appropriate, conduct further investigation and take any other appropriate measure.
- Made updates to our Employee Manual to include a zero-tolerance policy regarding forced labour and child labour in our activities and supply chain, and to encourage employees to report any human rights violations in our activities or supply chain.

Details of such measures are provided below.

2. ABOUT US & OUR SUPPLY CHAIN

Drapeau is a company that specializes in the sale, repair and certification of lifting equipment and more particularly, of cranes. We are an authorized distributor of well-known and reputable brands including Link-Belt, Sany, Load King and Palfinger. We are also involved in the railroad industry,

where we specialize in equipment solutions for the maintenance of tracks, including manufacturing custom-made solutions for our clients.

Over 90% of the goods we purchase originate from Canada and the US, but we also have suppliers located in Europe and, to a lesser extent, in China. We, however, acknowledge that most of our suppliers may source their own products from manufacturers located in overseas countries which may have a higher prevalence of labour rights abuses.

3. POLICIES AND DUE DILIGENCE PROCESSES

As an actor of the manufacturing industry, we recognize that the embedding of responsible business conduct into our policies and practices is critical to our continuing efforts to strengthen our ability to assess our human rights risks in the Company's activities and supply chains.

Supplier Code of Conduct

In support of our commitment to protecting human rights as well as our strong desire to create a safe and inclusive experience for all workers across our operations and supply chains, we adopted a Supplier Code of Conduct as of May 27, 2024. The Supplier Code of Conduct requires our suppliers to adhere to human rights, labour, and employment laws in the countries where they operate. Suppliers and their employees are expected to treat everyone with respect and dignity, not tolerate harassment, and take appropriate action if complaints occur. Our purchase orders now include a clause requiring the supplier to respect and ensure that its employees, suppliers and subcontractors comply with our Supplier Code of Conduct, which is provided to them.

Moreover, those with the authority to select new suppliers at Drapeau are expected to discuss our new Supplier Code of Conduct with suppliers and to observe conditions when visiting the suppliers' factories.

Employee Manual

Upon embarking on their journey with Drapeau, all our employees are provided with a copy of our Employee Manual, which includes policies on health and safety, discrimination, conflicts of interest and corruption. Our employees must sign an acknowledgment that they have read and understood the Employee Manual, after having attended an information session on its application and content.

In alignment with the purpose of the Act, we have made updates to our Employee Manual to include a zero-tolerance policy regarding forced labour and child labour in our activities and supply chain, and to encourage employees to report any human rights violations in our activities or supply chain. Given these important updates, we will be requiring all employees to sign an updated version of the Employee Manual and a training for our procurement team is planned.

As stated in our Employee Manual, we adhere to the principles of the Charter of Human Rights and Freedoms (Quebec) and we have no tolerance for discrimination based on race, colour, sex, pregnancy, gender identity or expression, sexual orientation, marital status, age, except as permitted by law, religion, political beliefs, language, ethnic or national origin, social condition, disability, or the use of a method to overcome this disability.

We ensure that our selection of candidates is based on clear requirements and that our hiring procedures are robust. As such, we continue to closely monitor hiring processes and gather

information on the recruitment of our workers to ensure that they are recruited voluntarily and treated fairly. Our workforce includes a small number of highly specialized foreign workers who have been referred to us by employment agencies. The employment agencies we partner with have processes in place to conform with governmental programs on foreign workers, including with regards to appropriate housing, visas, certification and education of foreign workers, while Drapeau ensures compliance with the high standards set out by Canadian legislation.

We have not yet been providing training to our staff with regards to human rights issues, but we are generally committed to acting ethically and with integrity in all our business relationships and this commitment is reflected in the values of the Company as explained in the Employee Manual.

Due Diligence Processes

In the context of the second year of the Act coming into force, we have continued working with our main suppliers to ensure that they have appropriate policies and measures in place to prevent modern slavery risks. We also worked closely with the suppliers we know are sourcing their materials in foreign countries, including China, to identify any potential risk of forced labour and child labour and, where appropriate, conducted further investigation and collaborated with them to improve their processes. Our suppliers, including our supplier in China, confirmed having measures to reduce the risk that forced labour or child labour be used in their business.

We have recently resumed on-site visits of the manufacturing facilities of our supplier in China, although we source only 3.9% of our goods from this partner, and we intend to continue to cultivate long-standing relationships with our suppliers, which allows us to monitor their activities to ensure they are meeting our operational expectations and complying with applicable laws, including those pertaining to forced labour and child labour.

4. RISK ASSESSMENT & REMEDIATION MEASURES

While we have not started a formal process for identifying risks, the questionnaires we sent to certain of our main suppliers allowed us to initiate the conversation with them on any potential risk of forced labour and child labour, and to validate the measures they have in place to reduce such risks. In particular, we have been engaging with our suppliers whose supply chain extend in regions potentially facing greater risk of forced labour and child labour, such as China, to ensure proper safeguards are established to mitigate human rights risks.

That said, we have not been made aware of specific instances of forced labour or child labour and as such, no remediation measures were necessary for the previous reporting period. Any allegations, disclosures or discoveries of forced labour or work involving children in supply chains will be taken very seriously by the Company and we will ensure that an investigation is conducted as soon as possible. In such a case, we will apply any appropriate corrective measure to remediate the identified risk.

5. ASSESSING THE EFFECTIVENESS OF OUR APPROACH

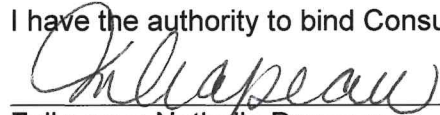
Ensuring that forced labour and child labour practices are not taking place in our business and supply chain is and will always be a work in progress. Therefore, we plan to continue to review our statements, policies, procedures, and practices periodically to determine whether any enhancements should be made to reinforce our commitment to preventing forced labour and child labour from taking place in our business and in any of our supply chains, including by considering, where appropriate, implementing measures to assess the effectiveness of any of our processes.

6. APPROVAL AND ATTESTATION

This report was approved by the Board of Directors of Consultations F. Drapeau Inc. on May 31st 2025 pursuant to paragraph 11 (4)(a) of the Act and constitutes our report for the financial year ending March 31, 2025.

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 Company. 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 indicated above.

I have the authority to bind Consultants F. Drapeau Inc.



Full name: Nathalie Drapeau

Title: Vice-president

Date: 2025-05-31