

# FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

## ANNUAL REPORT FISCAL YEAR 2023

**9388-7628 QUEBEC INC.  
CENTRE AGRICOLE JLD INC.  
TRANSDIFF INC.  
FARDIERS QUEBEC INC**

### 1. About this report

This report is prepared by 9388-7628 Quebec Inc., jointly with its wholly-owned operating subsidiaries Centre Agricole JLD Inc., Transdiff Inc. and Fardiens Quebec Inc.. (collectively the “Company” or “We”) in compliance with Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) and covers the financial year ending December 31, 2023.<sup>1</sup>

### 2. About Us & our Supply Chain

JLD Laguë Group is a Canadian equipment and truck dealership network, with nearly 800 employees, established across Quebec and Eastern Ontario. Foreign workers account for approximately two percent (2%) of our workforce.

We operate in the following industries:

- Agriculture
- Wholesale Trade
- Retail Trade (Brick and Mortar and eCommerce)

More specifically, we are mostly involved in the sale, resale, servicing and maintenance of John Deere agricultural, turf and compact construction equipment as well as Peterbilt transportation equipment, along with other Original Equipment Manufacturer (OEM) brands. One hundred percent of our sales are to clients located in Canada.

We have 25 dealerships in Quebec and Ontario (18 John Deere, 6 Peterbilt and a truck trailer reseller named Fardiens).

Our supply chains are built on transparent, trusted and long-standing partnerships that are vital to our business. Our subsidiaries, Centre Agricole JLD Inc. and Transdiff Inc, deal almost exclusively with two (2) main suppliers, John Deere Canada ULC and Peterbilt of Canada (a division of Paccar of Canada Ltd) respectively. As subsidiaries of publicly-traded companies, the high standards of accountability and disclosure of our two main suppliers serve to lower our own business risks.

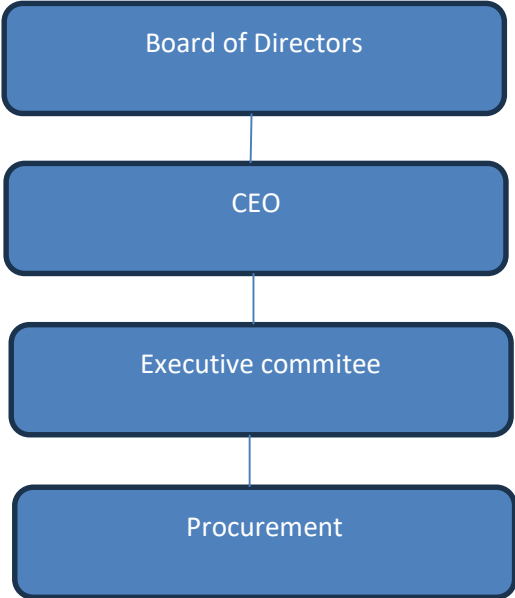
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<sup>1</sup> Sauvageau Légare Inc., a subsidiary in which the Company owns a majority stake, was excluded from the scope of this report as it intends to file its own separate report.

Having such primary supply partners that have robust internal controls, prioritize due process and proper governance and are transparent in their disclosures of their corporate governance policies, facilitate our supplier due diligence process.

Our due diligence process and supplier oversight reflect the strong sense of corporate responsibility and high standards we set for ourselves in establishing responsible industry practices. We are committed to respecting human rights in everything we do and we have a zero-tolerance approach to forced labour and child labour. We seek to minimise any adverse impact of our activities and operations and are dedicated to continually improving responsible practices at every stage of our supply chain.

Our corporate governance is structured as follows:



The Procurement team collaborates with the Executive committee which in turn supervises our strategy and action plan. The CEO regularly reports to the Board of Directors and meets with the Executive Committee which ensures proper oversight over procurement activities.

**3. Policies and due diligence processes**

We continue to strengthen our processes to reduce risks related to forced and child labour and although we have not yet implemented formal written policies and documented due diligence processes in our supply chains, we have been embedding responsible business conduct into our policies and management systems.

We have sought until now to better understand and obtain greater visibility into our overall supply chain through our internal verifications and discussions with our principal suppliers as to how their business is conducted at home and abroad with regards to forced and child labour.

Our employee handbook for salaried employees outlines the importance of a positive and safe work environment and compliance with requirements regarding health and safety and applicable law and a grievance mechanism is in place to deal with any potential issues. Our Human Resource policies and internal hiring processes are construed to be in strict compliance with applicable employment and labour law in the jurisdictions in which we operate. We do not hire temporary foreign workers which may give rise to higher risks.

#### **4. Parts of the Business and Supply Chain that Carry Risk of Forced or Child Labour/Steps to Assess and Manage Risk**

While we monitor and are vigilant with respect to the potential risk of forced and child labour within our supply chain, we believe the risk is mitigated given that we procure machinery from large and best-in class OEMs who have a high standard of corporate responsibility and stringent disclosure obligations in relation to their respective supply chains.

As we are at the nascent stages of effectively mapping the details of our suppliers' overall supply chain locations and activities especially as they pertain to raw materials and manufacturing, we question but cannot yet ascertain any risk that these activities may carry in relation to forced and child labour. The filing and disclosure of our supply partners' own reports under the Act will be most helpful in this regard.

Similarly, we cannot yet ascertain the risk, if any, associated with the recruitment processes for foreign workers.

Our intention is to continue to conduct internal assessments of risks of forced labour and child labour both in our organization's activities and to those of supply chain partners. We continue to gather information on worker recruitment, such as what countries are targeted for foreign worker recruitment and what means are taken to validate compliance with respect to applicable legal age requirements, and to maintain internal controls, to ensure that all workers are recruited ethically, legally and voluntarily to prevent and reduce human rights risks.

Moreover, we continue to encourage and support employees to disclose any alleged wrongdoing and sensitize our workforce to the risks of forced and child labour.

#### **5. Remediation measures**

In the last financial year, we have not identified nor been made aware of specific instances of forced labour or child labour and as such, no measures have been taken during the reporting period to remediate any forced labour or child labour nor to remediate the loss of income to the

most vulnerable families that results from any measure to eliminate the use of forced or child labour.

## **6. Training**

As we continue to deepen our understanding of human rights risks in our business and supply chain, we remain committed to improving our practices to help prevent and reduce the risk of forced labour or child labour in our business and supply chain. We acknowledge that formal training programs may not currently be in place for our employees relating specifically to forced labour or child labour. However, through various channels such as internal communications, discussions, and resource sharing, we strive to sensitize our employees to these important matters. Our commitment lies in continuous learning and open dialogue both internally and with our supply partners, empowering our team to navigate and address these issues with respect and understanding until a more formal training program can be developed and implemented.

## **7. Assessing the effectiveness of our approach**

Ensuring that forced labour and child labour practices are not taking place in our business and supply chains is and will always be a work in progress. We assess our effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chains by regularly reviewing and auditing the organization's policies and procedures related to forced labour and child labour in our supply chain.

## **8. Approval of the Report**

This report, for the financial year ending December 31st, was approved by the Board of Directors of 9388-7268 Quebec Inc. on behalf of itself and as the controlling entity of its wholly-owned operating subsidiaries, Centre Agricole JLD Inc., Transdiff Inc. and Fardiens Quebec Inc., on May 31st, 2024, pursuant to paragraph 11 (4)(b)(ii) of the Act.

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 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 indicated above.

I have the authority to bind 9388-7268 Quebec Inc.

A handwritten signature in blue ink that reads "F. Schumayer". The signature is written in a cursive style and is positioned above a horizontal line.

Full name: Francois Schumayer  
Title: CFO  
Date: May 31st, 2024