



ADVENTURE BY DESIGN

# MODERN SLAVERY REPORT

FINANCIAL YEAR ENDED JANUARY 31, 2024



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## INTRODUCTION

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As an organization built on passion, trust and ingenuity, BRP is committed to actively creating a brighter future for its stakeholders, including employees, communities, customers, suppliers and shareholders. Prioritizing human rights is integral to BRP’s responsible business practices and everyone who works at or with BRP has a responsibility to protect the rights and dignity of every individual who is part of BRP’s operations or of its supply chain. BRP explicitly prohibits any form of child labour, human trafficking, forced or compulsory labour, physical punishment, unsafe working conditions, unreasonable or illegal work hours, and any other form of modern slavery (collectively, “**modern slavery**”).

This statement is designed to meet BRP’s reporting obligations under the Canadian *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (S.C. 2023, c. 9) (the “**Act**”) and the Australian *Modern Slavery Act 2018* (No. 153, 2018), by setting out the steps taken during our financial year ending January 31, 2024 (“**FY2024**”) to prevent and reduce the risk that modern slavery is used at any step of BRP’s production or supply chain.

This is a joint report for BRP Inc. and each of its subsidiaries which have an obligation to publish a report under the applicable act<sup>1</sup> (hereinafter collectively referred to as “**BRP**” or the “**Company**”), given that they share the same core business operations and governance framework including supply chain policies prohibiting modern slavery and supporting processes, as further described in this report.

## ABOUT BRP

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### Structure and Operations

BRP Inc. is incorporated under the *Canada Business Corporations Act* (RSC , 1985, c. C-44) and is a publicly-traded company listed on the Toronto Stock Exchange under the symbol “DOO,” and on Nasdaq in the United States under the symbol “DOOO.” Headquartered in Valcourt, Québec, Canada, BRP is a global leader in the design, development, manufacturing, distribution, and marketing of powersports vehicles, marine products, and propulsion systems.

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<sup>1</sup> Entities required to publish a report under the Act and therefore covered by this joint report are BRP Inc., Bombardier Recreational Products Inc., Les Industries Mégatech Inc., BRP US Inc., BRP Marine US Inc., BRP-Rotax GmbH & Co KG, BRP Finland OY, BRP Mexico S.A. de C.V. and BRP Querétaro S.A. de C.V. On the other hand, BRP Australia Pty Ltd., a wholly owned subsidiary of BRP Inc., is required to publish a report under Australia’s *Modern Slavery Act 2018*.

For the purpose of the relevant approval and signing requirements, this report has been approved by the governing body of BRP Inc., which controls each entity included in this joint report, and has been signed by one of its directors.



BRP's portfolio of industry-leading and distinctive products includes Can-Am vehicles; Ski-Doo and Lynx snowmobiles; Sea-Doo watercraft and pontoons; Alumacraft, Manitou, Quintrex, Stacer and Yellowfin boats and trailers as well as Rotax engines for boats, karts and recreational aircraft and Pinion gearboxes. This extensive line of products is completed with dedicated parts, accessories, and apparel to fully optimize the riding experience.

As of January 31, 2024, BRP had a global workforce of close to 20,000 employees and a physical presence in 22 countries. BRP manufactures its products at 14 facilities located in Australia, Austria, Canada, Finland, Germany, Mexico and the United States. The Company's manufacturing strategy is based on a variety of factors such as the proximity to key retail markets, the presence and cost of skilled labour, production capacity, international and local laws, rules and regulations (including customs duties, tariffs and free-trade arrangements) as well as social and political conditions. Operations conducted in those facilities vary from manufacturing to assembly of components and parts to painting. Sales of BRP's products to customers are made through dealers and distributors in more than 130 countries, and maintenance services and parts are available through those dealers and distributors.

For more information about BRP's structure and operations, please refer to the Company's [Annual Information Form](#) which is available on BRP's corporate website at [www.brp.com](http://www.brp.com).

### Supply chain

BRP's global supply chain consists of:

- **Direct suppliers** who provide raw materials, tooling, components, parts, assemblies and other items incorporated into BRP's vehicles on its production lines. The raw materials used in manufacturing BRP's products are aluminum, steel, plastic, resins, stainless steel, copper, rubber and certain rare earth metals. Parts, components and systems are subject to an extensive validation process to ensure their reliability and durability, and raw materials or standard parts are generally readily available from multiple sources for the products manufactured by BRP. The Company establishes long-term relationships with direct suppliers and, whenever possible, identifies potential substitute supply arrangements for components.
- **Indirect suppliers** who provide services or goods that support BRP's operations but are either not incorporated in its vehicles such as financial and legal services, facility maintenance, information technology, marketing, sales support, transportation, customs and logistics--, or which offer consumables, such as stationery and office supplies.
- **Accessories and apparel suppliers** who manufacture, based on our designs or their own, a variety of finished goods which BRP then resells to its network of dealers and distributors without making any modifications to the delivered products.

BRP currently does business with more than 1,600 direct suppliers as well as approximately 9,700 indirect suppliers worldwide.

## POLICIES

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BRP is committed to embedding human rights considerations into its policies, governance framework and decision-making.

### Governance

As part of its corporate social responsibility (CSR) program, BRP fosters value creation around three main pillars — environment, social and governance (ESG) — as well as objectives that focus on the Company's employees, communities, operations and products. Under the governance pillar, BRP adopted a framework with effective structures, policies and processes to make sound strategic decisions, maintain high ethical standards, and conduct its operations in a sustainable manner. BRP's centralized Ethics and Compliance (E&C) team has responsibility over the design, implementation and operationalization of its regulatory compliance and ethics program, which includes compliance-related policies, awareness, monitoring, reporting and other initiatives. The team, which reports to the Chief Legal Officer, is guided by BRP's E&C Committee. This body oversees the implementation of the program, approves corporate policies and quarterly reports on the performance of our E&C program to the Audit Committee of the Board.

As the ultimate steward of ESG matters, the Company's Board of Directors, through the support of its Nominating, Governance and Social Responsibility Committee, annually reviews BRP's policies (including its Code of Ethics) and practices concerning its CSR program, tracks potential CSR-related risks, and develops and implements strategies to ensure progress across these areas. The Audit Committee is also responsible for the oversight of the integrity of BRP's financial statements and related public disclosure, including CSR/ESG-related disclosures. Further, the Company reports annually on its CSR performance in a dedicated report, which provides an overview of the Company's CSR framework as well as the priority issues relevant to its business and stakeholders, including employees, communities, customers, suppliers and shareholders. BRP's [CSR report](#) is available on the Company's corporate website at [www.brp.com](http://www.brp.com).

### Policies

BRP's efforts to address risks of modern slavery across its business and supply chains are supported by the following policies, which apply to the whole organization. These policies establish the Company's baseline expectations and reinforce BRP's values, goals and objectives:

- **Code of Ethics**

BRP's governance framework begins with the Company's [Code of Ethics](#), which states the principles of integrity and standards of ethical behaviour that BRP expects from each director, officer, employee and representative, at every level, in every country, and from every subsidiary controlled by BRP Inc.



Through this document, overhauled during the Company's financial year ended January 31, 2023, BRP recognizes that each of these stakeholders has the responsibility to protect the rights and dignity of every individual that is part of BRP's global footprint. The Code has dedicated chapters on building a non-discriminatory, respectful and safe workplace, on protecting human rights as well as on reporting any suspected violations of laws or of the Code itself.

Employees worldwide (except for BRP's hourly-paid plant workers) and members of the Company's Board of Directors must annually acknowledge that they have received, read, and will comply with BRP's Code of Ethics. The Code is managed by BRP's Ethics and Compliance team and is reviewed annually and updated as necessary.

- **Supplier Code of Conduct**

Third-parties doing business with BRP, including suppliers and other business partners, are expected to conduct themselves with the same high standards of integrity, including respect for human rights, through adherence with the Company's [Supplier Code of Conduct](#). This document addresses important topics such as child labour, compensation, working hours or harsh treatment, and it clearly states BRP's position on child labour as well as on forced or compulsory labour:

*CHILD LABOUR*

*BRP will not engage in nor support the use of child labour. Suppliers shall not employ child labour in any of their facilities. Suppliers shall comply with applicable local child labour laws and employ only workers who meet the applicable minimum legal age requirement applicable to their location. Suppliers shall not employ children under the age of fifteen (15) years old under any circumstance.*

*FORCED OR COMPULSORY LABOUR*

*BRP will not engage in nor support the use of forced or compulsory labour. Suppliers shall not use forced or compulsory labour in any of their facilities. All work must be voluntary, and workers must be free to leave work with reasonable notice. Suppliers must not require that workers hand over government-issued identification, passports or work permits as a condition of employment.*

The Supplier Code of Conduct also explicitly indicates that the Company expects suppliers to cooperate with any requests BRP may have for additional information for the purposes of managing and monitoring compliance with this Code, and that in the event of failure to comply, BRP reserves the right to apply appropriate sanctions, up to the potential termination of the business relationship. Lastly, the Supplier Code of Conduct also provides a way for anyone to report a situation that potentially violates its key principles through the Integrity Hotline (further detailed below).

- **Conflict Mineral Policy**

As stated in the Company's [Conflict Mineral policy](#), BRP supports the goal of ending violence and human rights violations in the Democratic Republic of the Congo and adjoining countries. BRP is committed to having a global supply chain that complies with the conflict mineral rules, and the Company requires its suppliers to take similar measures with respect to their suppliers to ensure a consistent policy alignment throughout the supply chain.

- **Speak Up Policy**

BRP's Speak Up policy, reviewed in FY2024, encourages its employees and external stakeholders, including employees of suppliers, to come forward and speak up when they suspect or witness conducts that could violate BRP's Code of Ethics, Supplier Code of Conduct or other policies or any applicable law, including any situations of possible modern slavery, such as any signs of human rights abuses in BRP's business or supply chain, or in a third party's operations.

The Speak Up policy provides multiple channels to report to, including by contacting the [Ethics and Compliance](#) team or by reporting through BRP's [Integrity Hotline](#), which is a whistleblower service operated by an independent third-party provider. Retaliation against anyone who speaks up in good faith is strictly prohibited by BRP's Speak Up policy and Code of Ethics. To obtain a copy of our Speak Up policy, please email the Company at [compliance@brp.com](mailto:compliance@brp.com).

- **People and Assets Security Policy**

As stipulated in the Company's Code of Ethics, not only is safety of people a priority—it's part of BRP's mindset. To support BRP's commitment to providing a safe and secure work environment, the Company has recently implemented its People and Assets Security policy to ensure security is always at the forefront of everyone's actions. To obtain a copy of BRP's People and Assets Security policy, please email the Company at [compliance@brp.com](mailto:compliance@brp.com).

## **ASSESSING AND MANAGING RISK**

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### Risks of modern slavery

- **Among the Company's workforce**

Although BRP believes that the risk of modern slavery among its employees is low, the Human Resources and Compensation Committee of the Company's Board of Directors oversees BRP's recruiting processes as well as the management of its human resources to ensure compliance with standards applicable in jurisdictions where BRP has employees.

Approximately 5,800 of BRP's employees are covered by collective arrangements, either through an association, a joint company-employee relations committee or a certified union/works council



whose roles include ensuring compliance with the working conditions negotiated by union groups and therefore contributes to excluding the risk of modern slavery. For more information on the Company's employees and unions, please refer to BRP's [Annual Information Form](#) which is available on the Company's corporate website at [www.brp.com](http://www.brp.com).

- **Within the Company's operations**

Modern slavery risks may exist within the contingent labour population, specifically at lower levels of the supply chain, in high-risk countries and in sectors where low-skilled labour is more frequent. At BRP, agency staff, including contract service workers, subcontractors, and independent contractors must enter into the Company's standard consulting agreements to be able to provide services to BRP. Those agreements require certain pre-qualification and include various contractual obligations to ensure compliance with applicable labour standards.

- **Within the Company's supply chains**

The Company is aware that BRP's global supply chain presents a risk of forced labour and child labour. To address this potential risk, BRP expects its business partners and suppliers to uphold the same principles within their operations and adhere to applicable human rights and employment standards laws. BRP also expects them to ensure that any subcontractors they work with or supply from have the same respect for human rights. Recognizing that it can prove complex to identify the risk for indirect suppliers over which the Company has little control and visibility, BRP believes that it requires the implementation of certain additional measures, some of which are discussed later in this report.

### Managing risks of modern slavery

To prevent and reduce risks of modern slavery in the Company's operations and supply chain, BRP has undertaken the following steps:

- **Commitment:** The Company formalized its commitment to combatting modern slavery in its Code of Ethics and Supplier Code of Conduct.
- **Due diligence process and verification of new suppliers:** The onboarding of new suppliers starts with a review of various criteria like their financial condition, their capacity to produce components in conformity with BRP's specifications as well as with applicable labour and environmental standards, including their standards for integrity and respect for human rights.

The Company also requires suppliers to accept and adhere to BRP's commitment against forced modern slavery when dealing with workers, suppliers, customers and other third parties. This requirement is included in the Supplier Code of Conduct which is incorporated by reference in BRP's contractual agreements as well as in its standard terms and conditions. In addition, for suppliers and supplier entities that are integrated through mergers and acquisitions, BRP follows its standard due diligence process carried out by the M&A team, which includes a review and risk



assessment to identify any gaps with BRP's standards and related steps to be completed as part of the integration exercise.

- **Supplier monitoring:** The Company recognizes the importance of continuous monitoring of existing suppliers. With the help of a third-party service partner, BRP conducts daily screening of most of its direct suppliers to identify those that bring additional risks to its business, including those related to modern slavery.
- **Supplier on-site visits:** The due diligence conducted at the time of onboarding new suppliers may include, where appropriate, a visit of the supplier's premises. Although the primary goal of these visits may not be to detect modern slavery practices in every case, individuals conducting these visits may report certain practices that would allow the Company to take appropriate actions, if needed.
- **Training:** To maintain BRP's responsible standards, employees receive regular tailored training and communications on ethical topics and the Company's policies. Every year, all employees worldwide (except for BRP's hourly-paid plant workers) are required to complete a mandatory training and certification process to ensure that the Code of Ethics is understood and properly applied to daily activities. This same requirement is also part of the onboarding process for new employees. BRP tracks completion of this training and reports results to the Audit Committee, as well as to the Nominating, Governance and Social Responsibility Committee as part of the scorecard on ESG performance metrics.

In FY2024, the Company has provided its managers and up with specific training on the role they play in the application of various company policies such as the Speak Up policy.

BRP also offers training to its direct suppliers through live or recorded sessions to ensure a good understanding of the risks of modern slavery. This training, provided by a third party, gives an overview of responsible minerals and a background on human right laws and regulations and proposed compliance strategies.

- **Reporting:** The Integrity Hotline is a publicly available multilingual ethics and business conduct reporting tool which allows anonymous reporting of alleged illegal or unethical behaviour. It is operated by an independent third-party provider and is available 24 hours a day, seven days a week, worldwide, either online or via phone. The Ethics and Compliance team administers it in a view to objectively manage incidents to their resolution and assess any adverse impacts to operations and/or supply chain. In addition, on a quarterly basis, the Audit Committee is informed of relevant incidents, any emerging trends and themes requiring attention, as well as the proposed action plans and resolutions.





As previously mentioned, any allegation brought forward through the Integrity Hotline is reviewed and investigated when required, and BRP does not tolerate any form of retaliation against anyone for making a good-faith report of actual or potential misconduct.

- **Collaboration:** The Company also counts on close collaboration between internal teams to ensure efficient prevention of risks. The procurement department acts jointly with the legal department which actively participates in the negotiation of contracts while providing sound recommendations and opinions. The legal department also makes sure that contracts comply with the legislation in force and with ethical practice standards, while guiding contracting parties on their legal responsibilities.

#### Actions taken in FY2024

In addition to the actions described above, in FY2024, BRP continued to progress on its efforts to prevent and reduce the risk of modern slavery in its activities and supply chains through the following measures, acknowledging that some of them will remain continuous work in progress:

- Reassessing the Company's apparel supplier base and choosing to only work with suppliers that are able to demonstrate their social compliance through either a [WRAP](#) or [SEDEX](#) certification, both of which include strict provisions with regards to forced labour, child labour, human trafficking and other forms of slavery;
- Developing and implementing business practices to ensure the Company's employees are provided with a safe and secure work environment and can work freely and fairly. This includes working on BRP's recruitment standards, improving health & safety practices as well as formalizing the Company's commitment to global security through a policy;
- Identifying countries with forced labour and/or child labour practices and implementing strategies to mitigate risks. This includes obtaining confirmation of their socially acceptable business practices or finding alternative suppliers; and
- Starting to collect information on efforts undertaken by suppliers to prevent or reduce forced labour and/or child labour in their operations. This is currently being managed by a third-party service provider.

BRP's objective for the next financial year is to develop an action plan to enhance the steps taken so far to address forced labour and/or child labour within its operations and supply chain. This action plan is expected to be implemented over the coming years, and to include formalizing the Company's third-party due diligence process into a policy as well as deploying it to all relevant stakeholders through training.

## REMEDIATION MEASURES

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In the last financial year, the Company has not identified any incident of modern slavery in its activities or supply chain. Thus, the Company did not need to take any measures to remediate an incident of modern slavery.

If a practice that is not compliant with either BRP's Code of Ethics or its Supplier Code of Conduct is identified, the Company will assess the situation, correct it and implement measures to avoid any recurrence. BRP also requires and supports suppliers to undertake similar actions within their own supply chain.

## ASSESSMENT OF THE COMPANY'S EFFICIENCY

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BRP has introduced certain measures during FY2024 aimed at reducing risk that modern slavery will be used in the Company's activities and supply chains.

While BRP always assesses the effectiveness of its actions through existing governance and reporting mechanisms, the Company has not yet formally documented its approach to assess the effectiveness of the actions taken to date to prevent and reduce the risks of modern slavery in its supply chain. This will be incorporated as part of the Company's action plan mentioned above.

## APPROVAL

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This statement is issued for BRP Inc. and its subsidiaries, which have an obligation to publish a report, either under the Act or the Australian *Modern Slavery Act 2018*.

### **Australian *Modern Slavery Act 2018***

In preparing this statement, relevant employees from BRP were consulted and provided with an opportunity to review this statement, including the CSR team and the Ethics and Compliance Committee, which both have global responsibilities.

This modern slavery statement is signed by a responsible member of the board of BRP Inc. on behalf of BRP Australia PTY Ltd.

### **Canadian *Fighting Against Forced Labour and Child Labour in Supply Chains Act***

This report was approved by the Board of Directors of BRP Inc., as being a joint report of BRP Inc. and its subsidiaries listed in footnote on page 1, for the financial year ended January 31, 2024, pursuant to subparagraph 11(4)(b)(i) of the Act.



In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, 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 listed above.

I make the above statement in my capacity as a director of the board of directors of BRP Inc. for and on behalf of the board of BRP Inc.

I have the authority to bind BRP Inc.

*/s/ José Boisjoli*

**José Boisjoli**

*President and Chief Executive Officer*

*Director of BRP Inc.*

*March 27, 2024*