



2023 Forced Labour and Child Labour Report

1. ABOUT THIS REPORT

This report relates to the financial year ending March 31, 2024. 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, we continued to promote safe and healthy working conditions, fostering a work environment free from discrimination and ensuring that our hiring procedures are robust. As a result, we 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. Additionally, in the context of the Act coming into force, we have started reviewing our practices and adopting new policies with a view to identify ways to prevent and reduce the risk that forced labour or child labour be used in our business and supply chain.

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-know and reputable brands including Link-Belt, Sany, Altec, 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 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 recently adopted a new Supplier Code of Conduct. 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.

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 assisted to an information session on its application and its content.

In alignment with the purpose of the Act, we have made recent 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.

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 Act coming into force, we have sent a questionnaire to our main suppliers that we know are sourcing their materials in foreign countries, including China. Our purpose was to identify any potential risk of forced labour and child labour and, where appropriate, conduct further investigation and take any other appropriate measure. 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% 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

We have yet not started a formal process for identifying risks. However, we recognize that our suppliers have their own supply chains and although we have limited visibility into such supply chains, we know that certain goods we purchase from our suppliers are manufactured in regions potentially facing greater risk of forced labour and child labour, such as China.

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 27, 2024 pursuant to paragraph 11 (4)(a) of the Act and constitutes our report for the financial year ending March 31, 2024.

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.

A handwritten signature in cursive script, appearing to read 'N. Drapeau', is written above a horizontal line.

Full name: Nathalie Drapeau

Title: Administrative Director & Business Relationship

Date: May 27, 2024