




CRESTLINE®

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# FORCED LABOUR JOINT ANNUAL REPORT

by Demers Ambulances Manufacturer Inc. & Crestline Coach Ltd.

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## INTRODUCTION & CONTEXT

As a global leader in ambulance design, manufacturing, and distribution, Demers Ambulances Manufacturer Inc. (herein 'Demers') is committed to the absence of forced labour and child labour in our supply chain. More specifically, we condemn all forms of forced labour, including but not limited to, human trafficking, modern slavery, and involuntary servitude. We are dedicated to upholding human rights, ethical business conduct, and responsible corporate citizenship.

This report is a joint report filed by Demers on behalf of itself and its Canadian subsidiary, Crestline Coach Ltd. (herein 'Crestline') that outlines Demers and Crestline's policies and due diligence processes, risk management efforts, incident reporting and remediation measures, training and awareness initiatives and governance efforts to ensure our compliance with the legal requirements laid out in the Fighting Against Forced Labour and Child Labour in Supply Chains Act (herein 'Act'). The report covers the activities that took place over the last fiscal year ending on March 29<sup>th</sup>, 2024, and was approved by the Board of Directors on May 16<sup>th</sup>, 2024.

*The terms 'DC Companies', 'we' and 'our' in this report refer to Demers and Crestline.*



# A. OUR STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

## Global Structure and Activities

Demers' is a private equity-backed corporation headquartered in Beloeil, Quebec, and is the sole parent company of Crestline in Canada and Demers Ambulance USA Inc., Braun Industries Inc. and Medix Specialty Vehicles LLC. in the United States. All subsidiaries in Canada and the United States operate under the governance of Demers and all entities are referred to together as the Demers Braun Crestline Medix Group (herein 'DBCM'). DBCM employs a workforce of 692 employees in Canada and 604 employees in the United States.

Demers is a leader in Canada for our ambulance design, manufacturing, and distribution and is the second-largest ambulance manufacturer in North America. With advanced products that meet the expectations of emergency services specialists around the world, DBCM is recognized for its ambulance engineering and attention to details that keep paramedics and occupants safe while meeting today's global challenges.

DBCM operates under four brands, seven production lines, and three remount & service centers in Canada and the United States and currently delivers ambulances to 40 countries worldwide. The Crestline brand also serves as a bus distributor in Canada. The strength of DBCM stems from its common mission to make life better, one relationship and one vehicle at a time and its common vision to be a partner of choice, dedicated to safety and innovation, delivering an exceptional customer experience through empowered employees.



### Demers Braun Crestline Medix Group (DBCM)

- 4** entities
- 692** employees in Canada
- 604** employees in the United States



We delivers ambulances to **40** countries worldwide

DBCM' departments are partially centralized and managed by corporate, centralized by country and partially decentralized to each brand for operational based departments. As forced labour requires special cross-functional expertise, a steering committee has been put in place to ensure appropriate governance.



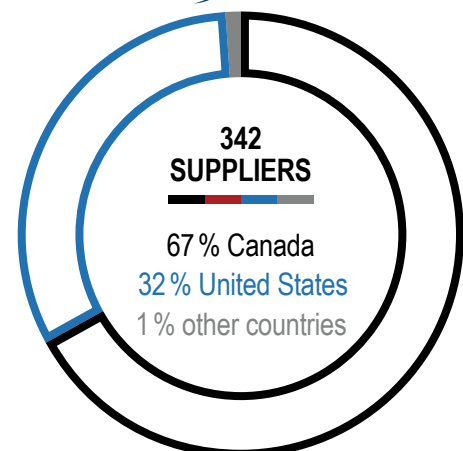


## Our Supply Chain

The supply chain functions at DC Companies are decentralized; Demers and Crestline each have their respective supply chain management departments for their different brands and product lines. The supply chain teams are responsible for planning, managing, and coordinating all activities related to the sourcing and procurement of necessary materials and supplies needed to meet the changing levels of product demand.

Demers' supply chain for FY23-24 was comprised of 321 direct suppliers spanning a diverse range of products and services. Procured items include chassis, ambulance conversion parts, tools, and equipment, along with various services. Of these 321 suppliers, 60% are Canadian suppliers, 39% are United States suppliers, and 1% from other countries.

Crestline's supply chain for FY23-24 was comprised of 342 suppliers also spanning from a diverse range of products and services. Procured items include chassis, ambulance conversion parts, tools, and equipment, along with various services. Of these 342 suppliers, 67% are Canadian suppliers, 32% are United States suppliers, and 1% from other countries.



## B. OUR POLICIES AND DUE DILIGENCE PROCESSES

In addition to the Business Codes of Conduct that Demers and Crestline each individually have, a combined DC Companies anti-forced labour policy was drafted, approved, and published during the last fiscal year to ensure an alignment with forced labour and child labour risks as well as compliance with the Act. This policy includes the following topics: prevention and due diligence, supplier commitment, training and awareness, reporting mechanisms, audits and follow-ups, continuous improvement, and communication.

DC Companies have also immediately amended the Services & Procurement Master Agreement to include an anti-forced labour clause. This will ensure that forced labour considerations are at the forefront of any new agreement concluded.

As DC Companies recognize that compliance with the Act will require continuous efforts, we have already started working on additional documentation to strengthen our due diligence efforts including a supplier anti-forced labour policy, a supplier code of conduct, a supplier-forced labour self-assessment questionnaire as well as an additional clause to be included in our purchase orders. DC Companies aim to roll out these additional processes in the next fiscal year, with our main suppliers already engaged in the process.



## C. OUR RISK MANAGEMENT

DC Companies acknowledges the potential existence of forced labour and child labour risks in our operations and supply chains. Known risk indicators include geographic locations, industry sectors, and specific commodities or products. DC Companies believe the overall risk is low in their respective supply chains, but are addressing the following potential risk areas:

### Geographic locations

Certain countries and regions are associated with a greater risk of forced labour and child labour practices as evidenced in the UN Global Slavery Index.

### Industry sectors

Certain industry sectors are deemed higher risk in international and national guidance documentation as detailed in the Business & Human Rights Navigator, United Nations, Global Compact.

### Commodities/products

Certain commodities and products are deemed higher risk in international guidance documentation as indicated in the List of Goods Produced by Child Labour and Forced Labour U.S. Department of Labour, Bureau of International Affairs.

DC Companies have taken a series of actions to improve our risk management capability. Firstly, a Chief Risk Officer was nominated to oversee DC Companies' risk management efforts, including our risk identification, analysis, evaluation, treatment, recording, and reporting processes. Areas for improvement have been identified and a risk management process for the supply chain will be drafted in the coming year to manage risks more effectively.

As it pertains to the specific forced labour and child labour risk management efforts, DC Companies have conducted a supply chain mapping exercise as well as a preliminary risk assessment by focusing our efforts on direct suppliers with the highest expenditure. We can report that no concerns were found with these sets of suppliers. In addition to this, potential risk areas were identified where indirect suppliers may procure certain commodities in higher-risk industry sectors or in higher-risk countries. DC Companies will be focusing our future efforts on these areas.







## D. OUR INCIDENT REPORTING & REMEDIATION

DC Companies maintain a corporate culture that fosters and encourages the reporting of unethical behavior. We provide avenues for reporting stakeholder concerns, including those related to human-forced labour concerns. These avenues include our open-door process for employee communication with all levels of leadership and our confidentiality policy.

In addition, our human resources department conducts an annual “employee Net Promotor Score” (eNPS) survey across DBCM. This confidential and anonymous survey process assists us in evaluating employment practices and responsible leadership, with various

sections requesting employee feedback on fair treatment, safety, compensation, and ethical business practices. Following the eNPS survey results, management work in cooperation with employees to identify and improve workplace issues and practices that raised concerns.

More specifically to forced labour and child labour, DC Companies have drafted an incident reporting policy, an investigation procedure for alleged violations, and a supplier correction plan should a violation be confirmed. DC Companies are planning to roll out these processes in the next year.

## E. OUR INCOME LOSS REMEDIATION

DC Companies have started listing potential income loss remediation measures. Should a forced labour case be identified, remediation actions will be evaluated on a case-by-case basis, and the appropriate measures will be determined accordingly. As no violation has been found to date, these measures are not currently formalized in an official process.



## F. OUR TRAINING

DC Companies have provided briefings to key stakeholders on the Act, forced labour and child labour risks, and mitigation strategies. In addition, training and awareness material on forced labour has been developed in both official languages and training has started to be rolled out to strategic departments such as supply chain management. DC Companies understand that training both employees and suppliers will be a continuous effort and we will expand our reach and initiatives in the coming years.





## G. OUR GOVERNANCE & EFFECTIVENESS

In connection with our obligations under the Act, we have established a steering committee composed of key functions in human resources, supply chain management, strategic procurement, trade compliance, administration, and executive team members. The governance committee meets periodically and is tasked with overseeing DC Companies' response to the Act, including:

- Reviewing and discussing progress in forced labour risk management;
- Ensuring compliance with relevant laws and regulations;
- Fostering collaboration and accountability among committee members;
- Preparing, reviewing, and approving policies, documentation, and the annual report.

In the last fiscal year, the steering committee met 5 times, but the recurrence of these meetings will be increased in the next fiscal year to create momentum. In addition to our steering committee, DC Companies have performed a stakeholder analysis to clarify the roles and responsibilities with regard to forced labour initiatives, have identified potential Key Performance Indicators to be included in a monitoring dashboard in the future, and have developed a

5-year plan to ensure continuous improvements in our efforts to reduce forced labour risks in our supply chains and improve compliance with 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 entity or 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 Act, for the reporting year listed above.

I have the authority to bind Demers Ambulances Manufacturer Inc. and its subsidiary.

*Alain Brunelle*

**Alain Brunelle**  
Chief Executive Officer, Director  
Demers Ambulances Manufacturer inc.

Dated: May 16<sup>th</sup>, 2024



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