



Flo-Draulic Controls Ltd.
Modern Slavery Report
(For the Year Ended November 30, 2023)

1. Introduction

This report is made pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") and constitutes the annual report of Flo-Draulic Controls Ltd. ("Flo-Draulic"), for the year ended November 30, 2023. A copy of this report will be made available on Flo-Draulic's website.

2. Structure, Activities and Supply Chains

Flo-Draulic is incorporated under the *Business Corporations Act* (Ontario). It is privately owned by its founder and family, and is not a reporting issuer.

Flo-Draulic is headquartered in Georgetown, Ontario and has locations across Canada. Flo-Draulic's business is the resale and assembly of industrial equipment, including hydraulic, pneumatic and automation parts and remote controls and related products. Flo-Draulic operates solely in Canada, with offices in Ontario, Saskatchewan, Calgary and British Columbia. Flo-Draulic sources the vast majority of its supplies from large companies headquartered and operating in the United States and other first-world countries, such as Denmark.

3. Policies and Due Diligence Processes

Since before 2023, Flo-Draulic has had a published Workplace Harassment, Violence & Discrimination Policy that precludes forced labour and child labor. This policy includes confidential complaint procedures to allow employees to make complaints confidentially, should there be a violation of the policy.

Flo-Draulic also implemented a Supplier Code of Conduct that prohibits forced labour and child labour.

4. Identification and Assessment of Risks of Forced Labour or Child Labour in Flo-Draulic's Activities and Supply Chains

In 2024, Flo-Draulic has undertaken a review of its suppliers to assess the risk that Flo-Draulic is materially involved in forced labor or child labor and has concluded that the risk is very low.

A review of Flo-Draulic's suppliers shows that Flo-Draulic sources the vast majority of its supplies from large companies headquartered and operating in the United States and other first-world

countries. The US Department of Labour does not associate these countries with forced labour or child labour. Local operations may purchase small amounts of tools, raw materials such as fasteners and steel, and may engage services such as maintenance and cleaning from smaller, locally based suppliers in close geographic proximity to its operations. Flodraulic purchases finished industrial parts and assemblies, such as valves, motors and electronics and does not buy a material amount of raw materials and thus does not have second hand involvement to the mining sector, which could pose a risk of forced labor or child labour.

Over 50% of Flodraulic's supply chain consists of Danfoss Power Solutions, White Drive Motors and Steering, and Hetronic USA. These companies have demonstrated their commitment to protecting human rights (including forced labour and child labour) in their respective operations and supply chains. Moreover, Flodraulic's remaining suppliers each comprise less than 2% of its purchases. These factors support Flodraulic's determination that the risk of forced labour and child labour in its activities and supply chains is low.

5. Remediation Measures

In 2023, Flodraulic did not identify any forced labour or child labour in its activities and supply chains, and as such, no remediation measures have been taken. In addition, Flodraulic has determined that no vulnerable families have experienced a loss of income as a result of steps taken to eliminate forced labour and child labour risks.

6. Training Provided to Employees on Forced Labour and Child Labour

In 2023, as part of their training, employees of Flodraulic were required to review the Workplace Harassment, Violence & Discrimination Policy which addresses forced labour and child labour, among other things.

7. Assessing Flodraulic's Effectiveness

In 2023, Flodraulic did not have any formal assessment processes in place with regards to its effectiveness in ensuring forced labour and child labour are not being used in its business and supply chains.

8. Approval and Attestation

This Report was approved pursuant to Section 11(4)(a) of the Act by the directors of Flodraulic.

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 purposes of the Act, for the reporting year listed above.

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line extending to the right.

Name: global Vice President

Title: Director

Date: May 30, 2024 | 11:39 PDT

I have the authority to bind Flo-Draulic Controls
Ltd.