



SAIL PLEIN AIR INC.
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**JOINT ANNUAL REPORT UNDER
THE FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT
FOR THE YEAR ENDED MARCH 30, 2025**

Approved by the Board of Directors on May 9, 2025

REPORTING REQUIREMENT

This report (the “**Report**”) is being prepared and filed jointly by 12426137 Canada Inc. on behalf of itself and SAIL Plein Air Inc. (“**SAIL**”) in compliance with their respective reporting obligations under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”).

1. CORPORATE STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

12426137 Canada Inc. is a holding company incorporated under the Canada Business Corporation Act (“**CBCA**”). 12426137 Canada Inc. owns and controls SAIL, also a Canadian corporation incorporated under the CBCA, through a 55% shareholding. 12426137 Canada Inc. has no employees nor business activities of its own, save for its shareholding in SAIL.

SAIL began in the late 1970s as a single store in Beloeil, Québec selling apparel and outdoor, fishing and hunting equipment. SAIL was acquired in 2005 by its present owners and has since that time expanded across Québec and into Ontario.

Today, SAIL operates in the retail sector as a retailer of equipment, clothing, footwear and accessories for sports, leisure and outdoor activities. SAIL has ‘brick and mortar’ stores in Quebec and Ontario, and since 2019 engages in online sales through its website www.sail.ca.

SAIL purchases finished goods for resale from both Canadian suppliers and US suppliers, although the vast majority of the goods purchased are from Canadian suppliers. Goods purchased are from brands like The North Face, Columbia, Shimano, Remington etc. SAIL has hundreds of such suppliers.

SAIL also purchases finished private label goods from third party suppliers in Canada.

2. POLICIES AND DUE DILIGENCE PROCESSES

Codes of Conduct

SAIL has adopted and implemented a corporate code of conduct entitled “Map & Compass Guide”, as well as codes of conduct for its Québec and Ontario stores respectively (the “**Guides**”). These Guides set out SAIL’s expectations for all of its employees, as well as its commitments to its employees. SAIL is committed to maintaining a work environment where everyone is treated with respect and dignity. Its “Bring It To Light” program provides employees with a means by which they can anonymously bring attention to a situation they have witnessed and find concerning, such as a failure to respect one of SAIL’s policies or an otherwise inappropriate or disrespectful practice.

Supplier Manuals

SAIL has also adopted and implemented a Supplier Compliance Manual which applies to all of its suppliers, as well as an Importer Supplier’s Manual with enhanced obligations which applies exclusively to SAIL’s private label suppliers. SAIL expects products manufactured for it under its

private label to be manufactured in socially responsible factories. To this end, SAIL requires all of its private label suppliers to ensure respect for workers and the environment at all factories engaged in the manufacture of products for it. SAIL prohibits the use of child and forced labour in products manufactured for it. Factories that can demonstrate through appropriate certification their adherence to and compliance with the principles and code of conduct issued by the Business Social Compliance Initiative (“**BSCI**”) are always preferred over suppliers without such independent certification. Private label suppliers are required to acknowledge they have read the Importer Supplier’s Manual containing these and other obligations and to sign their agreement to comply with its provisions.

Supplier Purchase Policy Agreement

All suppliers must complete SAIL’s Purchase Policy Agreement and comply with its terms and conditions, including that the products they supply fully comply with all applicable laws.

Due Diligence

SAIL conducts due diligence on its private label suppliers. For SAIL’s private label suppliers that source products from factories in China, SAIL obtains annually a certificate attesting to the factories’ adherence to and compliance with the BSCI principles and code of conduct.

3. AREAS OF RISK

SAIL acknowledges that no sectors or industries involving the production or importation of goods can be assumed to be entirely free of forced labour and child labour risks. SAIL has not conducted a comprehensive analysis of its activities and supply chains to identify areas that carry a risk of forced or child labour.

SAIL has not received any reports of child or forced labour.

4. REMEDIATION MEASURES

SAIL is not aware of any situations having arisen requiring implementation of remediation measures.

5. REMEDIATION OF LOSS OF INCOME

SAIL recognizes that efforts to prevent and reduce the risk of forced labour and child labour can have unintended consequences of contributing to a loss of income for vulnerable families; however, it is not aware of any situations having arisen requiring implementation of remediation measures.

6. TRAINING

SAIL did not conduct training on forced labour or child labour during the reporting period.

7. ASSESSING EFFECTIVENESS

SAIL did not have specific mechanisms in place during the reporting period to measure the effectiveness of its compliance policies in the area of forced and child labour.

8. APPROVAL AND ATTESTATION

This Report was approved by the board of directors of 12426137 Canada Inc. pursuant to section 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 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.

Name: Daniel Desmarais, CPA, M.B.A.
Title: Chairman of the Board of Directors

Signature: _____

Date: May 9th, 2025

I have the authority to bind 12426137 Canada Inc.