

MODERN SLAVERY REPORT 2024**Introduction**

This joint report is prepared in accordance with paragraph 11(2)(b) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9 (the "Act"), and has been prepared on behalf of Cabico & co ("Groupe Cabico Inc." and "The Elmwood Group Limited") for the financial year ended December 28, 2024 (the "Reporting Period"). Cabico & co includes the following entities:

Groupe Cabico Inc. and The Elmwood Group Limited

This report outlines the measures taken to prevent and reduce the risk of forced labour or child labour at all stages of the production of goods in Canada, or of the importation of goods into Canada by the company.

This is the second report prepared by Cabico & co in accordance with the Act.

Measures Taken to Prevent and Mitigate the Risk of Forced or Child Labour in Any Stage of Goods Production by Cabico & co, in Canada or Abroad, or Their Importation into Canada

We consider respect for human rights as a fundamental corporate responsibility and a core value guiding all our activities. We place the highest importance on upholding human rights wherever we operate and require the same from our business partners.

The following measures were taken during the Reporting Period to prevent and reduce the risk of forced labour or child labour in our operations and supply chains:

- We implemented various policies and processes aimed at improving awareness of the obligations under Bill S-211, which allow us to test and improve these processes.
- We created a "Supplier Code of Conduct" in accordance with the Act.
- We had our suppliers, sourcing directly from Asia, sign the "Supplier Code of Conduct" to ensure compliance with the Act.
- We increased supplier qualification activities to minimize the risks related to modern slavery and forced labour.
- We are not subject to disclosure requirements under a supply chain law in another jurisdiction.

Structure, Activities, and Supply Chains of Cabico & co

Groupe Cabico Inc. is a corporation incorporated under the *Canada Business Corporations Act*. The Elmwood Group Limited is incorporated under the *Ontario Business Corporations Act*. Both companies are part of Cabico & co (Cabico), as defined above. Headquartered in the Eastern Townships (Estrie), Cabico & co designs, develops, manufactures, and markets custom kitchen and bathroom cabinets under three brands:

Elmwood, Essence, and Unique

Manufacturing operations take place in the Eastern Townships of Quebec and the Niagara region of Ontario. All of our sales are conducted in North America through a network of dealers who serve the final homeowners where our cabinets are installed.

Cabico & co employs more than 600 individuals across three (3) Canadian provinces. We aim to foster a culture centered on diversity and inclusion wherever we operate.

Cabico & co products are manufactured at its facilities in Canada (Coaticook and St. Catharines). Our supply chain primarily consists of suppliers of raw materials, hardware, and accessories used in cabinet production. Most of these materials are sourced through medium- and long-term contracts with suppliers. Cabico & co seeks to establish long-term relationships with key direct and indirect suppliers for the delivery of materials and supplies. Currently, Cabico & co works with several hundred product and service suppliers, the vast majority of which are located in North America.

The geographic distribution of our spending with suppliers is as follows:

- Canada: 93.1%
- United States: 4.8%
- Asia: 2.1%

Policies and Due Diligence Processes

We have developed policies that reinforce and guide our procurement practices with suppliers, ensuring compliance with various legal and societal obligations, in addition to aligning with our own values. These new policies were rolled out in the 2024 fiscal year and will continue into 2025. Senior management's involvement in the implementation and oversight of supplier relationships has consistently ensured high standards of ethics and transparency.

In 2025, we plan to complete the following:

- A code of ethics that will be communicated to all Cabico & co stakeholders, including employees, partners, and suppliers.

Risk Assessment and Management

Cabico & co adopts a risk-based approach to evaluate and manage the risk of forced labour and child labour. This approach helps prioritize our efforts and adjust our actions accordingly. Our risk identification methodology in our supply chain, through third-party due diligence, incorporates country risk indicators, supplier category, and the type of product or service offered.

The resulting risk assessment determines the level of additional due diligence to be implemented, particularly in relation to forced and child labour, as well as the extent of ongoing monitoring and review frequency required.

Our risk identification methodology is based notably on:

1. Whether the supplier is headquartered or operates in countries with poor scores on the Corruption Perceptions Index or identified as high risk on the Global Slavery Index, particularly in relation to the products they supply to Cabico & co,
2. Whether the products or services originate from or are delivered in one of the countries listed above,
3. Whether Cabico & co is sourcing certain indirect goods and services, and
4. Whether the products offered by the supplier include raw materials.

Corrective Measures

At this time, no specific cases of forced or child labour have been identified by Cabico & co. Consequently, no corrective measures have been taken to address such issues or mitigate income losses for vulnerable families due to actions taken to eliminate forced or child labour.

Our future policies will provide employees and suppliers with a mechanism to report ethical or legal violations, among other concerns. Our Supplier Code of Conduct will also include information about an "Ethics Line" through which suppliers can report concerns. In line with the UN Global Compact principles and our policies, if a non-compliance situation is identified, Cabico & co will develop and implement a corrective plan to address and resolve the issue. We have secured signed copies of our code of ethics from known Tier 1 and Tier 2 Asian suppliers.

Training

Cabico & co employees directly involved in procurement processes will receive customized training on ethics, our policies, and the new law concerning child labour and forced labour. We will also incorporate training on our code of ethics and its relevance to the Act into the onboarding process for new employees.

Effectiveness Evaluation

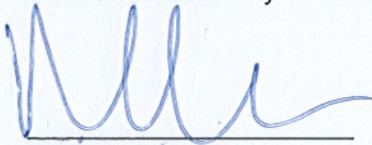
Cabico & co has implemented several measures to prevent and reduce the risk of forced and child labour in its operations and supply chains. We have not yet taken steps to evaluate the effectiveness of these actions, but Cabico & co intends to assess the effectiveness of its risk prevention and mitigation efforts in the future.

Approval and Attestation

This report was approved by the respective Boards of Directors of Groupe Cabico Inc. and The Elmwood Group Limited, in accordance with paragraph 11(4)(b)(ii) of the Act.

In compliance with the requirements of the Act, and in particular Section 11, I hereby certify that I have reviewed the information contained in this joint report for the above-mentioned entities. To the best of my knowledge, and after exercising reasonable diligence, I confirm that the information contained in this report is true, accurate, and complete in all material respects for the purposes of the Act, for the Reporting Period.

I have the authority to bind Cabico & co by:



Alain Ouzilleau
Chef de la direction