

COMBAT FORCED LABOR AND CHILD LABOR IN SUPPLY CHAINS

Annual Report 2024



Structure and Activities



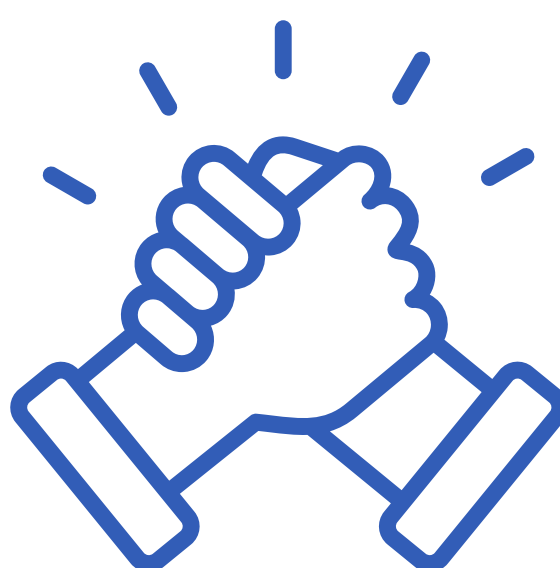
**Risk Prevention
and Mitigation**



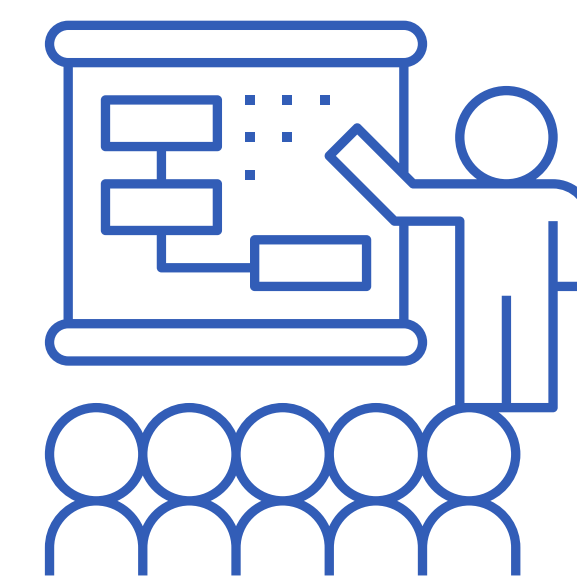
**Policies and Due
Diligence**



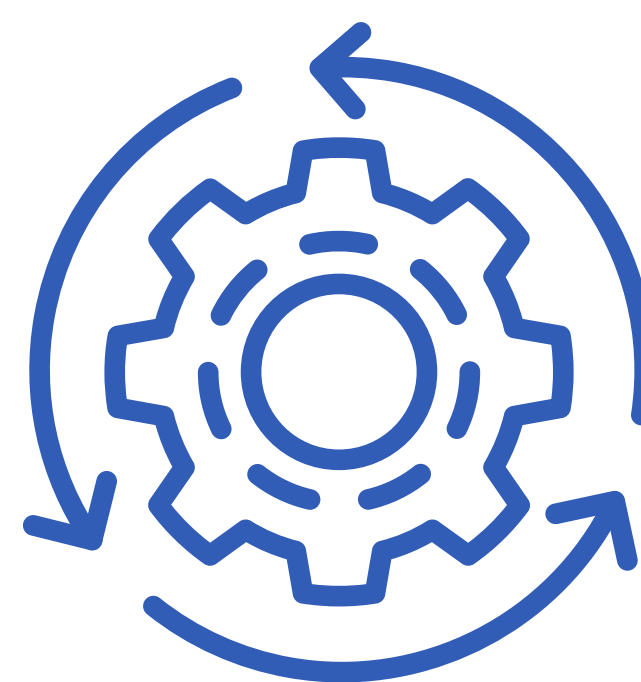
**Supply Chain and
Risk Management**



Remediation



Training



Effectiveness Evaluation

Structure and Activities

About Us

This report focuses on Moderco Inc., a corporation governed by the Canada Business Corporations Act, located at 7200 Rue John-Molson, Longueuil QC J3Y 1R4, Canada, for the reporting period from January 1, 2024, to December 31, 2024.

This document outlines the actions taken and planned by our company to reduce the risks associated with modern slavery, including forced labor and child labor in our operations and supply chains, in compliance with the Canadian Act to Combat Forced Labor and Child Labor in Supply Chains.

Moderco Inc. has enlisted the services of a third-party, Groupe Conseil C-TPAT Inc (GCC), specializing in supply chain and logistics risk assessment, which supports us through diagnostics in analyzing and improving our processes, particularly concerning the use of forced labor and child labor in our supply chains.

Our Company

Since 1980, we have been designing, manufacturing, and selling movable partition systems found in venues such as conference centers, hotels, auditoriums, restaurants, offices, universities, gyms, and more worldwide. As a family-owned business from our inception, the second generation took over in 2014 to continue innovating and meeting aesthetic, acoustic, and operability needs in personal, professional, educational, and religious settings.

Our global network of distributor partners and our multidisciplinary team of over 200 employees support our mission to optimize space and create adaptable meeting places. Their creativity contributes to our vision of being a technologically advanced, reliable, human-centric organization that allies with the success of its clients, partners, and employees.

The values of loyalty, openness, respect, integrity, and commitment have allowed us to establish ourselves over the years and remain ever-present in the company, guiding us daily in our work.


PREVENTION AND RISK REDUCTION MEASURES




Moderco is certified under the Customs Trade Partnership Against Terrorism (CTPAT), a public-private partnership program led by the U.S. Customs and Border Protection. This program focuses on implementing preventive measures to reduce the risks of any form of illegal trafficking throughout the cross-border supply and logistics chain.

Among the criteria we must meet, we are required to conduct verifications regarding social compliance and modern slavery with our business partners.

During this reporting period, Moderco conducted an external assessment with the assistance of C-TPAT Consulting Group Inc (GCC) and developed an action plan, implementing new mitigation measures to enhance our practices in preventing and reducing the risks of modern slavery in our operations and supply chains, such as:




Establishing a steering committee to assess the effectiveness of governance frameworks, policies, and procedures in place, in order to identify risks and impacts related to forced labor or child labor.




Conducting an external assessment of the risks of forced labor and child labor in its supply chains.

Developing our modern slavery policy.



Currently drafting a Supplier Code of Conduct to raise awareness among our partners and affirm our firm stance against any form of forced labor and/or child labor in our supply chains.

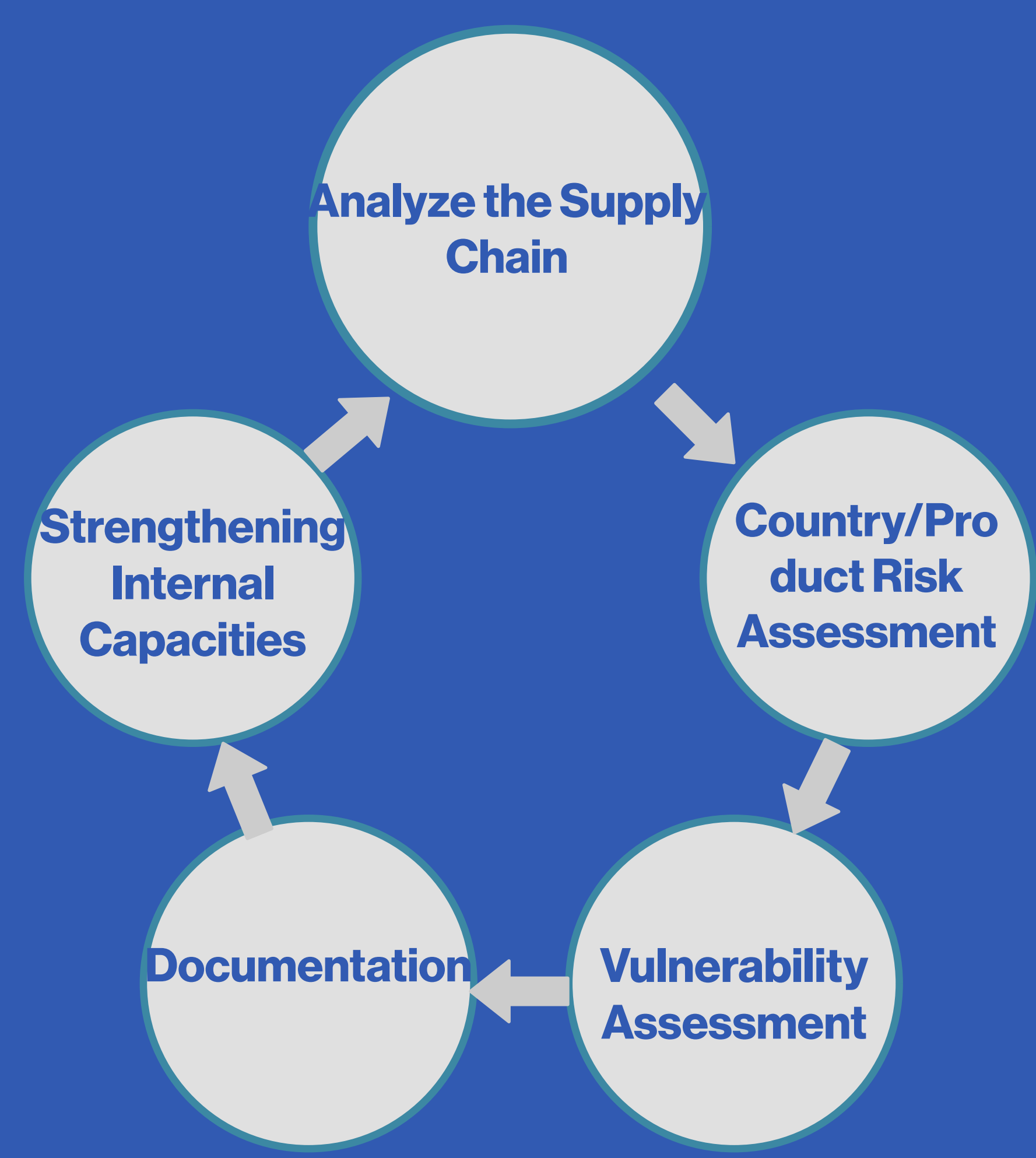


Carrying out a risk assessment within our supply chain to prioritize areas that may pose higher risks of forced labor or child labor, and focusing our due diligence efforts there.

SUPPLY CHAIN AND RISK MANAGEMENT

Methodology

Our 5-step risk analysis is based on the proven CTPAT program method and tailored to assess risks of forced labor and child labor in activities and supply chains.



Our Supply Chain

We conduct an in-depth assessment of our direct international purchases, starting with the analysis of sample import entries in Canada and countries of origin. This analysis is complemented by evaluating our key first-tier suppliers, both local and international, involved in our supply chains.

Based on this, we develop strategic recommendations and implement targeted action plans to eradicate forced and child labor across all our operations and supply chains. Our goal is to ensure ethical and legal compliance throughout our business activities, thereby strengthening our commitment to rigorous corporate social responsibility.

During the supply chain analysis, we consolidated the origins of our direct import countries and Tier 2 suppliers of our main direct suppliers; 92% are located in North America and 8% in Asia-Pacific





Analysis Summary

We assess that the direct inputs of our supply chain for manufacturing our products predominantly come from North America, which poses a low risk, and no form of modern slavery is identified within this part of our supply chain.



Supplier Assessment 2024-2025

We are conducting a more in-depth analysis of our supply chain segment from certain supplier Tier2 countries of origin that require improvements for better targeting of risks continuously and staying vigilant in our verification process.



Temporary Foreign Workers

In Canada, Moderco employs foreign labor and has established a rigorous hiring process, reducing the number of partner recruitment agencies to maintain better control over all hires, thus mitigating risks in our recruitment activities.

Moderco is committed to adhering to Canadian law, which protects all workers, including temporary foreign workers who have the same rights and protections as Canadians and permanent residents.

DUE DILIGENCE POLICIES AND PROCESSES



During the reference year, we developed a procedures guide to strengthen our governance and supplier management, aiming to effectively prevent the use of forced labor and child labor in our operations and supply chains.

These ongoing efforts are gradually being integrated into our operational practices to cover all Moderco activities. This will allow for continuous monitoring of the effectiveness of the mitigation measures in place.

Our modern slavery committee is responsible for overseeing the implementation of these practices and ensuring rigorous risk management.

This commitment to human rights is based on a deep belief in the importance of integrity and ethics, and aims to foster a safe, inclusive, and respectful work environment for all our stakeholders.

Moderco reaffirms its determination to combat forced labor and child labor in its supply chains by conducting an annual assessment based on the principle of due diligence. This approach helps to better identify, address, and mitigate risks related to modern slavery and human rights violations.

Modern Slavery Policy

Moderco has zero tolerance for modern slavery in its operations and supply chains, committed to preserving human dignity and promoting equality within our company and with our business partners.

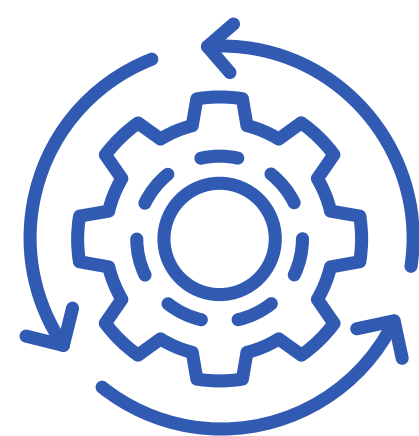
We strongly believe that economic development and social progress are inseparable. This commitment will be reflected in our Modern Slavery Policy, which draws on best practices and international standards.

Code of Ethics



Moderco is planning to introduce a supplier code of conduct in the coming year. This code will require suppliers to comply with all applicable laws and regulations in the regions where they operate. It will strictly prohibit the use of forced labor, child labor, or any form of involuntary work.

Effectiveness Assessment



During the reporting year, the company implemented measures to mitigate risks related to forced labor and child labor, both within its operations and supply chains.

We have started developing a process for continuous improvement, along with defining performance indicators. This initiative aims to enhance our current actions and extend our risk prevention and reduction efforts across all our activities and supply chain partners.

Reporting



During the period covered by the statement, employees in contact with suppliers must report any conduct they believe could be illegal or unethical, including any signs of slavery or human trafficking in the supply chain.

Additionally, we have begun drafting a procedure to formalize actions in cases related to modern slavery. Once finalized and shared with all staff, it will aim to better equip employees to identify and report these cases. It will also outline preventive and corrective measures to apply, to strengthen the protection of vulnerable workers.

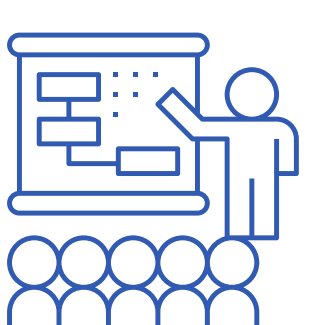
Remediation



So far, we have not identified any forced labor or child labor in our activities and supply chains, which has allowed us to determine no income loss among vulnerable families.

We remain vigilant and will further analyze certain higher-risk areas of our direct international supply chain.

Training



Moderco had not yet developed or implemented a formal training or awareness program regarding the requirements of the Law.

However, during the reference year, an awareness session on modern slavery and the respect and protection of human rights was held to raise awareness among the management committee and the purchasing department on these issues.

APPROVAL AND CERTIFICATION

In accordance with the requirements of the Law, particularly Article 11, I certify that I have reviewed the information contained in the report for Moderco Inc.

To the best of my knowledge, and after exercising reasonable diligence, I confirm that the information in the report is true, accurate, and complete in all significant respects for the purposes of applying the Law, for the mentioned reporting year.

I have the authority to bind Moderco Inc.

Stephan Julien
President
May 22, 2025