

FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

2025 Annual Report



Structure and Activities



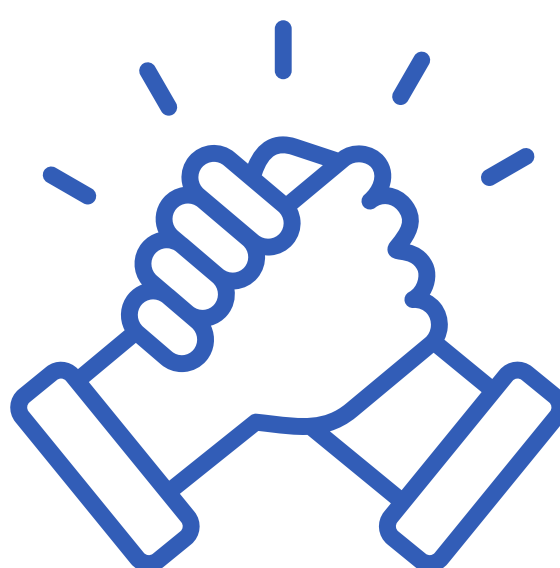
**Risk Prevention
and Mitigation**



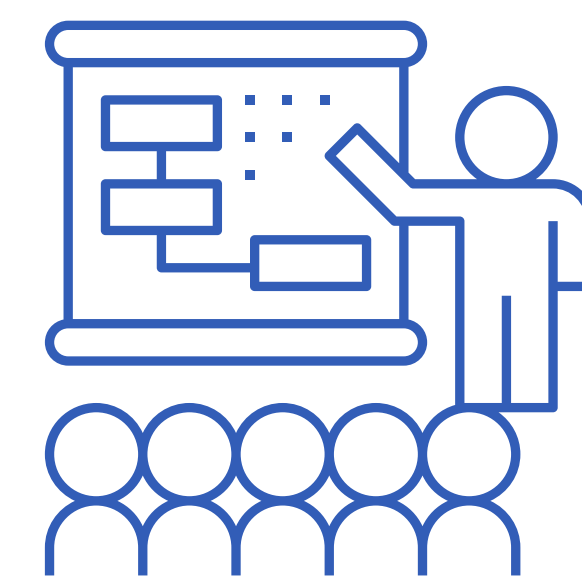
**Policies and Due
Diligence
Processes**



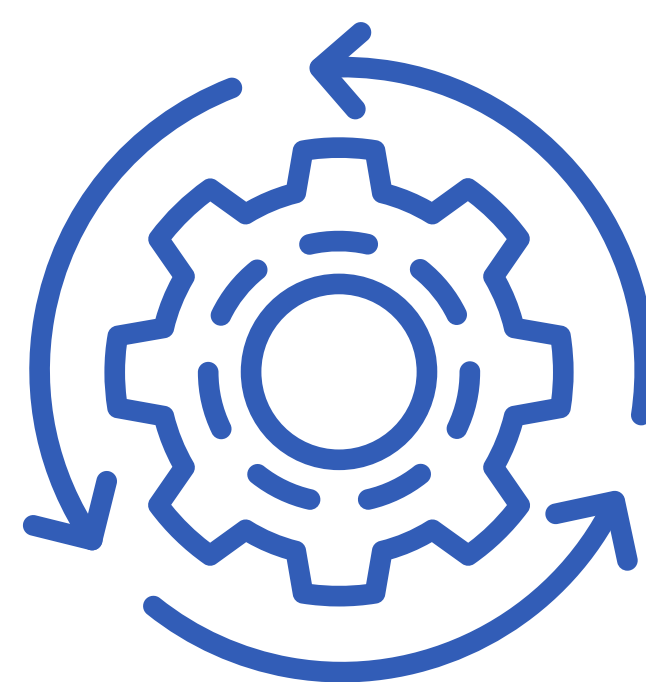
**Supply Chain and
Risk Management**



Remediation



Training



Effectiveness Assessment

Structure and Operations

About

This report covers Moderco Inc., a corporation incorporated under the Canada Business Corporations Act and located at 7200 John-Molson Street, Longueuil, QC J3Y 1R4, Canada, for the reporting period from January 1, 2025 to December 31, 2025.

It outlines the actions Moderco has taken, as well as initiatives currently being developed, to reduce risks related to modern slavery, including forced labour and child labour within its operations and supply chains, in accordance with applicable Canadian legislation.

During the 2025 reporting year, Moderco continued to strengthen its approach to prevention and responsible supply chain management. Work is ongoing to progressively formalize its governance, due diligence, and risk-monitoring practices.

Our Company

Since 1980, we've designed, manufactured, and sold movable wall systems found in places like conference centers, hotels, auditoriums, restaurants, offices, universities, gyms, and more around the world. Family-owned since the beginning, our second generation took the helm in 2014 to keep innovating and meeting the needs of personal, professional, academic, and faith-based spaces balancing aesthetics, acoustics, and ease of operation.

Our global network of partner distributors and our multidisciplinary team of more than 200 employees support our mission to make the most of space and create welcoming places to connect. Their creativity helps bring our vision to life: to be a technology-forward, dependable, people-first organization and a true partner in the success of our customers, partners, and employees.

The values of loyalty, openness, respect, integrity, and commitment have helped us grow over the years and continue to guide us as we advance our responsible business practices.

RISK PREVENTION AND MITIGATION MEASURES



As part of its responsible supply chain management practices, Moderco relies on established control processes including its CTPAT certification to support a structured approach to preventing and reducing risks associated with its cross-border operations.

In 2025, Moderco continued to strengthen its social compliance program by further defining its expectations and risk management practices related to modern slavery. This effort is intended to support the gradual integration of due diligence principles, documentation, and ongoing monitoring across the supply chain.



Ongoing integration of an internal governance approach designed to support the implementation of these documents and their monitoring within relevant processes.



Implementation of a modern slavery policy that sets out Moderco's stance on forced labour, child labour, and human rights violations across its operations and supply chain



Ongoing development of awareness and documentation tools to make it easier to understand and put Moderco's commitments into practice.



Implementation of a code of conduct outlining Moderco's minimum expectations for its employees, business partners, and suppliers regarding ethics, compliance with applicable laws, human rights, and responsible labour practices.



Establishment of a supplier risk assessment approach to better prioritize regions, purchasing categories, and business partners that may present higher risk.

An external audit was also conducted, along with an action plan designed to support continuous improvement in due diligence practices.

SUPPLY CHAIN AND RISK MANAGEMENT

Methodology

In 2025, Moderco carried out a risk assessment based on a structured due-diligence approach designed to review the supply chain, evaluate higher-risk countries and products, document findings, and strengthen internal capabilities.

The assessment covers the main categories of products and services Moderco uses, including metal components, aluminum, hardware, fabricated parts, packaging products, finishing materials, and certain operations-related services. It also considers the known or presumed country of origin, the nature of the goods or services, supplier transparency, and the availability of compliance documentation, to identify suppliers that may require additional follow-up.

Our Supply Chain

Moderco sources from local and international suppliers to support the design, manufacturing, and distribution of its products. Its supply chain includes, among others, suppliers of raw materials, components, technical services, subcontracting, transportation, equipment, and professional services.

During the 2025 reporting year, Moderco continued reviewing its supply chain to better understand potential risk areas. The company recognizes that certain risks may vary depending on countries of origin, product types, production methods, the possible use of vulnerable labour, and the complexity of indirect supply chains.

As part of the supply-chain analysis, we consolidated country-of-origin information for our main direct suppliers, which are primarily located in North America (92%), with 5% in Asia-Pacific and 3% in Europe.





Analysis Summary

Based on the 2025 risk assessment, Moderco believes that the direct inputs in its supply chain come predominantly from North America, a region generally viewed as lower risk. No instances of modern slavery, forced labour, or child labour were identified in this part of the supply chain.

Moderco acknowledges, however, that certain risks may vary depending on the country of origin, the nature of the products or services, and the level of transparency available from suppliers. Suppliers or categories with higher exposure receive closer attention through ongoing risk monitoring and tailored mitigation measures.



Supplier Assessment

In 2025, Moderco conducted a supplier risk assessment using criteria such as country of origin, the type of goods or services provided, supplier criticality, visibility into subcontractors, and the presence of human-rights policies or public commitments.

This analysis is part of an ongoing approach designed to maintain proportionate oversight of suppliers and purchasing categories with higher exposure, refresh findings as the supply chain evolves, and apply appropriate follow-up or mitigation measures when needed.



Workers

In Canada, Moderco follows a rigorous hiring process to guide its recruitment practices and reduce risks related to employing vulnerable workers. The company is committed to complying with applicable Canadian laws, which protect all workers—including temporary foreign workers—and set standards for employment rights, health and safety, human rights, and labour standards.

POLICIES AND DUE DILIGENCE PROCESSES



During the 2025 reporting year, Moderco continued integrating a due diligence approach designed to strengthen governance and risk management related to forced labour and child labour across its operations and supply chains. This approach is grounded in an annual risk assessment, documentation of findings, prioritization of higher-exposure suppliers or purchasing categories, and the use of tailored follow-ups when needed.

These practices are continuously embedded in Moderco's operating processes, including supplier management, risk monitoring, and the ongoing enhancement of mitigation measures. The committee responsible for modern slavery oversees this approach to support rigorous, ethical, and proportionate risk management, in line with human rights and the company's values of integrity.

Modern Slavery Policy



In 2025, Moderco implemented a modern slavery policy that affirms its zero-tolerance stance toward forced labour, child labour, human trafficking, and any other form of exploitation in its operations and business relationships.

This policy is intended to set clear expectations for Moderco, support respect for workers' fundamental rights, and guide the ongoing integration of due diligence practices throughout the supply chain.

Moderco plans to continue rolling out this policy by gradually embedding it into internal practices, supplier communications, and monitoring mechanisms.

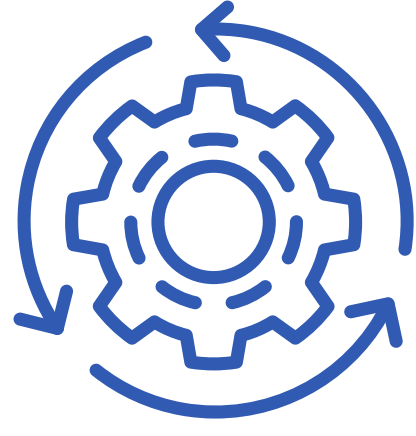
Code of Conduct

In 2025, Moderco implemented a Code of Conduct to clearly set expectations around ethics, integrity, legal compliance, respect for human rights, and responsible labour practices.

This Code applies to employees, business partners, and suppliers. It requires compliance with applicable laws and prohibits forced labour, child labour, human trafficking, or any practice that undermines workers' dignity or fundamental rights.

Its integration into supplier management, communications, and monitoring processes is currently being developed to ensure a gradual, consistent rollout.

Effectiveness Assessment



Moderco continues to embed a continuous improvement approach to assess how well its measures prevent and reduce risks related to forced labour and child labour. This effort is intended, among other things, to document actions taken, monitor supplier-related risks, and progressively identify meaningful indicators to track changes in internal practices.

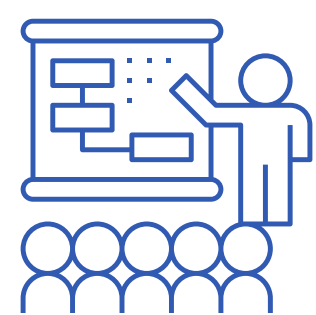
Reporting



During the period covered by this statement, employees who interact with suppliers are required to report any behavior they believe may be illegal, unethical, or inconsistent with Moderco's expectations, including any sign of modern slavery, forced labour, child labour, or human trafficking within the supply chain.

Moderco recognizes the importance of maintaining channels that allow employees, suppliers, and other stakeholders to raise concerns related to ethics, human rights, or working conditions. Reports must be reviewed appropriately, handled discreetly, and addressed with respect for the individuals involved.

Training



For the 2025 reporting year, Moderco has not yet rolled out a formal training program specifically focused on the requirements of the Act, modern slavery, forced labour, or child labour.

The procurement team has been made aware of modern slavery risks as part of the policy rollout and the supplier risk assessment process.

Development of awareness and training tools is underway. These tools are intended to strengthen understanding of the risks, support implementation of Moderco's commitments, and foster a culture of vigilance and accountability across the company's operations.

Remediation



To date, we have not identified any forced or child labor in our operations or supply chains, which has allowed us to determine that there has been no loss of income for vulnerable families.

Moderco remains vigilant, however, and plans to implement appropriate remediation measures should a real risk or a confirmed case be identified, particularly to protect those affected, correct the situation, and prevent its recurrence.

APPROVAL AND CERTIFICATION

In accordance with the requirements of the Act, and in particular section 11, I certify that I have reviewed the information contained in the report for Moderco Inc. for the 2025 reference year.

To the best of my knowledge, and after exercising due diligence, I confirm that the information contained in the report is true, accurate, and complete in all material respects for the purposes of applying the Act, for the above-mentioned reporting year.

I have the authority to bind Moderco Inc.



Stephan Julien
President
May 26, 2026