

Report on Forced Labour and Child Labour – 2024

1. INTRODUCTION

This report pertains to the financial year ending December 31, 2024. It is published by Fenplast Inc. and its relevant subsidiaries, in compliance with the Canadian *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”).

References in this report to the “Company,” “we,” “our,” and similar terms refer to Fenplast Inc. (“Fenplast”) or its subsidiary 9446-1753 Québec Inc. (operating under the name Altek Portes et Fenêtres) (“Altek”), which is included within the scope of this report.

This report outlines the measures taken to prevent and reduce the risks related to forced labour or child labour at any stage of the production of goods in Canada by the Company or their importation into Canada by the Company.

2. PREVENTION AND MITIGATION OF FORCED LABOUR AND CHILD LABOUR RISKS

The Company recognizes the fundamental importance of human dignity and equality. We believe that economic growth and social progress go hand in hand, and accordingly, we strive to provide a safe work environment. We are committed to protecting human rights in our operations and business relationships.

During the previous financial year, we continued to conduct our business in accordance with policies that support the well-being of our employees and exercised diligence in our contractual relationships with business partners. Additionally, we implemented the following measures to contribute to the fight against forced labour and child labour:

- We carried out an analysis to determine the location of our direct suppliers, as well as the origin of the products used by some of them in their operations.
- We collected information during the hiring process to ensure that all workers, including foreign workers, were hired of their own free will.
- We conducted on-site visits to the production facilities of certain suppliers located in regions with higher risks of forced or child labour.

This report presents a description of these measures and outlines additional initiatives we foresee in the fight against forced and child labour, acknowledging that such measures are continuously evolving.

3. OUR BUSINESS OPERATIONS AND SUPPLY CHAINS

3.1. OUR ACTIVITIES

The Company is a Québec-owned enterprise, operating since 1989 and based on the South Shore of Montréal. It specializes in manufacturing doors and windows and distributes its products through dealers. The vast majority of sales occur in Québec, with the remainder in Ontario.

Our head office is located in Candiac, and we operate five manufacturing facilities in Québec: in Candiac, Delson, Terrebonne, Drummondville, and Saint-Joseph-de-Beauce.

We care deeply about the well-being and development of our community, demonstrated through our continuous involvement in charitable and social causes related to children's welfare, physical activity, and health. This ongoing commitment underscores our social responsibility and community engagement.

Fenplast and Altek, along with their affiliated companies, employ approximately 1,100 people. We occasionally engage employment agencies to recruit temporary agency workers, permanent staff referred by agencies, and foreign workers who subsequently become full employees of the Company. When employing such workers, we conduct verifications to ensure hiring is done in full respect of workers' rights.

Agencies are selected based on various criteria such as reputation, legal compliance, internal procedures aligned with our values (including identity and age verification, criminal background checks, employment references, and credit checks), and personalized services that support worker integration.

To that end, our Human Resources team supports the integration of these workers, who are provided with furnished accommodations near the workplace and company-supplied vehicles. Furthermore, for foreign recruits, we provide private medical insurance pending their eligibility for provincial healthcare and ensure there is at least one on-site contact person who can communicate in the workers' native language, ensuring smooth and continuous communication.

3.2. OUR SUPPLY CHAIN

Our supply chain is characterized by a large number of direct suppliers with whom we maintain long-standing business relationships. Our senior management has visited many of their facilities, demonstrating our deep understanding of these business partners.

The Company's production activities require the use of the following main inputs: glass, sealed units, stained glass, aluminum, PVC resin, secondary manufacturing products, and finished goods. Secondary manufacturing products include hardware, wood, spacers, chemicals, and paint.

Generally, we source our products largely from suppliers located in the United States and Canada (80%). These North American purchases include glass sheets, sealed units, PVC resin, wood, spacers, and extrusion equipment. Similarly, hardware is acquired from U.S. suppliers, and paint is sourced locally.

However, we acknowledge that our Canadian and American suppliers have their own supply chains, which may include foreign suppliers, notably in various Asian countries, including China.

A small portion of our direct suppliers are located overseas, including the United Arab Emirates, Vietnam, and Turkey, representing about 15% of our total purchases. The remaining overseas purchases come from suppliers based in China (5%). For instance, aluminum is sourced from the

UAE, Vietnam, and Turkey, while stained glass, which is minimally imported, comes from Asia or local suppliers who themselves source from Asia.

In addition to production inputs, the Company purchases machinery and equipment for door and window manufacturing from countries such as Germany, Italy, and Austria.

We believe that managing the social risks inherent in supply chains is our responsibility, just as it is for our suppliers, since respecting human rights is a collective duty shared by all businesses, regardless of where they operate.

POLICIES AND DUE DILIGENCE PROCESSES

We recognize our human rights responsibilities, which align with our mandate, vision, and values, as reflected in our policies and practices. We continue to integrate responsible business conduct into our policies and management systems, as this is a key issue that we care deeply about.

3.3. OUR POLICIES

Code of Conduct

The Company's Code of Conduct sets out rules and guidelines that we and our employees commit to uphold in dealings with suppliers, clients, consultants, employees, and other business partners. It requires that the Company and its employees exercise diligence in entering into business transactions to avoid contracting with individuals or companies involved in misconduct that could damage the Company's reputation. Although not explicitly stated, this would include avoiding partnerships with companies engaged in forced or child labour.

Occupational Health and Safety

The Company places the highest importance on occupational health and safety. All new plant employees must review applicable local regulations to ensure they understand the Company's standards before beginning their duties. We also closely supervise the enforcement of health and safety rules to prevent any harm to employee well-being.

Workplace Violence, Harassment, and Discrimination Policy

The Company has a Policy to counter workplace violence, harassment, and discrimination, to provide and maintain a respectful and dignified work environment. It defines unacceptable

behaviour, clarifies that such actions will not be tolerated, and encourages employees to seek immediate support through established reporting channels.

Whistleblower Policy

Our Whistleblower Policy highlights the importance of protecting individuals from retaliation when they report concerns in good faith. It allows for anonymous reporting and reflects our commitment to maintaining a work environment that fosters professional development, respect, and well-being.

3.4. DUE DILIGENCE PROCESS

As part of our initiatives to identify and mitigate risks related to forced and child labour, we have implemented a supplier evaluation system. This process encompasses a wide range of analysis criteria and includes a review of our direct suppliers' procurement activities.

The Company has also conducted site visits to certain direct suppliers located in regions deemed to have higher risks of forced or child labour. Specifically, we visited suppliers based in Turkey, Vietnam, and the UAE to verify product quality. No issues related to forced or child labour were observed during these inspections. Moving forward, we plan to include human rights and working conditions criteria in our foreign inspection procedures, particularly when operations occur in high-risk countries.

4. RISK ASSESSMENT AND CORRECTIVE MEASURES

As part of our risk assessment, we began identifying activities and supply chains that may present risks of forced and child labour.

While our risk analysis is still in its early stages, we acknowledge that some of our direct suppliers are located in areas with potentially elevated risks, such as Turkey, Vietnam, and the UAE. We are mindful of this and have taken proactive steps by visiting these suppliers' facilities in person.

We also recognize the complexity of gaining full visibility into upstream manufacturing activities. Nonetheless, we remain vigilant and committed to taking reasonable steps to avoid any association with business partners who directly or indirectly use forced or child labour.

The Company is committed to upholding the highest standards of ethics, integrity, and business conduct. Our Code of Conduct clearly outlines our employees' duty to exercise diligence in commercial dealings, and we will continue assessing our suppliers' practices, particularly in procurement.

To date, we have not identified any instances of forced or child labour in our operations or supply chain that would require remediation or have resulted in loss of income for vulnerable families. We encourage employees to report any misconduct, including human rights violations.

5. TRAINING

Understanding and complying with the Code of Conduct is a requirement for employment at the Company. Our employee onboarding programs include training on the Code, our values, and several human resources and safety policies.

Although the Company does not currently provide employee training on specific forced and child labour issues, we remain aware and attentive to these concerns.

6. ASSESSING THE EFFECTIVENESS OF OUR APPROACH

Ensuring that forced and child labour do not occur in our business or supply chain is and will remain a priority for continuous improvement. While we have not yet implemented specific measures to assess the effectiveness of our actions, we are currently establishing benchmarks to enable such analysis in the near future.

In fact, we intend to enhance our evaluation of direct suppliers during 2025 by inquiring about the working conditions provided to their employees and visiting additional facilities. This will allow us to document and track changes in their human resources practices and assess the effectiveness of our actions.

7. APPROVAL AND ATTESTATION

This report was approved by the Board of Directors of Fenplast Inc. on May 30, 2025, in accordance with paragraph 11(4)(b)(ii) of the Act and constitutes the report of our group for the financial year ending December 31, 2024.

Pursuant to the Act, and in particular section 11, I attest that I have reviewed the information contained in the report for the entities listed in the first section of this report. To the best of my knowledge, and having exercised 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 aforementioned reporting year.

I have the authority to bind Fenplast Inc.



Full name: Jean Marchand

Title: President

Date: May 30, 2025