



## Report on Prevention of Forced Labour and Child Labour

For Groupe Solotech Inc. and Solotech Inc.  
Procurement Department

Fiscal Year ending on February 22, 2025

# Report on Prevention of Forced Labour and Child Labour

## 1. Overview

Groupe Solotech Inc. and its affiliates (collectively, “Solotech”) are firmly committed to respecting the fundamental rights of all individuals, including the right to work free from any form of coercion, exploitation, or duress and to upholding high standards of ethical conduct, responsibility, transparency, and respect for human rights within its operations and supply chains. Modern slavery encompasses various forms, including forced labour, child labour, human trafficking, and other forms of contemporary exploitation, often involving violations of basic human rights. Solotech acknowledges the global challenge of modern slavery and is dedicated to preventing these abuses within its operations and supply chains.

This report focuses on steps undertaken by Solotech during its fiscal year ending on February 22, 2025, to prevent and reduce risks of forced labour and child labour in its operations and supply chains (the “Report”) and is made pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (S.C. 2023, c.9) (the “Act”).

## 2. Structure, Business Activities and Supply Chains

### Structure

Groupe Solotech Inc. is a holding company incorporated under the *Quebec Business Corporations Act*, operating worldwide under different entities. Its activities in Canada are carried out exclusively by its subsidiary, Solotech Inc. also incorporated under the *Quebec Business Corporations Act*. Solotech Inc. is the only other entity within its group subject to disclosure obligations under the Act.

This Report is a joint report filed by Groupe Solotech Inc. on behalf of itself and Solotech Inc.

### Business Activities

Founded over 45 years ago, Solotech boasts a workforce exceeding 700 individuals within Canada and a global team exceeding 1,750 employees. This structure underscores Solotech's commitment to delivering unparalleled expertise and services both domestically and internationally. Solotech delivers over 1,500 projects on an annual basis and has approximately 10,000 clients worldwide.

Solotech’s activities take place predominantly in Canada, the United States, the United Kingdom and Germany. Solotech works with a wide variety of organizations for a broad range of goods and services, which are primarily commercial, corporate, and live events related, but also to meet specialized requirements for integrated projects. Solotech engages in the following two core businesses:

- Live Productions Division: Provides rental of technical equipment (audio, video, lighting and rigging) for live event productions, including touring shows, festivals, TV shows and corporate events, virtual solutions, consulting services and design services; and
- System Integration Division: Provides sales and integration of systems (audio, video, lighting and communication systems) namely for businesses and institutions, entertainment and Hospitality and House of Worship.

## Supply Chains

Solotech's supply chains span globally, encompassing a network of 71 main manufacturers to source high-quality components and equipment essential for its operations. Leveraging strategic partnerships with reputable suppliers, Solotech ensures access to cutting-edge technology and innovative solutions that meet the demands of its selective clientele.

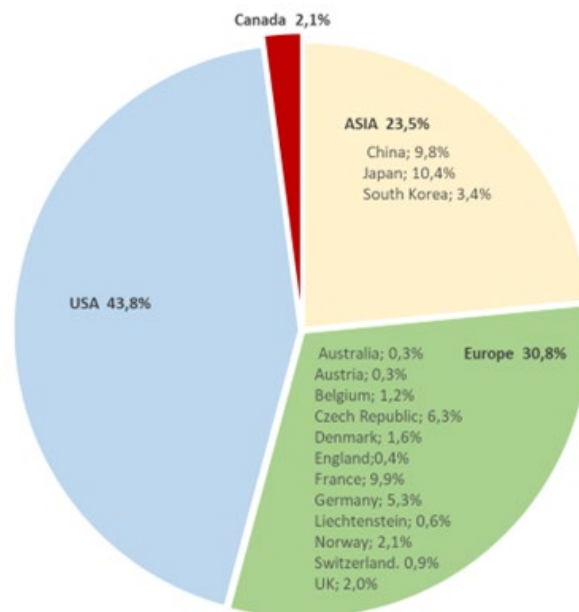
Solotech annually procures a significant volume of tangible goods, notably electronic products for both its divisions. These acquisitions mainly originate from reputable providers. Among the range of electronic equipment sourced, Solotech acquires speakers and other audio equipment, displays and projectors, monitors and screens, amplifiers, cameras and lighting equipment, alongside with other vital components crucial for its audiovisual solutions.

Solotech's procurement activities are multifaceted, relying on two primary methods to acquire goods:

(i) Imports by suppliers:

Firstly, Solotech engages in procurement from suppliers who import the goods. This method involves sourcing products from external suppliers who handle the importation process, providing Solotech with a diverse range of goods from various locations.

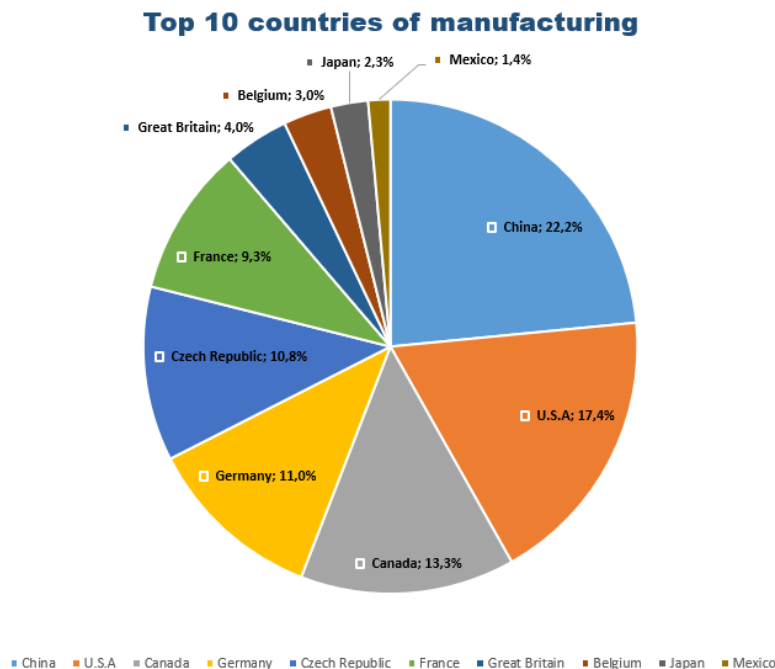
In its previous fiscal year, the majority of tangible goods acquired by Solotech (but not imported by Solotech), namely 80%, were acquired from 71 different brands. The diagram below provides a visual representation of Solotech's acquisition of goods in its previous fiscal year, illustrating the territorial distribution from which these brands are headquartered. Of these brands, 46% are headquartered in North America, while 31% are headquartered in Europe, and the remaining 23% are headquartered in Asia. This representation provides an overview of the geographical distribution of Solotech's sourcing activities and highlights the global nature of its supply chains.



(i) Imports by Solotech:

Secondly, Solotech also procures goods from suppliers or manufacturers where Solotech assumes responsibility for the importation process. In these instances, Solotech takes charge of importing the goods, which may involve managing customs procedures, transportation logistics, and regulatory compliance. This portion accounts for approximately 20% of all Solotech's purchases made from Canada.

In Canada, Solotech imports goods from just over a dozen countries, primarily from the United States. The countries of origin for Solotech's imported goods also span more than a dozen countries. Among them, 95% of the countries of origin for Solotech's imported goods are found in the top 10 identified in the figure below: 22% from China, 17% from the United States, 13% from Canada, 11% from Germany, 11% from the Czech Republic, 9% from France, 4% from the United Kingdom, 3% from Belgium, 2% from Japan, and 1% from Mexico.



### 3. Policies and Due Diligence Process

The following policies and procedures implemented by Solotech aim to minimize the risks associated with forced labour and child labour in its supply chains. These measures apply to both Solotech and its other subsidiaries. They reflect Solotech's commitment to sustainable practices, respect for human rights and the promotion of a safe and inclusive environment for all employees and workers throughout its operations and supply chains.

#### 3.1 Modern Slavery Prevention Policy

In April 2024, Solotech has developed and adopted a Modern Slavery Prevention Policy to outline Solotech's commitment to (i) combating and preventing modern slavery, including forced labour and child labour, (ii) ensuring compliance with laws and regulations, (iii) providing awareness

training, and (iv) encouraging the reporting of any suspected cases of forced labour across its operations and supply chains.

Compliance with this policy is mandatory for all parties involved in any business activity with Solotech, including employees, suppliers, contractors, service providers, and partners. Any potential breach of this policy may be subject to review by Solotech, investigation and eventual further action, such as withdrawal of assignment, termination of contract or termination of employment.

The Modern Slavery Prevention Policy is available on Solotech's website (refer to [this link](#)).

### **3.2 Supplier Code of Conduct**

To formalize its commitments to ethical sourcing, Solotech implemented a Supplier Code of Conduct in March 2025. This Code aims to establish ethical, social, professional, and environmental standards that all suppliers must adhere to in their engagement with Solotech. By prioritizing ethical sourcing, environmental protection, and social equity, the policy helps mitigate risks and align procurement processes with Solotech's values and commitments.

The Code also requires Solotech's suppliers to exercise due diligence to prevent the risks of modern slavery in their supply chains and to commit to respecting the fundamental rights of all individuals, including the right to work without coercion or exploitation, and to maintain high standards of ethical conduct, responsibility, transparency, and respect for human rights.

The Supplier Code of Conduct is available on Solotech's website (refer to [this link](#)).

### **3.3 Code of Ethics**

Solotech's Code of Ethics applies to employees at all levels, as well as all permanent and temporary employees, in all countries where Solotech operates. A revised and enhanced version of the Code was made available to employees in March 2025.

The Code of Ethics specifies the fundamental principles and standards of behavior expected in all Solotech activities. It provides employees with clear guidelines for ethical business conduct in their interactions with clients, colleagues, suppliers, and the public. Additionally, it provides a framework for decision-making and guides employees in resolving ethical dilemmas, thus contributing to a harmonious and productive work environment. The Code of Ethics also outlines Solotech's commitments to preventing modern slavery to raise employee awareness of these issues.

### **3.4 Standard Contract Provision included in Terms and Conditions**

In 2024, Solotech has developed a new clause and has included this new clause in the terms and conditions of its supply purchase orders which stipulates that: (i) suppliers must adhere to all applicable laws and regulations relating to modern slavery; and (ii) Solotech may terminate the applicable purchase order(s) in the event Solotech has reason to believe that the supplier is not

complying with its obligations under any applicable laws and regulations relating to modern slavery.

#### **4. Parts of the Business that Carry Risks of Forced Labour or Child Labour**

In 2024-2025, Solotech has commenced a mapping of its supply chains to evaluate the potential risk of forced labour and child labour. Given the complex nature of global supply chains, which often present traceability challenges, some areas of risk have been identified but Solotech is aware that this work needs to continue to fully identify definitive areas of risk.

Following its assessment, Solotech has identified that its main risk of exposure to forced labour and child labour comes from its supplier network, particularly in sectors and geographic areas that present a higher risk. Many electronic products purchased by Solotech are manufactured and assembled in South-East Asian countries, particularly China, where labour protections may not match those in Canada, increasing the risk of potential involvement in forced and child labour practices.

At the local level, among its employees, Solotech considers the risks to be null as all of its employees are hired in accordance with applicable Canadian laws and pursuant to its policies and procedures governing recruitment, working conditions and ethical treatment of employees.

#### **5. Remediation Measures to Prevent and Reduce the Risks of Forced Labour and Child Labour**

Solotech has not identified any concrete evidence to conclude the presence of forced labor or child labor in its supply chains. Therefore, no remedial action was taken in the previous fiscal year. Solotech is committed to continuing its assessment with the aim of further analyzing and preventing supply chain risks as they arise.

Solotech has undertaken several initiatives which will be pursued in the next fiscal year. These initiatives include the following:

##### Identification of Preferred Suppliers

A supplier identification exercise was initiated to reduce the number of suppliers utilized overall by identifying “preferred” suppliers to concentrate transactions towards these preferred suppliers.

The preferred suppliers are chosen based on quality, reliability, cost-effectiveness, and alignment with Solotech’s values and strategic objectives. By designating preferred suppliers, Solotech aims to unify procurement processes, foster long-term partnerships, and leverage economies of scale to achieve efficiencies in sourcing and supply chain management. This way, Solotech can ensure a better understanding of its suppliers and identify risks related to forced labor and child labor.

##### Supplier Relationship Management Initiative

As part of Solotech’s due diligence process with its suppliers, a supplier relationship management initiative is under development. This initiative will focus on fostering transparent, collaborative,

and ethical partnerships with suppliers to ensure adherence to labour standards, Solotech codes and policies and mitigate the risk of exploitation.

Specifically, the initiative would enable periodic reviews of Solotech's preferred suppliers, allowing to assess their performance, transparency of their processes, and adherence to Solotech's Supplier Code of Conduct and other applicable codes and policies. Through these reviews, Solotech will be able to identify areas for improvement, address any issues promptly, and promote continuous enhancement of labor standards within its supply chains. Ultimately, this proactive approach not only mitigates the risk of forced labor and child labor but also fosters sustainable and responsible business practices.

## **6. Remediation of Loss of Income to Vulnerable Families**

During the reporting period, Solotech did not identify any case of forced labour or child labour in its supply chains, and as a result, no remedial actions were taken. Should Solotech discover any instances of non-compliance, Solotech will promptly initiate the development of a corrective action plan aimed at enhancing and rectifying the issue.

## **7. Training Provided to Employees**

In October 2024, training was made mandatory for all employees who interact with suppliers or are involved in recruiting personnel. This training prepares employees to recognize modern slavery, understand the risks, learn what Solotech has implemented to prevent this risk, and how to take appropriate measures to prevent the risk of modern slavery.

## **8. Assessment of Effectiveness**

In 2024 and early 2025, Solotech primarily focused on implementing policies and new procedures aimed at mitigating the risk of forced or child labour within its operations and supply chains. As these processes are quite recent, Solotech is currently unable to assess the effectiveness of these measures but remains committed to continuing its evaluation.

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## 9. Approval and Attestation of the Board Members of Groupe Solotech Inc.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

This Report was approved by the Board of Directors of Groupe Solotech Inc. on May 15, 2025.

I have the authority to bind Groupe Solotech Inc. and Solotech Inc.

Per:



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Martin Tremblay  
President and CEO  
May 22, 2025





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