



ETALEX 
COMMITTED to the **CORE**

Annual Report on the Fight Against Forced Labour and Child
Labour

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1. Introduction

This report is prepared in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act. It covers Groupe SJM Inc. and its subsidiaries, ETALEX Inc. and Équipement Boni Inc. (collectively referred to as "ETALEX"). This document outlines the actions taken by ETALEX to prevent and reduce the risks of forced labour and child labour, both within its Canadian operations and throughout its supply chain.

ETALEX firmly opposes all forms of forced labour and exploitation. The company has implemented strict policies to ensure compliance with applicable regulations and international human rights standards. This annual report highlights the actions taken over the past year, identifies potential risks, and outlines future measures to strengthen our commitment to responsible business practices.

2. Scope and Governance

2.1 Scope

This report represents ETALEX's second annual report on the prevention of forced labour and child labour. It is part of our ongoing improvement efforts to align our practices with legal requirements and international standards, including:

- The International Labour Organization (ILO)
- The United Nations Guiding Principles on Business and Human Rights
- The OECD Guidelines for Multinational Enterprises

2.2 Governance and Internal Responsibilities

ETALEX has established a structured governance framework to ensure the respect and implementation of its commitments:

- Executive Committee: Oversees the company's strategies and commitments regarding the fight against forced labour. The committee also ensures policy enforcement, monitors compliance, and oversees employee training.
- Procurement Team: Ensures supplier compliance and manages risk assessments.

ETALEX applies a predictive and proactive approach, integrating these issues into its risk management and supply chain management processes.

3. Measures Implemented

In 2024, ETALEX strengthened its commitment by implementing tangible measures aimed at preventing, detecting, and mitigating the risks of forced labour and child labour within its business ecosystem.

3.1 Progress Achieved in 2024

Creation of a Code of Ethics

- We incorporated a formal commitment prohibiting any form of forced or child labour into our Code of Ethics.

Strengthening Contractual Requirements with Suppliers

- We revised our Supplier Code of Conduct to require compliance with international conventions and local laws.
- We requested each supplier's formal commitment confirming the absence of forced or child labour practices within their operations.

Employee Training and Awareness

- We provided training to all employees involved in supplier management and recruitment processes.

Implementation of a Confidential Reporting Mechanism

- We established a whistleblower procedure allowing employees and external partners to confidentially report any suspicious activities.
- All reports are handled rigorously and transparently.

3.2 Ongoing Measures and Consolidation of Achievements

ETALEX continues to maintain measures implemented in the previous reporting year:

- Compliance with Canadian and international laws related to forced labour.
- Active monitoring of procurement practices, particularly for sensitive raw materials.
- Collaboration with external experts to align our practices with industry best standards.

4. Risk Mapping and Supply Chain Management

To date, ETALEX has not identified any instances of forced labour or child labour within its supply chain. Nonetheless, the company continues to strengthen its monitoring mechanisms to ensure that all business partners uphold ethical standards.

To this end, ETALEX has adopted a risk-based approach aimed at identifying potential areas of vulnerability within its operations and supply chain.

4.1 Supply Chain Profile

ETALEX works with suppliers in the following sectors:

- Steel
- Industrial Paint
- Wood and Construction Materials

Our primary partners are based in Canada and North America; however, some materials originate from international markets, requiring heightened vigilance.

4.2 Risk Mapping

In 2024, ETALEX initiated a detailed analysis of its supply chain to:

- Identify potential risk areas based on international standards.
- Evaluate key suppliers according to their location, industry sector, and compliance history.

This analysis will guide future audits and enhance our monitoring strategies.

5. Next Steps and Strategic Commitment

In 2025, ETALEX will continue to strengthen its efforts through enhanced control and maximum transparency:

- Completion of risk mapping for targeted supplier monitoring.
- Development of an internal audit protocol to evaluate business partner compliance.

ETALEX is also committed to strengthening collaboration with experts and specialized organizations to adopt best practices in human rights protection.

6. Conclusion

ETALEX reaffirms its commitment to combat forced labour and child labour through concrete actions and strong governance.

- The year 2024 marked a significant milestone through:
- The creation of a Code of Ethics
- Employee training on issues related to illicit labour practices
- Strengthened contractual requirements with suppliers
- The establishment of a confidential disclosure procedure

By adopting a proactive and preventive approach, ETALEX reinforces its corporate social responsibility and ensures the development of an ethical and sustainable supply chain.

Fighting forced labour and child labour is an ongoing commitment, and ETALEX remains determined to continue its efforts to ensure a business environment that respects fundamental human rights.

Approbation et attestation

Nous, soussignés, attestons par la présente que le présent rapport sur la lutte contre le travail forcé et le travail des enfants dans la chaîne d’approvisionnement d’ETALEX a été examiné et approuvé par le conseil d’administration en date du **18 mars 2025.**

Conformément aux exigences de la Loi sur la lutte contre le travail forcé et le travail des enfants dans les chaînes d’approvisionnement, nous confirmons que nous avons pris connaissance des informations contenues dans ce rapport et qu’à notre connaissance, celles-ci sont véridiques, exactes et complètes pour l’exercice financier concerné.

Luc St-Georges, président du conseil d’administration

Lynda Beaudin, administratrice



Dominique Majeau, administratrice

Mathieu Jeanneau, administrateur

Thierry Lachapelle, Président