

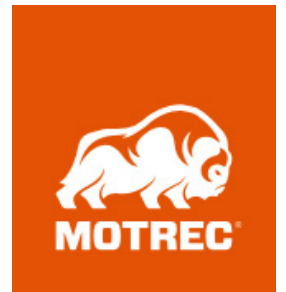
MOTREC INTERNATIONAL INC.

**COMBATING FORCED
LABOUR AND CHILD LABOUR
IN SUPPLY CHAINS**

2025 Annual Report



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1. ORGANIZATIONAL STRUCTURE AND OPERATIONS

This report was prepared in accordance with Canada’s legislation to combat forced labour and child labour in supply chains. It outlines the actions Motrec International Inc.—a privately held company incorporated under the Canada Business Corporations Act—has taken, strengthened, or is currently rolling out during the fiscal year ending May 31, 2026.

These actions are intended to prevent and reduce risks associated with modern slavery, including forced labour and child labour, across Motrec International Inc.’s operations and supply chains.

Motrec International Inc. engaged Groupe Conseil C-TPAT Inc., a firm specializing in supply-chain risk assessment and logistics compliance, to support risk analysis, ongoing improvement of internal processes, and the reduction of forced-labour and child-labour risks within its supply chain.



MOTREC AT A GLANCE

Motrec International Inc. designs and manufactures electric industrial vehicles built for horizontal transport of goods and people. Since 1988, the company has developed solutions tailored to a wide range of work settings, industrial applications, and customers’ day-to-day operational needs.

Founded in 1988

Nearly 90 employees

Head Office and Manufacturing Site Sherbrooke (Québec)

Global leader in industrial electric vehicles

2. PREVENTION AND RISK-REDUCTION MEASURES



Motrec International Inc. continued to strengthen its practices to prevent and reduce risks related to forced labour, child labour, and modern slavery across its supply chain. This work aligns with the company's commitments to social compliance and responsible business conduct.

With support from Groupe Conseil C-TPAT Inc., Motrec assessed its current practices and identified mitigation measures to enhance due diligence, supplier documentation, and ongoing risk management with its business partners.

GOVERNANCE



Maintain a steering committee responsible for governance, due diligence review, and monitoring risks related to forced labour, child labour, and modern slavery across operations and the supply chain.

RISK ASSESSMENT



Continue supply-chain risk analysis to identify suppliers, products, countries of origin, or regions that require heightened oversight and ongoing due diligence follow-up.

POLICY AND CODE OF CONDUCT



Continue developing a modern slavery policy and a Supplier Code of Conduct to guide Motrec's commitments, formalize expectations for its business partners, and prohibit the use of forced labour, child labour, or any form of involuntary work.

EXTERNAL ASSESSMENT



Conduct an external assessment of forced-labour and child-labour risks in our operations and supply chains.

DUE DILIGENCE



Implement due diligence actions with targeted suppliers, including sending questionnaires in 2025, reviewing the information received, and following up on items that require additional documentation or further verification.

SUPPLY CHAIN AND RISK MANAGEMENT



METHODOLOGY

Our risk analysis is based on a due diligence approach structured in five steps: supply chain analysis, assessment of high-risk countries and products, vulnerability assessment, documentation of findings, and strengthening internal capabilities. This approach is tailored to Motrec International Inc.'s operations and to the input categories used to design, manufacture, and assemble its industrial electric vehicles.



OUR SUPPLY CHAIN

Motrec’s risk analysis covers the main categories of products and services used in its operations, including metal components, mechanical parts, electrical and electronic components, batteries, cables, wheels, tires, assembly parts, control components, packaging materials, specialized equipment, and certain services related to manufacturing, procurement, and operations.

This analysis considers, among other factors, the known or presumed country of origin, the nature of the products or services, supplier transparency, supply chain complexity, the availability of compliance documentation, and information gathered through due diligence activities, including the supplier questionnaires sent in 2025. Categories or suppliers with higher exposure may be subject to additional follow-up measures, such as requests for information, document reviews, verification of product origin, or the application of appropriate mitigation measures.



Motrec International inc. sources most of its goods and raw materials from North American suppliers, accounting for about 99% of its procurement. When acting as the importer of record, less than 1% of its procurement comes from Europe and the Asia-Pacific region.

ANALYSIS AND OVERSIGHT

ANALYSIS SUMMARY



The analysis shows that most of Motrec’s direct supply-chain inputs come from North America, which generally means a lower risk of exposure to forced labour and child labour. As of the date this report was prepared, no confirmed cases or indicators of modern slavery have been identified in this segment of the supply chain.

However, certain parts of the supply chain are being reviewed more closely—particularly where specific countries of origin, lower-tier suppliers, or input categories call for heightened vigilance.

SUPPLIERS



During the reporting year, Motrec distributed supplier questionnaires to document the social compliance practices of certain business partners and to support its due diligence process. These questionnaires are designed to gather information on suppliers’ internal policies, workforce management practices, reporting mechanisms, and their own controls related to forced labour and child labour.

The information collected will help prioritize follow-ups, document risks, and continuously improve supplier assessments.

WORKERS



Hiring is handled internally in line with company standards, and working conditions are designed to uphold human rights for all employees. In its employee handbook, Motrec commits to treating its staff in a transparent, fair, and reasonable manner.

POLICIES AND DUE DILIGENCE PROCESSES

Motrec International Inc. continues to strengthen its due diligence practices to better support the prevention of forced labour, child labour, and modern slavery across its operations and supply chains.

This approach includes internal governance, risk assessments, distributing supplier questionnaires in 2025, documenting the information received, and monitoring business partners that require heightened oversight.

Motrec International Inc. remains committed to combating forced labour and child labour within its supply chains. The company is continuing to enhance its processes to identify, assess, and mitigate risks related to modern slavery and potential human rights impacts.

The management committee helps track the measures put in place and supports the gradual integration of these principles into Motrec International Inc. activities. Next steps include further formalizing policies, strengthening reporting mechanisms, and supporting awareness among the employees concerned.

POLICY AND CODE OF CONDUCT



Motrec International Inc. places a strong emphasis on human dignity, equality, and the protection of human rights across its operations, supply chains, and business relationships. The company is committed to maintaining a safe, respectful, and inclusive workplace and to promoting responsible business practices with its partners.

Motrec continues to develop its modern slavery policy to clearly define its commitments and support the prevention of forced labour, child labour, and any other form of involuntary work. This policy is intended to align with leading practices and recognized standards for human rights and social compliance.

In parallel, Motrec is continuing to draft its Supplier Code of Conduct. This document is intended to formalize the expectations that apply to business partners, including compliance with the laws and regulations in effect in the jurisdictions where they operate, as well as a prohibition on any use of forced labour, child labour, or any other form of involuntary work.

MONITORING, REMEDIATION, AND CONTINUOUS IMPROVEMENT

Motrec remains committed to continuously improving its practices and processes to help prevent modern slavery, forced labour, and child labour. The actions outlined below reflect a proactive approach to strengthening transparency, supporting due diligence, and promoting ethical, responsible supply chains.

Effectiveness Assessment



Motrec will continue to build out a continuous improvement process to establish meaningful performance indicators.

This effort will support evaluating progress on risk analysis, documenting business partners, distributing and tracking supplier questionnaires, and implementing the prevention and risk-reduction measures put in place.

Reporting



During the period covered by this statement, employees who interact with suppliers were required to report any conduct they believed could be illegal or unethical, including any signs of modern slavery, forced labour, child labour, or human trafficking within the supply chain.

In the next reporting year, Motrec plans to formalize a reporting procedure to guide the actions to be taken when an actual or potential situation is brought to its attention.

Remediation



To date, Motrec has not identified any confirmed cases of forced labour or child labour within its operations or supply chains. As a result, this report has not identified any situation that led to a loss of income for vulnerable families.

The company remains vigilant and will continue reviewing the segments of its supply chain that may present higher exposure, in order to determine appropriate follow-up or risk-mitigation measures.

Training



During the reporting year, no formal training was implemented. However, the relevant departments were made aware of the risks related to modern slavery, forced labour, and child labour within the company's operations and supply chain.

Motrec plans to develop structured training to strengthen the knowledge of the employees concerned. Topics may include identifying risk factors, using supplier questionnaires, expectations for business partners, and reporting mechanisms.

APPROVAL AND CERTIFICATION

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Act), and in particular section 11 thereof, I, in the capacity of President and Chief Executive Officer, attest that I have reviewed the information contained in the report on behalf of the governing body of Motrec International Inc.

Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed within this report.

I have the authority to bind Motrec International Inc.



Rodier Grondin

President and Chief Executive Officer

Date: May 26, 2026

