

***Fighting Against Forced Labour and Child Labour
in Supply Chains Act***

Fiscal Year Ending January 31, 2024



May 2024

Groupe LOU-TEC Inc. (LOU-TEC) provides heavy machinery equipment rentals in Canada. LOU-TEC rents a full range of construction and industrial equipment for a wide variety of applications to a diverse clientele. Acting responsibly and adopting ethical behaviors is ingrained in LOU-TEC's culture. The framework in place reflects the needs of all its stakeholders and supports the long-term sustainability of its activities and financial performance. LOU-TEC's values are: Safety, Integrity, Respect, and Unity.

I. Engagement Report

LOU-TEC takes its social responsibility very seriously and is committed to conducting its business operations in accordance with the highest ethical standards. LOU-TEC's policies are designed to prevent forced labor and child labor in its supply chains. This report applies to all individuals acting on behalf of the company, regardless of their role.

This report is made by LOU-TEC in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act and covers the fiscal year ending January 31, 2024.

II. Business Activities and Supply Chain of Groupe LOU-TEC Inc.

LOU-TEC operates a network of 27 business locations in Canada with more than 500 employees. It serves over 3000 active clients, ranging from large multinational companies to strong local contractors and individual DIYers. The clientele includes customers from the construction sector, the industrial sector, service companies, as well as government entities such as municipalities.

LOU-TEC conducts its operations through the following entities:

- LOU-TEC operates almost exclusively in Quebec;
- LOU-TEC operates two business locations in Ontario under the Torcan Lift Equipment brand;
- These two entities generate 100% of its revenue.

Although LOU-TEC procures goods and services from a wide range of suppliers, it primarily works with several major equipment suppliers, the majority of which are based in North America and Europe. LOU-TEC mainly purchases new equipment from suppliers known for the quality and reliability of their products.

Nearly all of our procurement is from Canadian and American suppliers, while we import a limited amount of goods from Europe. While we do not have much visibility into our suppliers' supply chains, we know that many of them source from various regions around the globe.

Apart from product and service expenses, LOU-TEC's main expenses relate to its workforce.

III. LOU-TEC Policies

LOU-TEC relies on a **Code of Ethics and Professional Conduct (the "Code")**. It outlines its commitment to the highest ethical standards and requires that business relationships be managed in accordance with its values.

Specifically, the following elements are addressed in the Code: employees/managers' responsibilities regarding the Code, obligations and standards for maintaining a healthy, safe, and respectful workplace, obligations and standards for maintaining healthy, ethical, and legal professional practices, and reporting in case of a violation of the Code.

Additionally, LOU-TEC supports the conduct of its business with a **whistleblowing policy**. This encourages all stakeholders of the company to alert LOU-TEC of any practice deemed illegal, wrongful, or contrary to its values.

Alongside this policy, whistleblowing and investigation procedures are diligently handled.

As of the drafting of this Report, LOU-TEC does not have a specific policy on fighting forced labor and child labor in supply chains, an ethical procurement policy, or a Supplier Code.

However, LOU-TEC is committed to adopting these policies before the end of the current fiscal year.

IV. Risk Assessment

LOU-TEC has not formally begun a risk assessment specifically related to forced labor and child labor. However, at a high level, it is estimated that there is a low risk of forced labor and child labor in its supply chains.

About a year ago, a comprehensive enterprise risk identification exercise was conducted by the management team. The most critical risks have been and are being managed to minimize their impact. A status on risk identification and management is periodically presented to the company's audit committee.

To date, we have not adopted a process to evaluate the effectiveness of our measures to prevent human rights violations in our activities and supply chains, but once our new policies and codes are adopted, we plan to review them regularly to ensure their adequacy. Also, considering that no forced labor or child labor has been identified to date within LOU-TEC or its supply chains, no measures have been put in place to remedy the loss of income for the most vulnerable families.

V. Recruitment of Our Employees

LOU-TEC has over 500 employees in Canada.

All personnel joining LOU-TEC undergo an integration process, including relevant "right to work" checks or other checks as necessary. This process includes reference checks and employment status verification.

Here are some activities included in employee recruitment:

- Pre-selection verification of candidate status (work permits, citizenship, etc.);
- During selection, background checks and validation of vehicle driving information (depending on the position);
- At hiring, completion of an employee form (personal information of the hired person).

We currently do not offer training to our staff related to forced labor and child labor, but we have plans to do so in the near future.

VI. Whistleblowing

LOU-TEC has a fully confidential whistleblowing service run by a third party so that all employees and third parties can raise any concerns they might have.

Once the report is received and deemed sufficiently detailed and admissible, an investigation will be conducted and/or coordinated by a representative of the audit committee.

A summary report of investigations is periodically presented to the audit committee of LOU-TEC's board of directors.

VII. Priority Areas for the Coming Years

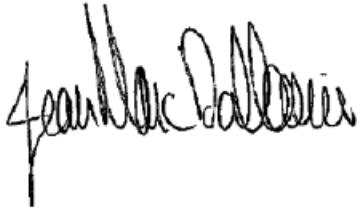
LOU-TEC understands that the risks associated with forced labor and child labor are constantly evolving and that it must continue to monitor and improve its actions in this area. For the coming years, priority actions include:

- Adoption of an ethical procurement policy;
- Strengthening employee education and training across LOU-TEC to improve understanding of the risks of forced labor and/or child labor.

VIII. Approval of this Report

This report was approved by the board of directors of Groupe LOU-TEC Inc. on May 30, 2024, in accordance with paragraph 11 (4)(a) of the Act and constitutes its report for the fiscal year ending January 31, 2024.

In accordance with the requirements of the Act, and in particular its section 11, I certify that I have reviewed the information contained in the report for the entity or entities listed above. 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 the Act, for the aforementioned reporting year.

A handwritten signature in black ink, appearing to read "Jean-Marc Dallaire". The signature is fluid and cursive, with the first name "Jean-Marc" and the last name "Dallaire" clearly distinguishable.

Jean-Marc Dallaire
President and Chief Executive Officer, Groupe LOU-TEC Inc. and Member of the
Board of Directors of LOU-TEC
May 30, 2024