



CRESTLINE®

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FORCED LABOUR JOINT ANNUAL REPORT

by Demers Ambulances Manufacturer Inc. & Crestline Coach Ltd.

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INTRODUCTION & CONTEXT

As a global leader in ambulance design, manufacturing, and distribution, Demers Ambulances Manufacturer Inc. (herein 'Demers') is committed to the absence of forced labour and child labour in our supply chain. More specifically, we condemn all forms of forced labour, including but not limited to human trafficking, modern slavery, and involuntary servitude. We are dedicated to upholding human rights, ethical business conduct, and responsible corporate citizenship.

This report is a joint report filed by Demers on behalf of itself and its Canadian subsidiary, Crestline Coach Ltd. (herein 'Crestline') that outlines Demers and Crestline's policies and due diligence processes, risk management efforts, incident reporting and remediation measures, training and awareness initiatives and governance efforts to ensure our compliance with the legal requirements laid out in the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (herein 'Act'). The report covers the activities that took place over the last fiscal year ending on March 28th, 2025, and was approved by the Board of Directors on May 9th, 2025.

In this report, 'Canadian facilities', 'we', and 'our' refer to Demers at Beloeil and Crestline at Saskatoon.



A. STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

Global Structure and Activities

Demers' is a private equity-backed corporation headquartered in Beloeil, Quebec, and is the sole parent company of Crestline in Canada and Demers Ambulance USA Inc., Braun Industries Inc., and Medix Specialty Vehicles LLC. in the United States. All subsidiaries in Canada and the United States operate under the governance of Demers, and all entities are referred to together as Demers. Demers' departments are partially centralized and managed by corporate, centralized by country, and partially decentralized to each brand for operational based departments. As forced labour requires special cross-functional expertise, a steering committee has been put in place to ensure appropriate governance.

Demers is the North America leader for ambulance design, manufacturing, and distribution. With advanced products that meet the expectations of emergency services specialists around the world, Demers is recognized for its ambulance engineering and attention to detail that keep paramedics and occupants safe while meeting today's global challenges. Demers operates under four brands, eight production lines, and three remount & service centers in Canada and the United States, and currently delivers ambulances to 40 countries worldwide. The Crestline brand also serves as a bus distributor in Canada. The strength of Demers stems from its common mission to make life better, one relationship and one vehicle at a time, and its common vision to be a partner of choice, dedicated to safety and innovation, delivering an exceptional customer experience through empowered employees.



Demers Braun Crestline
Medix Group (DBCM)

4 entities



We deliver ambulances
to **40** countries worldwide



Supply Chain of Canadian facilities

The supply chain functions at Demers are decentralized; Each facilities have its respective supply chain management department for its different brands and product lines. The supply chain teams are responsible for planning, managing, and coordinating all activities related to the sourcing and procurement of necessary materials and supplies needed to meet the changing levels of product demand.

Demers Beloeil facilities' supply chain for FY24-25 was comprised of 410 direct suppliers spanning a diverse range of products and services. Procured items include chassis, ambulance conversion parts, tools, and equipment, along with various services. Of these 410 suppliers, 65% are Canadian suppliers, 34% are United States suppliers, and 1% are from other countries. Crestline's supply chain for FY24-25 was comprised of 483 suppliers, also spanning a diverse range of products and services. Procured items include chassis, ambulance conversion parts, tools, and equipment, along with various services. Of these 483 suppliers, 66.5% are Canadian suppliers, 33% are United States suppliers, and 0.5% are from other countries.



B. POLICIES AND DUE DILIGENCE PROCESSES

In addition to the Business Codes of Conduct that Canadian facilities each individually have, a combined Demers' Anti-Force Labour Supplier Policy, a Supplier Code of Conduct and a Supplier Self-Assessment questionnaire was drafted, approved, and published during the last fiscal year to ensure an alignment with forced labour and child labour risks as well as compliance with the Act. This policy includes the following topics: prevention and due diligence, supplier commitment, training and awareness, continuous improvement, and communication. As Demers recognizes that compliance with

the Act will require continuous efforts, we have already strengthened our due diligence efforts, including a clause in our purchase orders and an international sales agreement. Demers aims to roll out these processes to additional suppliers in the next fiscal year, with our main suppliers already engaged in the process.

This year, Demers expanded the scope of our Forced Labor Policy to include U.S. entities, reflecting our commitment to continually enhancing our governance practices.



C. RISK MANAGEMENT

Canadian facilities acknowledge the potential existence of forced labour and child labour risks in our supply chains. Known risk indicators include geographic locations, industry sectors, and specific commodities or products. Canadian facilities believe the overall risk is low in their respective supply chains, but are addressing the following potential risk areas:

Geographic locations

Certain countries and regions are associated with a greater risk of forced labour and child labour practices, as evidenced in the UN Global Slavery Index.

Industry sectors

Certain industry sectors are deemed higher risk in international and national guidance documentation as detailed in the Business & Human Rights Navigator, United Nations, Global Compact.

Commodities/products

Certain commodities and products are deemed higher risk in international guidance documentation, as indicated in the List of Goods Produced by Child Labour and Forced Labour, U.S. Department of Labour, Bureau of International Affairs.

Canadian facilities have taken steps to enhance their risk management capabilities. All major and important suppliers attended an awareness presentation that included the Anti-Force Labour Supplier Policy, a Supplier Code of Conduct, and a Supplier Self-Assessment questionnaire. From our evaluation last year, our Canadian facilities are working on improving country of origin information for their purchases.

In terms of managing risks related to forced and child labour, Canadian facilities have carried out a mapping of their supply chain and conducted a risk assessment, concentrating on those direct suppliers where we have the highest spending. We are pleased to report that we found no issues among these suppliers. Looking ahead, Canadian facilities will expand our focus to include additional suppliers that are significant in terms of expenditure.





D. INCIDENT REPORTING & REMEDIATION

Demers maintains a corporate culture that fosters and encourages the reporting of unethical behavior. We provide avenues for reporting stakeholder concerns, including those related to human-forced labour concerns. These avenues include our open-door process for employee communication with all levels of leadership and our confidentiality policy.

In addition, our human resources department conducts an annual “employee Net Promotor Score” (eNPS) survey across Demers. This confidential and anonymous survey process assists us in evaluating employment practices and responsible leadership, with

various sections requesting employee feedback on fair treatment, safety, compensation, and ethical business practices. Following the eNPS survey results, management works in cooperation with employees to identify and improve workplace issues and practices that raised concerns.

More specifically, to forced labour and child labour, Canadian facilities have drafted an incident reporting policy, an investigation procedure for alleged violations, and a supplier correction plan should a violation be confirmed. Canadian facilities Companies are planning to roll out these processes in the next year.

E. LOSS OF INCOME REMEDIATION

Canadian facilities have started listing potential income loss remediation measures. Should a forced labour case be identified, remediation actions will be evaluated on a case-by-case basis, and the appropriate measures will be determined accordingly. As no violation has been found to date, these measures are not currently formalized in an official process.



F. TRAINING & AWARENESS

As part of our ongoing efforts, Demers Beloeil training has been conducted for the sales and after-sales teams, as well as for Type A suppliers and with employees in Beloeil. Canadian facilities understand that training both employees and suppliers will be a continuous effort, and we will expand our reach and initiatives in the coming years.



G. GOVERNANCE & EFFECTIVENESS

In connection with our obligations under the Act, we have established a steering committee composed of key functions in human resources, supply chain management, strategic procurement, trade compliance, administration, and executive team members. The governance committee meets periodically and is tasked with overseeing Demers' response to the Act, including:

- Reviewing and discussing progress in forced labour risk management;
- Ensuring compliance with relevant laws and regulations;
- Fostering collaboration and accountability among committee members;
- Preparing, reviewing, and approving policies, documentation, and the annual report.

In the last fiscal year, the steering committee met eight times. In addition to our steering committee, Canadian facilities have a five-year plan to ensure continuous improvements in our efforts to reduce forced labor risks in our supply chains and improve compliance with the Act. We also developed a forced labor supplier management strategy for Canadian and U.S. facilities.

This report was presented to our administrative board.

In accordance with the requirements of the Act, and particularly section 11 thereof, I attest that I have reviewed the information contained in this report for the entities listed above. Based on my knowledge, and having exercised reasonable due 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.

I have the authority to bind Demers Ambulances Manufacturer Inc. and its subsidiary.

A handwritten signature in black ink, reading "Alain Brunelle". The signature is written in a cursive style and is positioned above a horizontal line.

Alain Brunelle
Chief Executive Officer
Demers Ambulances Manufacturer inc.

Dated: May 16th, 2025



Demers Ambulances
28 Richelieu, Beloeil, QC J3G 4N5

demers-ambulances.com
info@demers-ambulances.com



Crestline Coach Ltd.
126 Wheeler Street, Saskatoon, SK
S7P 0A9

crestlineambulances.com
crestlinebuses.com
Info@crestlinecoach.com