



FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

JOINT ANNUAL REPORT FISCAL YEAR 2025

G2S TOBEQ INC. & 10871354 CANADA INC.

1. INTRODUCTION

This report is prepared by 10871354 Canada Inc. (“10871354”) jointly with G2S Tobeq Inc. (“G2S”) (10871354 and G2S are referred to collectively as “we”, “us” or the “reporting entities”) in compliance with Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) and covers the financial year ending December 31, 2025. Each reporting entity is subject to the reporting obligations under section 9 of the Act as an entity engaged in the distribution of goods in Canada and/or as an entity controlling another entity engaged in such activities.

2. STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

G2S is a Canadian wholesale distributor specializing in automotive, industrial, and safety supplies, serving exclusively distribution networks across the country. Headquartered in Montreal, Quebec, G2S provides a wide range of tools and equipment for the automotive, heavy-duty, industrial, agricultural, and marine sectors. G2S’ supply chain structure spans multiple categories, including front-end suspension tools, welding equipment, tire maintenance tools, and various specialized automotive service tools. The diverse product range requires a multi-sourced supply chain where components and tools are sourced from various manufacturers. G2S’ supply chain is structured to provide a comprehensive and reliable service to the automotive industry, supported by a robust online presence, multiple distribution centers, and partnerships with leading brands such as Milwaukee Electric, Bosch Automotive, and Autel Diagnostics.

The corporate structure is set up as follows and indicates for each reporting entity their jurisdiction of incorporation or formation:



Effective supply chain oversight is a key part of our governance, as is supporting efficient and ethical operations that reflect our values and business objectives. Strong supplier relationships are vital not only for securing consistent, high-quality inputs and maintaining a



competitive edge, but also for fostering transparency and trust throughout our supply chain.

3. POLICIES AND DUE DILIGENCE PROCESSES

We are committed to upholding the high standards of ethical conduct and human rights across our operations and supply chains. In accordance with the Act, we continue to develop and enhance governance measures and due diligence processes aimed at identifying, assessing, preventing, and mitigating the risks of forced labour and child labour within our business activities and supply chains.

We continue to monitor our supply chain practices and work toward increased transparency and accountability, in alignment with our corporate values and legal obligations.

While we have adopted a formal Supply Chain Management Policy, the related supplier oversight processes are still being developed and implemented as part of a structured approach to strengthening supply chain governance and risk management. While certain supplier oversight and procurement review practices are currently in place, additional formalized due diligence measures and compliance procedures continue to be developed and implemented.

During the fiscal year, we retained external legal counsel to assist in the development of our Supply Chain Management Policy. This policy serves as a foundational tool for enhancing our supply chain oversight and will establish clear, enforceable standards for ethical behavior and responsible supplier practices. Upon full implementation, the policy is expected to further strengthen our ability to identify, assess, prevent, and better address potential risks or non-compliance related to labour and sustainability within our supply chain.

We maintain long-standing partnerships with several major suppliers, many of whom are publicly traded companies subject to rigorous ethical and disclosure requirements. We prioritize suppliers who demonstrate a strong commitment to responsible labour practices, and this commitment is a key factor in our procurement decisions.

Internally, our recruitment practices are grounded in principles of voluntariness, transparency, and inclusion. We strive to ensure that every applicant engages in our hiring process freely and with full awareness, reinforcing our dedication to autonomy, dignity, and fair employment from the first point of contact.

4. FORCED LABOUR AND CHILD LABOUR RISKS

The wholesale sectors in which G2S operates, including automotive, safety, and industrial supplies may carry an inherent risk of forced labour and child labour since they rely on complex and highly tiered global supply chains, making transparency and monitoring very challenging. While we acknowledge these sector-specific vulnerabilities, we have not identified any known instances of forced or child labour within our supply chain during the reporting period.

Our ongoing review of procurement activities and supplier relationships has identified certain areas of elevated inherent risk based on product type, sourcing geography, and supply chain



complexity, including the following:

- *Manufacturing and Production:*
 - The manufacturing of automotive, safety and industrial supplies can take place in factories where, in some countries with weaker labour protections or where enforcement is limited, workers are subjected to excessive hours, low wages and unsafe working conditions. It also often involves multi-layered supply chains composed of many actors that make it difficult to monitor supply chain activities. Certain products may also involve outsourced manufacturing, component sourcing, or assembly operations that increase supply chain complexity and reduce visibility into upstream labour practices.
- *Geographical Risks:*
 - Supply chains in our industries sometimes extend into countries where weak labour laws, poor enforcement or corruption can pose more significant risks of forced labour and child labour.
- *Supplier Practices:*
 - The complexity and length of supply chains in these industries make it difficult to monitor activities and trace the origins of materials and the conditions under which products are made, thereby increasing the risk of potential labour violations.
- *Limited Transparency:*
 - Due to the complexity of our industry's supply chains and its multiple layers of players involved, there is limited transparency. Moreover, labour standards and legislative and regulatory measures are not consistent across countries, making compliance more difficult to track.

We are committed to strengthening our governance and oversight mechanisms to better identify, prevent, and address risks related to forced and child labour. Enhancing the robustness of our due diligence and monitoring practices remains a key objective in our ongoing efforts to promote ethical sourcing and comply with the requirements of the Act.

5. REMEDIATION MEASURES

Throughout the current reporting period, we have not identified, become aware of or received reports of specific instances involving forced labour or child labour within our supply chain. No instances of forced labour or child labour were identified through our existing procurement oversight, supplier management, or operational review processes during the reporting period. As a result, we have not undertaken any remediation measures concerning these issues during this time.

Similarly, there have been no actions required to address potential income loss for vulnerable families that might arise from efforts to eliminate forced or child labour practices. That said, we remain vigilant and committed to ethical labour standards and continue to monitor and review our supply chain and practices to uphold these principles.



6. EMPLOYEE TRAINING

We are currently in the early stages of developing a formal ethical and sustainable supply chain framework and have not yet implemented structured employee training programs specifically focused on the risks of forced and child labour. Nevertheless, we are committed to fostering a culture of ethical awareness across the organization. Informal efforts are in place to ensure employees remain informed, vigilant, and engaged in ongoing dialogue, both internally and with our supply chain and distribution partners.

The adoption of our Code of Conduct and Business Ethics Policy and Supply Chain Management Policy, as outlined in Section 3, forms the cornerstone of our employee awareness. These policies will formally articulate our position on forced and child labour, set clear expectations for ethical behavior and establish specific prohibitions and reporting obligations applicable throughout our operations and supply chain.

These policies will provide employees with the tools and knowledge to recognize potential indicators of forced or child labour, understand how to escalate concerns, and contribute to the prevention of human rights violations. As our compliance framework continues to evolve, we may consider additional awareness, communication, or training initiatives relating to responsible sourcing practices and obligations under the Act. By embedding these principles into future training and communication programs, we aim to formalize and reinforce a culture of ethical conduct and accountability across all levels of the organization.

7. EFFECTIVENESS ASSESSMENT

As part of our commitment to transparency and accountability to our customers, stakeholders, and communities, we recognize the importance of disclosing both the progress made and the areas requiring further development in addressing forced and child labour risks.

We acknowledge that assessing the effectiveness of measures aimed at eliminating these risks across complex global supply chains presents significant challenges. While we have implemented formalized policies, we continue to develop frameworks and evaluation measures intended to assist in assessing the effectiveness of our due diligence and risk mitigation efforts over time. This includes considering appropriate evaluation criteria and internal review processes to support the ongoing improvement of our supply chain oversight practices.

As our compliance framework continues to evolve, we may consider additional measures to assess the effectiveness of our policies and procedures, including measures relating to supplier oversight, policy implementation, and internal compliance monitoring.

8. APPROVAL AND CERTIFICATION

This report, for the financial year ending December 31, 2025, was approved by the Board of Directors of 10871354 Canada Inc. on May 27, 2026, pursuant to paragraph 11(4)(b)(ii) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest



that I have reviewed the information contained in the report for the entities listed above.

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 indicated above.

I have the authority to bind each of the reporting entities named herein.

Name: Alec Tobi
Title: Director and Vice President
Date: May 27, 2026