

Appendix A

Avior Integrated Products Inc.

Report under the Fighting against Forced Labour and Child Labour in Supply Chains Act (Canada)

This report, issued by Avior Integrated Products Inc. (“Avior”, or the “Company” or “our” or “we”) in compliance with section 11 of Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”), covers the fiscal year ending on June 30, 2023. It outlines the measures taken to prevent and mitigate the risk of forced labour, child labour and other forms of slavery (“Modern Slavery”) in the production of goods, including goods imported into Canada. The company considers the respect of human rights to be a fundamental corporate responsibility and has zero-tolerance for forced labour and child labour within the organization and its supply chain.

Structure

Avior is a corporation organized under the laws of Canada with its head office address at 1001 Autoroute 440 West, Laval, Quebec, Canada, H7L 3W3. At June 30, 2023 Avior had no parent company nor subsidiary and employed approximately 200 people all working in the province of Quebec, Canada.

Activities

Avior Integrated Products is a full-service supplier of lightweight structural and mechanical assemblies for the international aerospace industry with 4 locations in Quebec, Canada, each with its own expertise. The company's core operations include manufacturing capabilities for composites, and metal fabrication for sheet metal and complex machined components. The fabrication capabilities are supported by in-house special processes, engineering capabilities in product design, manufacturing support and new product development.

The sheet metal fabrication line, located in Laval, Quebec, is fully integrated with all steps in the manufacturing process being processed in-house. This approach allows for the optimization of production flow and part tracking. Portions of the production line are automated, and all work instructions are digital allowing for a paperless manufacturing environment. A core competency for sheet metal details is very complex hydro-form parts with compound contours. Aluminum is the predominant material purchased and used in production.

The composite facility, located in Granby, Quebec, works with a broad range of fiber reinforcements and resin systems. We purchase our materials from customer-approved suppliers and perform all required receiving and extension testing of materials in our in-house laboratory. Fibers such as carbon and kevlar, honeycomb core and resin-supported aluminum and cooper mesh are some of the predominant materials purchased and used in the fabrication of our aerospace composite products and structures.

At it's Montreal and Pointe-Claire facilities (the latter acquired on July 1st, 2023), Avior offers state-of-the-art aerospace CNC machining services to all its customers. We provide a wide range of machined products in different materials such as aluminum, stainless steel, and titanium. These products all share a common requirement of high precision machined components meeting our customer engineering and quality requirements. The predominant materials are purchased from customer-approved suppliers.

All our facilities, operations, manufacturing, warehousing, selling, marketing and distribution are performed in Quebec, Canada.

Supply Chains

Avior sources goods primarily from suppliers based in Canada and the United States. During the fiscal year 2023, Avior purchased goods from approximately 500 suppliers. Of these suppliers, 99% were located in Canada and the US and the remaining 1% of suppliers are located in Ireland, Germany, France, and Japan, countries of low risk regarding forced labour and child labour. All four overseas suppliers are sophisticated companies with international presence. The types of goods procured by Avior principally include raw materials, hardware and supplies used in the production in Canada of finished goods.

Policies, Governance, Steps to reduce risk and Due Diligence Processes

Every employee, officer and director of Avior occupies a position of trust. Whatever the area of activity and whatever the degree of responsibility, such persons are expected to act honestly, ethically, with integrity and in compliance with applicable laws and regulations.

To that end, all employees, as a condition of hiring, accept to comply to the Company's "Employee Manual", which states the Company's Policies and Rules and contains, among other things, the Company's value statements and code of conduct to respecting human rights both within the company and with those with whom we do business.

As part of its commitment to continuously improve practices with regards to preventing and managing human rights risks, after fiscal year 2023, Avior initiated and is in the final stages of completion of its Code of Ethics and Business Conduct ("Code") which will specifically help refine governance practices and better reflect its role in upholding human rights, more specifically addressing forced labour and child Labour, through ethical and sustainable business practices across its supply chains.

Although Avior has not yet implemented a formal system of due diligence and controls, over the next months and years the Company is committed to strengthening policies, ensuring suppliers adhere to such policies, and adjusting processes so that risks of forced labour and child labour in business and supply chains is identified and properly addressed.

Potential Risks in our Operations and Supply Chains

We do not perceive any significant risk of Modern Slavery in our Canadian operations. All of our employees work in Canada, which is characterized by a low prevalence of Modern Slavery, minimal vulnerability to Modern Slavery, and a robust government response to such issues. Additionally, our workforce is predominantly composed of skilled, qualified, and experienced individuals.

Even though 99% of the Company's supply chain is in Canada or the US, Avior acknowledges that the risk of forced labour and child labour exists, given that the supply chain of our suppliers may extend into regions potentially facing greater risk of forced labour and child labour.

In that context, Avior values large suppliers that are well-established and reputable organisations with a history of good relations with the Company, or with our customers in the case of customer-approved suppliers, whether they are domestic or abroad. The Company's most important suppliers generally have high human rights standards, as well as procurement policies that discourage the use of forced and child labour.

The aerospace industry is heavily regulated requiring traceability, processes, independent audits and certifications. Suppliers must have the proper certifications to be awarded the work. Avior has a process to evaluate suppliers. Any new supplier requires to be approved by our quality director. The approval granted to existing suppliers can be withdrawn by our quality director if non-performant. In part to mitigate human rights risks, we have carried out on-site due diligence at the facilities of some of our Canadian and non-Canadian suppliers and will continue to do so in the future. We have not noted any cases of forced Labour or child labour in our on-site visits.

Remediation

If we were to become aware of or uncover potential or confirmed instances of forced labour and child labour within our supply chains, we would conduct an investigation and implement suitable remedial actions, which may involve stopping, preventing, or reducing any negative impacts. During the last fiscal year, we did not detect any cases of forced labour and child labour in our supply chains. As a result, no remedial actions were necessary, including those aimed at remediating any loss of income on vulnerable families that results from any measure taken to eliminate the use of Modern Slavery in its activities and supply chains.

Training

During the reporting period, Avior did not provide formal employee training with regards to forced labour and child labour issues but is committed to acting ethically and with integrity in all business relationships, which represent core values of the organization. Recognizing that the potential risk of forced labour and child labour resides with its supply chain, Avior will most notably, but not exclusively, provide training on the topic to those employees involved in supply chain and procurement activities.

Assessing our Effectiveness

Avior's management team is responsible for creating, upholding, and evaluating the company's supply chains and supplier selection. As part of our governance framework, we conduct assessments of the effectiveness of our risk controls, including those associated with our supply chains, which are appropriate for a company of our size and scope.

While we have not yet taken active steps to assess the effectiveness of the measures in place, going forward we will consider suitable processes to assess their effectiveness, in preventing and reducing the risk that forced labour or child labour is used in our activities and our supply chains. Such processes may include leveraging existing processes, such as internal and external audits, and policy reviews, among others.

Attestation

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Avior Integrated Products Inc.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable 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 Avior Integrated Products Inc.

per: Stephen Kearns Signature numérique de Stephen Kearns
Date : 2024.05.29 13:45:46 -04'00'

Stephen Kearns
President and Chief Executive Officer
Director of Avior Integrated Products Inc.
May 29, 2024