

FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS REPORT

Fiscal Year 2024

1. About This Report

This report relates to the financial year ending December 31, 2024. It is published by Novacap Management Inc. as general partner for Novacap II, Limited Partnership, Novacap Industries III, L.P., Novacap Industries IV, L.P., Novacap Industries V, L.P. and Novacap TMT IV, L.P. ("Novacap") in compliance with Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act"). References in this report to "we", "our" and similar terms are to Novacap.

At Novacap, ethical business conduct is at the heart of who we are and as a leading investment firm, we aim to create a legacy of successful, resilient and ethical organizations.

As a private equity firm, our mission focusses on investment activities and does not involve the production or importation of goods, which are the activities triggering the reporting obligations under the Act. However, it is possible that through our investments, we control entities engaged in activities covered by the Act. Given that these portfolio companies operate independently, the entities that are subject to the Act have the responsibility to comply with applicable requirements and submit reports on their own activities. Novacap communicated with the representatives of Novacap who are directors of portfolio companies that may be subject to Act to ensure that these entities fulfill their obligations under the Act, as applicable.

This report highlights Novacap's policies, processes and initiatives to combat forced labour and child labour, in alignment with its commitment to consider sustainability considerations in the course of its due diligence, its investment decisions, in the monitoring of portfolio companies and in the exit process, to the extent reasonably practicable under the circumstances. Sustainability considerations include respect of human right, supply chain ethics and fighting against modern-day slavery. Further, Novacap has committed to paying attention to compliance with national and international human rights laws and sustainability criteria in the administration of its portfolios.

2. About Us and our activities

Founded in 1981, Novacap is a leading North American private equity firm with over C\$11B of assets under management (AUM) that has invested in more than 100 platform companies and completed more than 150 add-on acquisitions. Applying its sector-focused approach in Industries, Technology, Financial Services, and Digital Infrastructure, Novacap's deep domain expertise can accelerate company growth and create long-term value.

Novacap has offices in Montreal, Toronto, and New York.

3. Policies, Due Diligence & risk assessment

Our investment strategy integrates sustainability considerations, to the extent commercially and practically reasonable, through the whole investment cycle.

3.1 Novacap's ESG policy

Novacap has developed an Environmental Social and Governance Policy based on a range of codes and standards, including the United Nations supported Principles for Responsible Investment (UNPRI), an organisation regrouping more than 5,000 signatories, of which over 700 are asset owners, who are committed to investing responsibly.

We are committed to integrating sustainability considerations into our due diligence procedures, investment decisions, and the ongoing monitoring of our portfolio companies, with efforts made to the extent that is reasonably practicable given varying circumstances. Novacap recognizes the significant and positive impact of equity, diversity, and inclusion on business outcomes. In alignment with the UNPRI, Novacap has formally committed to paying special attention to compliance with national and international human rights laws and sustainability considerations in the management of its portfolio companies.

3.2 Due Diligence & Risk Assessment

Novacap has established a framework for integrating sustainability into the investment lifecycle by providing a structured approach for investment decision-making, risk identification, compliance, and opportunity to track across the investment lifecycle.

Pre-Investment, Novacap evaluates a target's integration of sustainability through general and sector-specific questions, which includes questions on various topics such as compliance with laws, modern-day slavery policy, suppliers (including due diligence concerning supplier qualification, supply chain ethics policy, and supplier audit reports), environmental health and safety matters and general ESG questions. External advisors may be engaged to carry out additional sustainability-related due diligence.

In 2024, a section on human rights in supply chains was added to our standard legal due diligence questionnaire to be used where applicable, and we instruct our nominees acting on the Board of Directors of our portfolio companies to continue monitoring any potential risks related to forced labour and child labour within those entities and their supply chains.

Once the investment is completed, we continue to engage with our portfolio companies to encourage the management teams to consider relevant and material sustainability factors in their management and to report sustainability risks to the relevant decision-makers, including, where appropriate, to the Board of Directors of the portfolio company.

That said, we have not been made aware of specific risks or instances of forced labour or child labour and as such, no measures have been taken during the reporting period to remediate forced labour or child labour or loss of income in our activities.

3.3 Code of Ethics

Novacap's Code of Ethics sets out the principles and rules under which our employees must conduct themselves in their work at Novacap. It is a guide intended to ensure that all our employees demonstrate integrity, honesty and professionalism at all times. Employees are encouraged to be proactive and promptly report any suspected violations of the Code of Ethics, or any illegal or unethical behavior that they become aware of or are involved with.

We are not providing training to our employees with regards specifically to forced and child labour, but we are committed to continue promoting ethical conduct.

4. Assessing the Effectiveness of our Approach

In the event that sustainability risks, which could include forced labour related considerations, are identified during the pre-investment due diligence process, and the investment is subsequently finalized, these risks are addressed and become a component of the portfolio company's value creation plan.

If a material sustainability consideration is identified during the investment period, it would be reported to Novacap. Novacap surveys its portfolio companies annually on sustainability matters to collect data, which includes human rights considerations and incidents.

To date, Novacap has not assessed investment opportunities that have presented issues related to forced labour nor has any forced labour risks been identified in its portfolio companies.

We are aware of the issues stemming from forced labour and child labour and strive to stay informed about this reality to continually improve our practices.

This report was approved by the Board of Directors of Novacap on May 26, 2025 pursuant to paragraph 11(4)(a) of the Act and constitutes our report for the financial year ending December 31, 2024.

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 entity 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 Novacap Management Inc. as
general partner for Novacap II, Limited Partnership,
Novacap Industries III, L.P., Novacap Industries IV, L.P.,
Novacap Industries V, L.P. and Novacap TMT IV, L.P.

(Signed) Pascal Tremblay

Full name: Pascal Tremblay
Title: President and CEO
Date: May 26, 2025