



ADVENTURE BY DESIGN

BRP AUSTRALIA PTY LTD MODERN SLAVERY STATEMENT 2020

OCTOBER 30, 2020 | FISCAL YEAR ENDED JANUARY 31, 2020



MODERN SLAVERY STATEMENT 2020

This statement relates to the financial year ending January 31, 2020 (“FY20”) and is made by BRP Australia Pty Ltd, a wholly owned subsidiary of BRP Inc., in compliance with the **Commonwealth Modern Slavery Act 2018**. It outlines the measures taken to assess and reduce the risk of slavery and human trafficking occurring in our business or supply chains.

ABOUT BRP INC.

BRP Inc., headquartered in Canada, is a global leader in the world of powersports vehicles, propulsion systems and boats through 11 manufacturing facilities located in Canada, the United States, Mexico, Finland, Austria and Australia and with a total workforce of more than 12,600 employees (collectively the “BRP Group” or “BRP”).

The BRP Group has operations in more than 20 countries and sells vehicles directly or through distributors and dealers in more than 120 countries. It designs, engineers, manufactures, distributes and sells products under the Ski-Doo, Lynx, Sea-Doo, Can-Am, Alumacraft, Manitou, Quintrex, Stacer, Savage and Rotax brands and it supports its product lines with a dedicated parts, accessories and apparel business.

The reporting entity, BRP Australia Pty Ltd (“BRP Australia”) and its subsidiary, Telwater Pty Ltd (Telwater”), are part of the BRP Group. BRP Australia’s primary activity is the sale of powersports vehicles and related products in Australia, New Zealand and Asia, whereas Telwater’s primary activities are the manufacturing and sale of aluminum boats and trailers under the brands Quintrex, Stacer, and Savage.

SUPPLY CHAIN

For BRP Australia, more than 75% of its purchases are inter-company transactions. The remaining 25% is allocated to suppliers which support the business by providing services in relation to financial and legal activities, facilities maintenance, technology, marketing, sales support, transportation, customs and logistics, or offer consumables such as stationery and office supplies. Most of these suppliers are in Australia.

Telwater has over 220 suppliers, most of which are providing the raw materials and components used in the manufacturing of aluminum boats and trailers, in addition to service suppliers similar to those detailed above. Most of these components are manufactured in China, Bahrain, Italy New Zealand and the United States of America.

Suppliers are selected based on best overall service level, considering quality, delivery time, after-sales service, supply management risk, price and special needs.

RISK ASSESSMENT

The most significant modern slavery risks are in Telwater's direct procurement chain and in BRP Australia and Telwater's indirect procurement chain.

Telwater's Direct Supply Chain

Telwater purchases material, parts and components from a wide range of national and international suppliers. Raw material commonly used in the boating industry such as aluminium coil and plate (construction of hull), upholstery (seating and hardware), aluminium extrusion (construction of hull) steering systems and electronics are purchased in both low and higher risk countries.

Indirect Supply Chain of BRP Australia and Telwater

Some of Telwater's manufacturing employees must wear company uniforms. The suppliers from whom Telwater purchases these uniforms are part of the garment industry which is considered to present a higher risk of modern slavery in both its national and international supply chains.

The construction industry also represents a risk for modern slavery mainly due to a combination of factors such as a high turnover of staff, a reliance on migrant workers and low profit margins across the industry. As our construction and maintenance work is currently outsourced, it further increases the risk potential. However, in FY20, we have not undertaken any major construction or maintenance work neither at BRP Australia nor Telwater buildings.

Lastly, BRP Australia and Telwater outsource most cleaning services, an industry which also faces a higher risk of modern slavery due to similar factors as those in the construction industry, including high staff turnover and a reliance on migrant workers.

ADDRESSING THE RISKS OF MODERN SLAVERY PRACTICES

The BRP Group is committed to conducting business in a responsible and ethical manner, commitment which is promoted through various undertakings.

Code of Ethics

BRP's Code of Ethics, which applies to all employees and business partners, promotes a culture of integrity by establishing principles for how we deal with our suppliers, clients, employees and the public. Amongst other things, the values and rules set out in the Code encourage a safe, healthy and productive workplace.

Suppliers

BRP expects its suppliers to adhere to business principles and values similar to its own, in addition to complying with all applicable laws and regulations. BRP's Supplier Code of Conduct to which suppliers agree to comply, addresses points such as child labor, forced or compulsory labor, compensation and working hours as well as harsh or inhumane treatment.

Third Party Compliance

In 2019, BRP has conducted a review of its ethics and compliance program and identified key elements which required improvement. It has started the process of enhancing its due diligence efforts to better evaluate higher-risk third parties and the various compliance risks they may bring.

Sustainability

The BRP Group believes that the promotion of economic and social well-being is fundamental to our future success. Therefore, all BRP business units around the world integrate sustainability into their decisions, and report annually on various selected measures relating to different aspects of sustainability .

OUTCOMES AND MEASURING EFFECTIVENESS

Outcomes of Non-compliance

If a practice that is not compliant with BRP's Supplier Code of Conduct is identified, we expect and support suppliers to take action to correct it. If a supplier does not take effective action in a timely manner, appropriate sanctions will be imposed, up to potential termination of the business relationship with BRP.

Measuring Effectiveness Through our Whistleblowing Hotline

Employees and suppliers are encouraged to report any concerns they may have, including situations of possible modern slavery, either to management or through our anonymous whistleblower hotline, EthicsPoint. Any allegation brought forward is reviewed and investigated when required. In the past year, there have been no issues raised internally or externally concerning modern slavery.

FURTHER STEPS TO PREVENT MODERN SLAVERY

As part of its commitment to continuous improvement, BRP intends to keep developing and improving codes of practice, procedures, requirements and risk assessment and monitoring frameworks that address issues of Modern Slavery.

Approved by the Board of Directors of BRP Australia PTY Ltd. on October 22, 2020 and signed on its behalf by:



David Baker

Regional General Manager APAC

Global Retail & Services



BRP AUSTRALIA PTY LTD

6 LORD STREET LAKES BUSINESS PARK BOTANY,
NSW 2019, AUSTRALIA