

# FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT, SC 2023, C 9

Joint Annual Report for Ambient Enterprises Holdco, LLC.  
and Johnson Barrow, Inc.

May 31, 2024

# FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT, SC 2023, C 9



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## Introduction

This is the first report pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* published by Ambient Enterprises Holdco, LLC. ("Ambient Enterprises" or "Ambient" or "our" or "we"). It is a joint report for the 2023 financial year, covering our actions and those of Johnson Barrow, Inc. ("Johnson Barrow" or "JB"), an Ambient collaborator brand with a division located in British Columbia. This report will be published annually to highlight Ambient's progress in preventing and reducing the risk of forced and child labor within our operations and supply chains.

## Steps to Prevent & Reduce Risks of Forced Labor & Child Labor

In 2023, Ambient Enterprises experienced remarkable growth, more than doubling our geographical footprint in December alone. This rapid expansion of our operations and market presence necessitates a heightened awareness of the potential risks of forced and child labor within our activities and supply chains.

Ambient is steadfast in its commitment to ethical business conduct. We recognize the importance of prioritizing due diligence, risk assessment, and preventative measures to ensure the absence of forced and child labor in our operations and supply chains. In addition to upholding the ethical policies described in our Employee Handbook ("Handbook"), we are actively implementing comprehensive risk mitigation strategies through continuous improvement and engagement.

## Background on Ambient Enterprises

Ambient Enterprises is a collective of HVAC design and implementation experts, each entity esteemed in their respective regions and having decades of experience. Our experts merge craft with care, delivering safety, comfort, and highly efficient, sustainable solutions for spaces that matter most: healthcare, commercial, and residential.

## Structure

Ambient Enterprises is the parent company of a collective of privately owned heating, ventilation, and air conditioning (HVAC) design firms. Our headquarters is located in Berkeley Heights, New Jersey. Spanning 41+ locations across the United States, Canada, and Mexico,

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Ambient has 981 employees as of December 31, 2023. Johnson Barrow, an HVAC representative organization located in the Pacific Northwest, is a subsidiary company within Ambient as of December 2023. Johnson Barrow Solutions, a division of Johnson Barrow, has a sales office in Canada (Coquitlam) with 17 employees.

## Activities

Individual brands within the Ambient collective specialize in equipment sales, service, and parts supply. Our HVAC manufacturers' representative brands perform custom HVAC design and associated sales for primarily commercial and residential spaces. Many other Ambient brands have service divisions and offer aftermarket support through commissioning, operations, and maintenance. Ambient's parts divisions supply non-custom HVAC parts.

## Supply Chain

Our supply chain comprises hundreds of HVAC equipment manufacturing partners ("Manufacturers"), many of whom we have 35+ years of relationships with. Also included are our Manufacturers' suppliers, who provide parts and raw materials. In addition to our equipment suppliers, Ambient's main suppliers provide additional goods and services, including freight transportation services, service vehicles and maintenance, information technology equipment, and administrative services.

## Our Policies and Due Diligence Processes

Ambient Enterprises is a collective of HVAC design and implementation experts, each entity esteemed in their respective regions and having decades of experience. Our experts merge craft with care, delivering safety, comfort, and highly efficient, sustainable solutions for spaces that matter most: healthcare, commercial, and residential.

## Statement on Human and Employment Rights

Ambient Enterprises respects human rights in accordance with the International Bill of Human Rights. In our Statements on Human and Employment Rights ("Statements"), we condemn all forms of forced labor, child labor, modern slavery, and human trafficking within our operations and supply chains. We aim to publish our full Statements online at <https://ambient-enterprises.com>.

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## Business Partner Code of Conduct

We are in the process of developing our Business Partner Code of Conduct, which states that forced labor, child labor, modern slavery, human trafficking, and other associated activities are not permitted within Ambient's supply chain, and that our partners must not engage in any of the aforementioned practices, nor may they do business with entities who engage in these practices. We intend to make the full Business Partner Code of Conduct available online at <https://ambient-enterprises.com>.

## Policies in Employee Handbook

Ambient's official policies and procedures are listed in our Handbook and apply to employees, managers, and C-level staff. For additional details, please contact [info@ambient-enterprises.com](mailto:info@ambient-enterprises.com). We report annually on internal Ethics in our Sustainability Report, found at <https://ambient-enterprises.com/sustainability>. For the 2023 financial year, Ambient's Handbook applied specifically to subsidiaries acquired before December 2023. In 2024, we intend to review Handbook policies and standardize them across all Ambient brands, including Johnson Barrow.

## Ethics Code

Our Ethics Code mandates the honest and ethical conduct of business wherever operations are maintained. The code details Ambient's promise to improve the quality of our services, products, and operations, as well as our willingness to maintain a reputation of honesty, fairness, respect, responsibility, integrity, trust, and sound business judgment. Our managers and employees are expected to adhere to high standards of business and personal integrity as a representation of our business practices.

## Standards of Conduct

Ambient wishes to create a work environment that promotes job satisfaction, respect, responsibility, integrity, and value for all our employees, clients, customers, and other stakeholders. All Ambient team members are responsible for improving the quality of our work environment and treating one another with respect while adhering to critical safety guidelines at all times. Therefore, they are required to adhere to the Standards of Conduct to ensure the dignity and safety of our company.

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## Open Door/Conflict Resolution Process

To manage conflict resolution regarding problems, concerns, or grievances, Ambient has outlined a policy in the Handbook for reporting inappropriate conduct or activity by management, employees, vendors, customers, or any other persons/entities related to Ambient or its individual brands.

## Assessed Risk in our Business and Supply Chains

Our general process for managing Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) risks is rooted in in-depth research and analysis by our sustainability team. Risks are assessed by their potential impacts on our business, clients, community, and environment. Our sustainability team then works with the CEO, who integrates this information into the business's overall risk management strategy through transparent communication with internal stakeholders.

Although we perform external environmental compliance audits on our brand partners' manufacturing sites on a case-by-case basis, Ambient has not conducted a risk assessment of our business and supply chains to determine the risk of forced labor or child labor being used as of December 31, 2023. In 2024, the Ambient sustainability team will perform a high-level analysis of interviews and past conversations with internal and external stakeholders to determine issues material to the business and its supply chains, such as Human Rights & Community Relations, Forced and Underage Labor in Supply Chains, and Employee Health, Safety, and Wellbeing.

Ambient also intends to use a globally recognized assessment platform in 2024 to monitor the social and environmental performance of our operations. At a later date, we plan on using this platform to engage our suppliers in monitoring their own social and environmental performances.

## Remediation Measures Taken by Ambient

As of December 31, 2023, Ambient has not identified forced or child labor within its activities or supply chains. Therefore, we have not taken any measures to remediate forced labor or child labor, nor have we taken measures to remediate loss of income from measures taken to eliminate forced or child labor.

## Employee Training

All Ambient employees must complete Workplace Harassment training as part of our new hire onboarding

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program. Optional training on preventing workplace violence is also available. Ambient does not currently train employees on recognizing and preventing forced labor and child labor in specific, but we intend to explore opportunities for employee training at a later date.

## Assessment of Effectiveness

As Ambient has not conducted a risk assessment of our business and supply chains to determine the risk of forced labor or child labor being used, we did not take any actions in 2023 to assess our effectiveness in preventing and reducing these risks.

## Approval and Attestation

In accordance with the requirements of the Act, in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or 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 listed above.



Christopher Bisaccia

Chief Executive Officer

31 May 2024

I have the authority to bind Ambient Enterprises Holdco LLC.