



Eddy Smart Home Solutions Ltd.
6 Eglinton Avenue East
Toronto, Ontario
M4P 1A6, Canada

2023 Report under the Fighting Against Forced Labor and Child Labor in Supply Chains Act.

May 17, 2024



2023 Report – Introduction

This report has been prepared jointly by Eddy Smart Home Solutions Ltd., and its subsidiaries, including those listed in the Approval and Attestation section, below, (collectively, “Eddy”) in response to the reporting requirements under Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) for our fiscal year ending December 31, 2023.

Eddy recognizes that the leak mitigation industry plays an important role in preventing and assessing the risk of forced labour and child labour in Canada’s supply chain. We acknowledge the risks of forced labour and child labour in the sector and are committed to reviewing potential actions for improving our due diligence, risk assessment, remediation, and training processes.

Eddy is committed to respecting the human rights of people impacted by our operations and supply chain, consistent with the International Bill of Human Rights, ILO Core Conventions, UN Guiding Principles on Business and Human Rights, and OECD Guidelines for Multinational Enterprises.

Organizational structure, activities, and supply chain

Structure

Eddy is a company operating in Canada and the USA, committed to understanding water usage, consumption, and flow, and helping clients control their water situations. Using innovative smart technologies, Eddy continues to grow and expand our product suite to help clients of all types. Eddy has approximately 38 employees and our offices are located in Ontario, Canada.

Eddy is a publicly traded company with shares listed on the TSX Ventures Exchange (under the symbol EDY).

Activities

The Act requires Eddy to report on our activities in relation to the production, sale, and distribution of goods, both in and outside of Canada, and the importation of goods into Canada. This information is set out below. For a detailed description of Eddy’s business activities, please refer to our company filings on SEDAR at www.sedar.com.

Eddy specializes in the production and distribution of advanced leak detection and mitigation technologies. Our products are used globally to monitor and manage water systems in residential, commercial, and industrial settings. Eddy imports components and equipment primarily from China to support our production activities.

Supply Chain

Eddy procures a range of goods and services such as electronic components, sensors, mobile equipment, and various other products essential for our leak mitigation technologies. Our direct suppliers are closely aligned with the location of our operations in Canada, the United States, and China.



Steps to prevent and reduce the risks of forced labor and child labor

- Eddy is currently reviewing potential measures to integrate human rights considerations into our business activities. These measures could include:
- Collaborating with external third parties to assess the risks of forced labour and child labour in our activities and supply chains.
- Developing and implementing action plans for addressing forced labour and child labour where risks are identified.
- Establishing due diligence procedures and processes for identifying, addressing, and prohibiting the use of forced labour and child labour in our activities and supply chain.
- Requiring our direct suppliers and contractors to implement policies and procedures for identifying and prohibiting the use of forced labour and child labour.
- Establishing standards and codes of conduct against forced labour and child labour.
- Monitoring and tracking risks of forced labour and child labour among our direct suppliers and contractors.
- Developing and providing training and awareness materials on forced labour and child labour.
- Engaging with supply chain partners on addressing forced labour and child labour.

Policies and due diligence processes

Overview

Eddy is evaluating ways to embed responsible business conduct into our governance structure, policies, and risk management systems to prevent and mitigate the risks of forced labour and child labour.

Governance

Eddy is committed to strong corporate governance and is reviewing the establishment of roles responsible for overseeing the prevention and mitigation of forced labour and child labour in our operations and supply chain.

Policies

Eddy is in the process of developing and implementing policies to address the prevention and mitigation of forced labour and child labour.

- Drafting an Eddy Code of Ethics to affirm our commitment to upholding high moral and ethical principles, including zero tolerance for child labour and other human rights abuses.
- Formulating an Eddy Human Rights Policy to explicitly prohibit forced labour, child labour, and human trafficking, and to communicate expectations to suppliers.
- Setting minimum standards of conduct for suppliers and contractors through Eddy's Expectations for Suppliers and Contractors.



Management Approaches

Eddy is exploring approaches to value chain management and human rights governance to ensure no forced labour or child labour occurs in our supply chain.

Due Diligence Processes

Eddy is evaluating risk assessment and due diligence processes to identify, prevent, and mitigate human rights risks in our operations and among our suppliers.

- Considering conducting regular human rights risk assessments and developing new procedures for assessing risks at our operations and in our supply chain.
- Exploring the implementation of supplier prequalification, assurance, and corrective actions.

Forced labor and child labor risk

Eddy is reviewing its approach to identifying and assessing the risks of forced labour and child labour based on sector, location, and supplier factors. This includes:

- Considering known ILO red flags associated with forced labour and child labour.
- Evaluating the strength of rule of law in supplier jurisdictions.
- Reviewing industry-specific risks and supplier history of human rights violations.

Remediation measures and remediation of loss of income

Eddy is establishing policies and processes to set expectations regarding remediation and ensure that complaints or concerns relating to forced labour and/or child labour are heard and addressed. We are considering:

- Setting up grievance mechanisms, including a whistleblower hotline.
- Developing corrective action plans and protocols for stopping work if human rights issues are identified.
- Receiving RBA audit from Vendors located overseas.

Assessing effectiveness

Eddy is considering several types of assessments to evaluate the effectiveness of human rights management, including internal audits, external sustainability assurance, and mid-year effectiveness checks.



Eddy Smart Home Solutions Ltd.
6 Eglinton Avenue East
Toronto, Ontario
M4P 1A6, Canada

Approval and attestation

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 Eddy Smart Home Solutions Ltd., Inc. 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.

A handwritten signature in black ink, appearing to be "C. S.", is written over a faint, light-colored signature line.

President

Eddy Smart Home Solutions Ltd.

May 17, 2024