



1840 TransCanada Highway, Dorval, QC, H9P 1H7

## MODERN SLAVERY REPORT

(Reporting period January 01, 2023 - December 31, 2023)

### INTRODUCTION

This report is made pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada) (the “Act”). Smardt Inc. (“Smardt”) is committed to conducting business ethically and sustainably. We recognize the importance of upholding human rights and ethical standards in all aspects of our operations.

### COMPANY DETAILS:

Smardt Inc. was founded in 2004. Registry ID: 1162482542

Jurisdiction: Quebec (Canada)

Registered Address:

1840 Autoroute Trans Canadienne, DORVAL Québec H9P1H7 Canada

Number Of Employees: 241 (As of April 29, 2024)

### Company organizational chart

TICA-SMARDT HOLDING INC (QC-CANADA)



100%

TICA-SMARDT CHILLER GROUP INC (QC-CANADA)



100%

SMARTD INC (QC-CANADA)

## **ACTIVITIES AND SUPPLY CHAIN**

Smardt manufactures and supplies high-efficiency oil free chillers. We source materials and components from a network of suppliers across the globe.

Smardt. recognizes the importance of understanding our supply chains to identify and mitigate the risk of modern slavery. We are committed to taking all necessary steps to prevent and mitigate these risks.

## **POLICY AND DUE DELIGENCE PROCESS**

At Smardt., we are committed to ensuring modern slavery and human trafficking do not take place in any part of our business or supply chains. Our perseverance is also reflected in our Anti-Slavery Statement and Policy.

**Modern Slavery Statement:** We researched the laws in jurisdictions in which we have an operating presence to verify the compliance requirements and prepared our first modern slavery policy statement in line with Australia's Modern Slavery Act 2018. We also researched the statements of others in our industry or other global businesses to educate ourselves on the type of content to consider and practices we should adopt to actively participate in combatting forced and child labour in general.

**Modern Slavery Policy:** The Modern Slavery policy was prepared in line with our commitment to a zero-tolerance approach to modern slavery and sets out our expectations for ethical labour practices throughout our supply chain.

**Supplier Due Diligence:** All new and existing suppliers are screened on a regular basis against a third-party screening service (Refinitiv) to ensure such entities are not listed on any government or authority list for forced labour, human trafficking, or child labour. Where the same is noted, an escalation process is in place to assess the supplier and take appropriate action such as discussing the practices of the supplier to ensure there are no such instances of modern slavery; assessing the type of goods or services provided to determine whether alternatives are available; requiring the supplier to make changes to their practices to conform to Smardt's policy or terminating the business relationship.

**Training:** In the second quarter of 2024, we will roll out the first iteration of employee training which will introduce the understanding of forced and child labour to employees in our supply chain and procurement teams.

## **REPORTING**

Smardt has committed to establishing a reporting mechanism and we will encourage employees and other stakeholders to report any potential concerns of modern slavery and human trafficking in our operations or supply chains directly to the Risk Management Team. Details are outlined in our procedures.

## **ACTIONS**

- Developed a Modern Slavery Policy that outlines our commitment to preventing modern slavery and human trafficking in our business and supply chains.
- Conducting ongoing risk assessments of our supply chains to identify high-risk areas and suppliers.
- Implementing a due diligence process to mitigate the risk of modern slavery in our supply chains, including supplier engagement, audits, and ongoing training to our supply chain and procurement teams.

## **EFFECTIVENESS**

Smardt is committed to continuous improvement in our efforts to prevent and eliminate modern slavery. In the coming years, our focus is on the following:

- Engaging our suppliers to gather more detailed information on labour practices.
- Conducting audits when information is received through reporting or screening mechanism.
- Reviewing our Modern Slavery Policy and due diligence process to ensure effectiveness.

*Megan Schoonberg*

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Megan Schoonberg

Vice President Risk Management and Legal Affairs

Smardt Inc

Date: 21 May 2024






# Modern Slavery Report canada 21-05-2024

Final Audit Report

2024-05-21

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