

## Modern Slavery Report 2023- Venmar Ventilation ULC

This Modern Slavery Report (the “Report”) addresses the period from January 1, 2023 to December 31, 2023 (“Fiscal 2023”) and has been prepared in compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”). This Report is made on behalf of Venmar Ventilation ULC (“Venmar”). A French version of this Report may be requested from Venmar by emailing amy.kussman@broan.com.

### 1. Introduction

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As a leading manufacturer of residential ventilation and fresh air systems with a mission to support making people’s lives safer, healthier and more productive through the power of fresh air, Venmar recognizes the important role that we have in ensuring that our operations and products, and the supply chains that support these, adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. This Report sets out the steps we have taken during Fiscal 2023 to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere or of goods imported into Canada.

### 2. Our Business

Venmar is an entity domiciled in Edmonton, Alberta, Canada, and maintains a principal operation located in Drummondville, Quebec. It is a legal subsidiary of Nortek International Holdings B.V. which is a holding of Madison Industries, Inc as part of the Madison Air family of companies. Venmar averages around 275 employees located throughout Canada. As a subsidiary of Madison Industries, Venmar has adopted the Madison Industries due diligence policies and practices described in this Report. “We” and “our” may refer collectively to Venmar and/or to Madison Industries depending on the context.

Venmar is a global leader in residential indoor air quality, focusing on manufacture and sale of products under the brand names of Broan, NuTone, BEST, Venmar and VanEE. It was founded in 1978 and has grown as an industry leader in fresh air ever since. Venmar sells to distributors, retail organizations, online retailers and home builders in addition to maintaining a direct-to-consumer website and online parts store and imports products into Canada from its affiliated entities located in the United States and Mexico as well as global supply chain partners.

Venmar’s supply chain consists of approximately 185 distinct supply chain partners, most of whom are North-American-based. About 25 of those suppliers originate overseas, mostly from the Asian region. Those suppliers generally provide raw materials and component pieces for use in Venmar’s manufacturing process, and on occasion may provide finished goods.

### 3. Our Policies

#### **Policies**

Through our organizational and governance policies we communicate our values and expectations, setting a high bar for ourselves, our suppliers, and our selling partners, and make it clear that we do not tolerate unethical behavior or practices. We are committed to consistently evolving and improving our approach.

We do not tolerate child, forced or bonded labour in any of our operations or by suppliers working for us. Our relevant policies are discussed in further detail below:

**Business Code of Conduct and Ethics**

We are committed to conducting our business in a lawful and ethical manner. Our Business Code of Business Conduct and Ethics (the “Code”), which is shared by all Madison Industries, Inc. holdings, is the foundation of our company policies and sets out guiding principles on professional conduct and establishes that in performing their job duties, Venmar employees should always act lawfully, ethically and in the best interests of the company.

**Supplier Manual**

Venmar’s Supplier Manual details the requirements and expectations we have of our suppliers, their supply chains, and with whom we engage. We expect our suppliers to comply with all applicable legal requirements in the jurisdictions in which they operate and consistently monitor and enforce our Supplier Code of Conduct in their own operations and supply chain. Our Supplier Code of Conduct also sets forth our principles of inclusivity and accountability. We engage with suppliers that are committed to these same principles and suppliers commit to these standards as a condition of doing business with us. We review our Supplier Code of Conduct on a periodic basis to ensure that this policy is in line with current best practices. This manual is referenced on every placed purchase order reinforcing this commitment to our suppliers with every purchase we make.

**Anti-Corruption and Global Sanctions Compliance Policy**

In addition to the Supplier Manual, all Madison Industries, Inc holdings abide by an Anti-Corruption and Global Sanctions Compliance Policy that further commits the company to conduct business in accordance with the highest ethical standards. This policy clearly and directly prohibits any entity under the Madison Industries, Inc family, including Venmar, from engaging in business with any supplier that engages in unethical, criminal or suspicious behavior.

**Global Employee Guide**

Venmar also abides by a Global Employee Guide (“Guide”) that sets out expectations that guide any local actions, policies or practices in each entity and country in which it operates. This Guide declares the position that Venmar does not stand for any harassment or discrimination in any way and assures an equitable workplace and focuses on a safe environment for all employees and all actions in which we engage.

**Whistleblower Hotline**

Venmar has a whistleblower hotline for employees to report any concerns of unethical behavior, including if there were concerned about forced or child labour within its operations or the operations of its partners and suppliers.

**Due Diligence**

We expect third parties with which we work to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. Before making any commitments towards

third parties, we take steps to appropriately evaluate the relationship and mitigate any associated risks by carrying out risk-based due diligence and checks.

We acknowledge that employees working in our facilities and our supply chain are at potential risk of forced labour or child labour. In order to mitigate this risk, we follow a due diligence approach that includes the following steps:

- Completion of a Supplier Readiness Review audit prior to engaging. As part of this audit, which can include both written submissions, document review and on-site presence, Venmar Sourcing team partners focus on labor safety and well-being and check for any concerns or red flags that may indicate a forced labour situation.
- Completion of contracts with most major suppliers. These contracts include additional due diligence and set out further expectations on compliance requirements and legal requirements that assure that suppliers are held to a legal standard in working with Venmar to not engage in unethical or illegal behaviors, including forced labour.
- Unannounced in-person audits. We perform unannounced and unplanned audits with suppliers on occasion should there be any growing concern, or to assure continued compliance with all required practices and policies.

#### 4. Assessing Our Risk

Venmar engages in various activities to identify, assess, and manage supplier risk, and are focused on enhancing our assessment practices as we go forward. In assessing the risk of forced and child labour in our business and supply chains, we conduct risk assessments, consistently gather information from our suppliers on their practices and compliance, and update policies and contract language applying to suppliers based on legal changes impacting supplier compliance and safety topics. To identify the business activities with the greatest exposure to these risks, we consider the following factors:

- Presence of labour intermediaries
- Offshore production
- Long, complex, or non-transparent supply chains
- Presence of child labour, should we ever be made aware
- Jurisdictional risks including poverty, conflict, and enforcement of international human rights standards

At the time of this report, we have not discovered in fiscal 2023 any circumstances of forced labour being used within our facilities or with any third party suppliers, and will continue to monitor for these risks. Our exposure to the risk of forced labour and/or child labour may increase when we engage with third parties, particularly in categories such as raw materials or components sourcing abroad, especially from the Asian region, with a specific focus on Chinese manufacturers.

#### 5. Our Commitments

As noted above, Venmar recognizes the important role that we have in ensuring that our operations and products, and the supply chains that support these, adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain.

### **Steps to Prevent and Reduce Risks of Forced and Child Labour**

Venmar actively monitors, as described above, to assure there is continued vigilance on practices that may indicate use of forced or child labour and recognizes this important ethical obligation should be consistently enhanced and extended to protect the well being of individuals globally. While we have not found any instance of forced or child labour within our operations or supply chain to date, we are dedicated to keeping this important initiative front and center as we continue to engage globally with partners.

Over the coming year we are committing to taking additional steps, including beginning efforts to engage deeper with suppliers in higher-risk areas or practice areas to obtain further documentation for assessment to assure ethical labour practices, and begin mapping our supply chains to deeper levels for higher-risk components.

We will also look to update policies and procedures to reinforce our commitment to this important area and assure we have processes to hold our partners accountable for any unethical actions.

We will also be reviewing our auditing process of suppliers for considered updates and best practices.

### **Remediation Measures**

Our Business Code of Conduct and Ethics Policy and Anti-Corruption and Global Sanctions Compliance Policy requires all employees and contract workers of Venmar Ventilation to report actual or possible misconduct. We also undertake diligence efforts (as further described in this Report) to ensure that the risk of forced labour and child labour is mitigated in our business. In the event that we discover any forced labour or child labour in our business and supply chains, we would plan to take the following measures to remediate such forced labour or child labour:

- Suspension or termination of a supplier, sub-supplier or contractor;
- Actions to prevent forced labour or child labour and associated harms from reoccurring

We again reiterate that to date no forced or child labour has been discovered in fiscal 2023 in our operations or with our supplier partners so this process has not yet taken place, but would be followed if the circumstances ever arose.

### **Training**

## **6. Our Progress and Effectiveness**

As part of our governance processes, we monitor compliance with our policies on an ongoing basis. We also review any concerns raised through our Whistleblower hotline and other informal mechanisms of employee feedback.

We will also assess the effectiveness of our policies by:

- Setting up a regular review or audit of the organization's policies and procedures related to forced labour and child labour;
- Enhancing audit processes and reporting on those audit results internally to leadership;
- Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators and

submission of ongoing documentation on sub supplier activities for high-risk entities going forward.

7. Approval & Signature

This Report is approved by Venmar's Board of Directors on and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at [www.venmar.ca](http://www.venmar.ca).

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for Venmar. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Amy Kussman

Associate General Counsel

May 30, 2023

I have the authority to bind Venmar Ventilation ULC.