

Summary

This document is Vesync Co., Ltd.'s ("Vesync") report (the "Report") pursuant to section 11 of Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") for the financial year, ending on December 31, 2023, and sets out the steps taken to prevent and reduce the risk of forced and child labour in our business and supply chains. This is a joint report made on behalf of Vesync Co., Ltd., and Etekcitey Corporation ("Etekcitey"), one of its subsidiaries (together, the "Vesync Reporting Entities").

Introduction

We recognize that forced and child labour can still occur in many forms throughout the supply chain, and that we have the responsibility to help prevent and reduce the risk of forced and child labour. As a result, we are in the process of reviewing our policies, procedures, and systems in order to improve our safeguards against all forms of forced or child labour within our supply chain.

Company Structure, Activities, and Supply Chains

Vesync is a limited liability company incorporated in the Cayman Islands. It is the ultimate parent of the Vesync group of companies (the "Vesync Group") which are engaged in the distribution and sale of various home-appliance products globally, and is listed on the Hong Kong Stock Exchange. Etekcitey Corporation is a United States corporation (incorporated in the U.S. state of Iowa) and is a subsidiary of Vesync that distributes and sells home-appliance products in North America, including Canada. Our products are sold under the Levoit, Cosori and Etekcitey brands. The goods are sold through distributors and through retail channels.

The home-appliance and kitchen-appliance products distributed and sold by the Vesync Group include air purifiers, humidifiers, air filters, as well as air fryers, toaster ovens, and dehydrators.

Further information about our company and the products we sell are available on our webpage: <https://www.vesync.com/>

We source and procure much of our products from a limited number of suppliers that we believe we can engage with ethically and with transparency. Our supply chain is primarily composed of suppliers that manufacture the products that were designed by the Vesync Group. Almost all our suppliers are located in China, and we believe that almost all of the products purchased from our suppliers contain parts or components made in China.

Policies and Due Diligence Processes

We believe in the importance of ensuring that both us and our suppliers take steps to prevent forced and child labor. Our departments in charge of supply chain management and sourcing are responsible for evaluating our suppliers and determining whether they are meeting our expectations on issues related to forced and child labour.

During Q3 of the 2023 we have drafted and implemented a Supplier Code of Conduct with clear and understandable local languages that our suppliers fully comprehend and meet our expectations in doing business, especially in relation to forced and child labour. We expect and require all of our suppliers to comply with the Code.

The Supplier Code of Conduct specifically requires that suppliers do not accept, use, or benefit from forced or child labour of any kind, and also requires that no individual under the age of 18 is employed by any supplier. Any unlawful or prohibited conduct is not tolerated or condoned, and may result in actions, including the termination of the business relationship.

For our own employees, we conduct standard pre-employment background checks to verify their age and negotiate employment terms on a voluntary basis so that no possibility of forced or child labour can exist in our internal workforce.

We are aware that there can always be improvements and additional safeguards that can be implemented in order to better our transparency and efficacy in combating forced and child labour. We are currently evaluating our systems and processes in order to determine what we can do to improve or add to our policies for 2024 and beyond.

Forced Labour and Child Labour Risks

We have initiated an internal assessment of the risk of forced and child labour in our supply chains so that we can get a better picture of the risks associated with a manufacturing base in China, in relation to the risk of forced and child labour. At this time, we do not have reason to believe that our products are at risk for forced and child labour in the supply chain, but we intend to further evaluate and analyze the risks with even greater scrutiny starting in 2024.

Remediation Measures

We were not aware of any forced or child labour in our supply chains for the fiscal year of 2023, and thus no remediation measures were taken. We are continuing to evaluate and develop additional practices, processes, and policies so that remediation measures

can be easily taken should any incident or issue with forced and child labour arise in the future.

Remediation of Loss of Income

As no instance of forced or child labour has yet been reported or identified in our supply chain in the fiscal year of 2023, no measures were taken to remediate the loss of income to the most vulnerable families that result from measures taken to eliminate the use of forced and child labour.

Training

All employees undergo training on the company policies and practices when they are hired. We are currently in the process of developing a training module that pairs together with the Supplier Code of Conduct for procurement personnel for 2024 and beyond. Specifically, we intend to train our procurement personnel to ensure they remain vigilant and responsive on potential violations of the Code.

Assessing Effectiveness

We conduct evaluations and internal audits of our policies as necessary in order to ensure compliance with both new regulations and regulations that have already been in place. As we continue to develop our program to prevent forced or child labour, we will consider and evaluate measures on how to best assess the effectiveness of our processes and procedures.

Plan for 2024

The Vesync Group is committed to continued improvement in all parts of our business, and our commitment to combating forced/child labour and maintaining a transparent supply chain is no exception. For this year, we intend to continue the actions we have already taken, and additionally plan on:

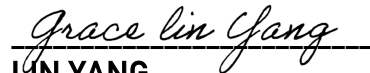
- Developing a more comprehensive training policy and reporting procedure for procurement personnel.
- Further education for employees on reporting mechanisms available to them.
- Screening all new vendors and suppliers before initiating and starting business.
- Review of additional measures and steps we can implement.

Approval and Attestation

This report has been approved by the Board of Directors of Vesync Co., Ltd., and Etekcity Corporation.

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 the entities listed above. 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.

I have the authority to bind Vesync Co. Ltd, and Etekcity Corporation.



LIN YANG

Chief Executive Officer, Director of
the Board of Directors, Vesync Co., Ltd.

May 30, 2024