

Modern Slavery Report 2024 - Delta T, LLC doing business as Big Ass Fans

This Modern Slavery Report (the “**Report**”) addresses the period from **01 January 2024** to **31 December 2024** and has been prepared in compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)(the “**Act**”). This Report is made on behalf of **DELTA T, LLC doing business as BIG ASS FANS (“BAF”)** and certain of its subsidiaries (“**we**”, “**us**” or “**our**”).

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 HVLS fans, directional fans, evaporative coolers, and heaters, **BAF** 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 2024 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 by **BAF** or of goods imported into Canada by **BAF**.

2. Our Business

BAF is a limited liability company striving to make the world safer, healthier, and more productive through our impeccably engineered high volume, low speed (“HVLS”) industrial fans and wide array of quality comfort solutions. **BAF** is headquartered in the United States of America at 2348 Innovation Drive, Lexington, Kentucky 40511. **BAF** has a satellite location in Ontario, Canada (BAFCO Canada, Company located at 2180 Winston Park Drive, Oakville, Ontario L6H 5W1). **BAF** currently operates globally with a current headcount of 571 employees spanning six brick and mortar locations (USA – KY and TX, Canada, Australia, Malaysia, and Singapore) and a small number of remote workers. **BAF’s** supply chain includes businesses that supply goods and services to our organization, including component manufacturers, raw material suppliers, logistics services, and finished product suppliers. In total, we procure goods and services from approximately 194 production suppliers and 134 indirect suppliers. While **BAF** sources globally, 70% of **BAF’s** suppliers are domestic (USA, Midwest region predominantly). The remaining 30% of suppliers are based in Malaysia (25%), Vietnam (3%), and China (2%).

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 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. We endeavor to ensure a safe, productive, healthy work environment for all our employees, and we expect the same of our suppliers, vendors, and contractors. We accomplish this through due diligence efforts, rigorous supplier approval processes, self-assessments, and audits to monitor the performance of our suppliers. Our relevant policies are discussed in further detail below.

Code of Business Conduct and Ethics

We are committed to conducting our business in a lawful and ethical manner. **BAF** is a legal subsidiary of Big Ass Holding, LLC, which is a holding of Madison Industries, Inc. as part of the Madison Air family of companies. Through this relationship, **BAF** has adopted the Madison Industries Business Code of Conduct and Ethics in addition to our own **BAF** Employee Handbook. The **BAF** Employee Handbook and the Madison Industries Business Code of Conduct and Ethics (the “Codes”) are the foundation of our company policies and set out guiding principles on professional conduct and establish that, in performing their job duties, **BAF** employees should always act lawfully, ethically and in the best interests of **BAF**.

Supplier Code of Conduct

The Supplier Quality Assurance Manual and the Supply Agreement detail the requirements and expectations we have of our suppliers and their supply chains 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 Quality Assurance Manual and Supply Agreement in their own operations and supply chain. We review our Supplier Quality Assurance Manual and Supply Agreement as needed to ensure that this policy is in line with current best practices.

Open Door Policy

BAF maintains a company-wide Open Door Policy by which employees are encouraged to report any work-related concerns. If any employee has a question, concern, idea, or problem of any kind, their immediate supervisor, company officers, and HR team are always ready and willing to listen. All employee concerns regarding safety, workplace violence, harassment, abuse of any nature, or unethical behavior are to be investigated thoroughly and handled with the utmost sensitivity, ethics, and care. Additionally, **BAF** operates under a strict Anti-Retaliation Policy for the Open Door Policy to flourish. If employees feel that their concerns are not handled adequately at the company level, our parent company, Madison Industries, also provides a Compliance Hotline that all employees have access to.

Due Diligence

We expect third parties with which we work to adhere to business principles and similar values 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. To mitigate this risk, we follow a due diligence approach that includes the following steps:

- Suppliers must review and sign our Supply Agreement, which includes a clause requiring them to comply with all applicable federal, state, and local laws and regulations.
- Suppliers must review and sign off on a copy of our Supplier Quality Assurance Manual.
- Suppliers must submit to and pass a Self-Audit, as well as an On-site Audit conducted by **BAF** Quality personnel prior to becoming a **BAF** Supplier.
- Suppliers are subject to Quarterly Business Reviews with option for **BAF** to implement corrective action, additional review, on-site audit, or termination of Supplier relationship if deemed necessary.
- Suppliers are subject to **BAF** or **BAF** Sourcing Support (in-country third party support) audits or repeat audits.
- Suppliers are required to provide documentation or demonstration as evidence of all claims made in support of **BAF** requirements.
- In addition to our efforts already in place, in 2024 **BAF** also launched a Social Responsibility & Sustainability Supplier Questionnaire that assures the Supplier's compliance with our Code of Conduct (including the Forced & Compulsory Labor, Human Rights, and Protection & Safeguarding of Children provision) and a section on Elimination of Child Labor (which includes age verification, flowdown age verification, and removing children from the workforce open-ended question requirements).

4. Assessing Our Risk

BAF will work to identify the business activities with the greatest exposure to these risks by considering the following factors:

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

We acknowledge that our exposure to the risk of forced labour and/or child labour increases when we engage with third parties, particularly in categories such as material sourcing, part manufacturing, supply sourcing, and other at-risk industries. As of the creation of this report, **BAF** is not aware of any instances of forced or child labor in any of our supply chain.

5. Our Commitments

Over the coming year, **BAF** will continue to evolve our efforts to detect and prevent the use of forced and child labour by reviewing and, as becomes necessary, beginning to update our current policies and procedures with efforts to incorporate risk mitigating measures. Some of the measures we may consider would be internal and external assessments of risks of forced labour and/or child labour in our business and our supply chains, developing an action plan for addressing forced labour and/or child labour, gathering information on worker recruitment and evaluating internal controls to ensure that all workers are recruited voluntarily, reviewing current training requirements, reviewing with a goal of revising our Supply Agreement and Supplier Quality Assurance Manual moving forward, and ensuring our Social Responsibility & Sustainability Supplier Questionnaire is completed by all Suppliers on an annual basis.

6. Remediation Measures

Our Codes and our Open Door Policy require all employees of **BAF** to report actual or possible misconduct. We will undertake due 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 will 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.

As we have, to date, received no reports of or made any discovery of instances of forced or child labor within our operations or in the operations of our suppliers, this process has not yet been necessary to enact. However, this would be the procedure to be followed if any instances were to come to light.

7. Our Progress and Effectiveness

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

We have selected certain key performance indicators (KPIs) with respect to human rights, including forced labour and child labour, and such KPIs will be reviewed by **BAF's** senior leadership team on an annual basis. Any non-conformances identified will be dealt with by the appropriate teams. Support will be provided to suppliers where necessary to resolve any issues raised.

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;

- Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators moving forward.

8. Approval & Signature

This Report was approved by **Member Consent** on **29 May 2025** and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada.

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 **BAF**. 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.



Nick Freihofer

Chief Financial Officer

29 May 2025

I have the authority to bind **Delta T, LLC doing business as Big Ass Fans**.