

Forced Labour in Canadian Supply Chain

2024 Report



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In May 2023, the Parliament of Canada passed Bill S-211, the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”), which came into effect on January 1, 2024. The Act mandates annual reporting by certain entities and government institutions on their efforts to prevent and reduce the risk of forced or child labour in their operations and supply chains. This report outlines the measures taken by Systemair Inc. and Systemair Commercial AHU Ltd. (collectively referred to as “Systemair” or “the Company”) to address and mitigate the risk of forced and child labour in our Canadian and global operations and supply chains. This inaugural report covers the fiscal years 2023, 2024, and 2025, and is prepared in compliance with the Act.

Steps to Prevent and Reduce Risks of Forced and Child Labour

INTERNAL AND EXTERNAL ASSESSMENTS

Systemair conducts regular assessments across its Canadian operations in New Brunswick and Ontario, as well as within its global supply chains, to identify potential risks related to forced and child labour. These are embedded into our vendor selection, contract renewal, and procurement processes, with a focus on legal compliance and ethical business practices.

WORKER RECRUITMENT PRACTICES

Our Human Capital departments in both facilities maintain rigorous policies to ensure all recruitment is conducted legally, voluntarily, and without coercion. We apply these standards to direct hires as well as third-party labour providers.

SUPPLIER AUDITS

During the reporting period, Systemair’s procurement team conducted supplier audits and site visits of supplier facilities. These audits assessed compliance with labour, health and safety, and ethical employment practices, in line with our policy prohibiting forced and child labour.

Structure, Activities, and Supply Chains

STRUCTURE

- Systemair Inc., based in Bouctouche, New Brunswick, is a Canadian subsidiary of the global Systemair Group (Sweden), and operates under the Canada Business Corporations Act.
- Systemair Commercial AHU Ltd., located in Tillsonburg, Ontario, is also a Canadian subsidiary of the global Systemair Group (Sweden), focused on commercial-grade air handling units. Both entities report separately but follow a unified Code of Conduct and ESG policy framework.

ACTIVITIES

Systemair designs, manufactures, and distributes energy-efficient ventilation and air-handling systems for residential, commercial, and institutional applications.

- The Bouctouche site focuses on residential ventilation systems.
- The Tillsonburg facility specializes in custom commercial air handling units.

SUPPLY CHAINS

Our supply chains span North America, Europe, and Asia. They include suppliers of metals, electrical components, fan motors, and fabricated assemblies. We favour long-term partners who demonstrate robust compliance with ethical sourcing practices. Suppliers who demonstrate a commitment to ethical labour practices and sustainability.

Policies and Due Diligence Processes

Systemair’s Code of Conduct prohibits all forms of forced and child labour. This code applies to employees, contractors, and suppliers. Both Canadian facilities adhere to the Responsible Business Alliance (RBA) Code of Conduct, ensuring safe, respectful, and lawful working conditions across our supply chain.

We are also guided by international frameworks, including the UN Guiding Principles on Business and Human Rights, in shaping our sourcing, hiring, and compliance strategies. Our corporate values—Prioritise, Simplify, and Trust—guide our approach to ethical sourcing and responsible business practices. We are committed to continuous improvement and aligning our policies with international standards such as the UN Guiding Principles on Business and Human Rights.

Assessing Our Risk

Risk management is integrated at both facility and group levels.

- The Systemair Group Internal Audit Team conducts global reviews, including Canadian operations, focusing on risk mitigation related to human rights violations.
- Our Sustainability Team analyzes ESG data annually from both Canadian operations to monitor compliance and improvement.
- We also submit data to third-party ESG platforms that assess our performance, enabling stakeholders to track our progress on human rights metrics.

Remediation

MEASURES TO REMEDIATE FORCED OR CHILD LABOUR

As of the date of this report, no incidents of forced or child labour have been identified within our operations or those of our suppliers.

MEASURES TO REMEDIATE LOSS OF INCOME TO VULNERABLE FAMILIES

Since no cases have been identified, no remediation actions have been required.

Training

All employees across Systemair Inc. and Systemair Commercial AHU Ltd. are trained annually on the Group’s Code of Business Conduct, which includes our stance on forced and child labour and the obligation to report violations. Employees also complete annual training on anti-corruption and ethical conduct.

Measuring Our Effectiveness

To monitor effectiveness:

- Internal audits at both Canadian facilities verify compliance with our HR and governance standards.
- ESG data reviews track how policies are applied in practice and guide areas for improvement.
- We benchmark our ESG performance annually through external platforms.

Approval and Attestation

In accordance with Section 11 of the Act, 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 the report is true, accurate, and complete in all material respects for the purposes of the Act, for the fiscal years 2023, 2024, and 2025.



(Signature)

Melanie Bastarache
Finance Manager
Systemair Inc.

I have the authority to bind Systemair Inc.





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