

## Danby Annual Report on Compliance with Forced Labour Laws

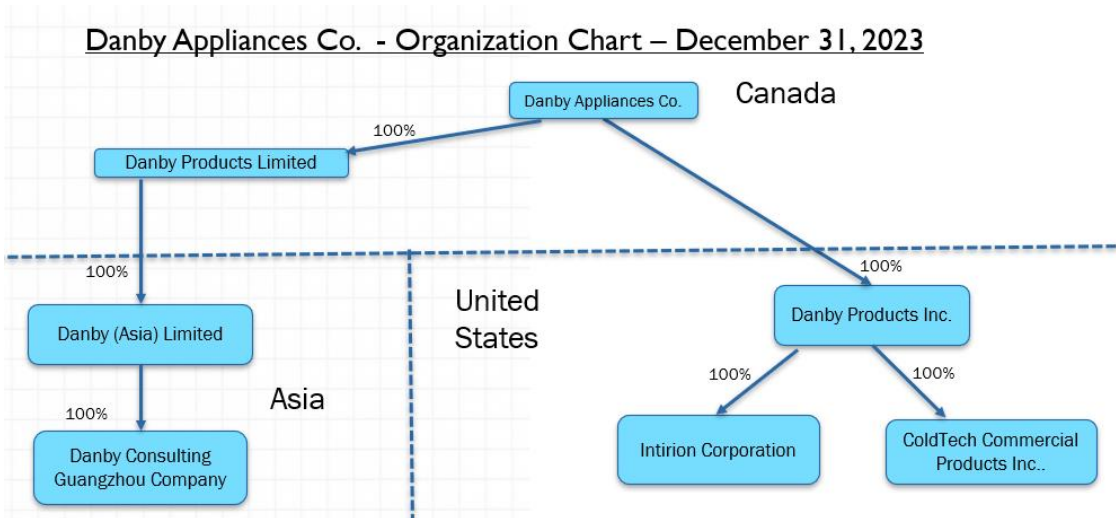
**Report Date:** March 31, 2024

**Financial Period Covered:** January 1, 2023, to December 31, 2023

This Joint report is being submitted on behalf Danby Appliance Co. and its subsidiaries, Danby Products Limited, Danby Products Inc., Intirion Corporation, ColdTech Commercial Products Inc., Danby (Asia) Limited, Danby Consulting Guangzhou Company – collectively referred to in this report as “Danby”. Danby is a privately held Corporation which distributes appliances to consumers primarily in Canada and the United States, as well as Mexico and the UK. We import our products into Canada and the US from international locations.

Danby Products Limited is our corporate head office and operates within Canada and is located at 5070 Whitelaw rd. Guelph, Ontario. Canada. Our business number for this entity is 101-257-806 RT 0001. Danby Product Inc. operates within the United States and is located at 1800 Production Dr., Findlay, Ohio. Our US Employer Identification number is 52-1787540. Intirion Corporation operates within the United States and is located at 2 Annette Rd. Ste 3, Foxboro, MA with 33 employees. Our Danby (Asia) Limited and Danby Consulting Guangzhou Company office operates in Guangzhou, China and these entities do not distribute products.

The following is Danby’s legal entity organizational ownership chart:



### 1. Entities Structure, Activities and Supply chains

Danby has been in business for 76 years serving consumers primarily in Canada and the United States with some sales in Mexico and the UK. Danby stands by our sustainability efforts as well as our Human rights efforts adhering to guidance and laws to ensure there is no forced labor or child labour occurring in our supply chains. Jim Estill, Owner and CEO of Danby ““*Ethical working conditions are not a privilege, but a right. We always strive to do the right thing to make sure everyone in the Danby family, in Canada, US, and abroad, is treated with dignity and respect. Our Supplier Code of Conduct ensures our supply chain partners do the right thing as well.*””.

To ensure compliance with established laws on social compliance, including no forced labour and no child labour, Danby has established a robust approach for evaluating and verifying supplier social responsibility practices and provide transparency for our customers, partners and other stake holders. Danby's established supply chain procedures ensure that products and services delivered to our customers are sourced from suppliers and business partners that share our commitment to worker welfare and eradicating all forms of human trafficking in their operations and supply chains.

Danby is the brand name of a line of appliances marketed by Danby Appliances Inc. and Danby Appliances Ltd., led by CEO Jim Estill. Danby specializes in designing, manufacturing, and distributing small appliances through national and independent retailers in Canada, the USA, UK, and Mexico. It is a privately held Canadian and US company headquartered in Guelph, Ontario, and Findlay, Ohio. While the company is well-established in Canada, more than half of its sales are outside the country. The company has additional locations in Tolleson, Arizona; Saraland, Alabama; and Foxboro, Massachusetts, as well as a location in Guangzhou, China. It is affiliated with manufacturers in China, Mexico, Turkey, Thailand, India and the United States. It has over 300 employees globally.

Danby has an established Board of Directors that consists of four members two of which are independent of Danby and are annually appointed to provide Governance, to set strategy, oversee management, and protect the interests of stakeholders. Our Board is thoughtfully engaged, provides guidance and best practices to the Management team.

The family-owned company first began business in Montreal, Quebec, in 1947. Their first products were hot plates and slow cookers. Danby also marketed an early form of a portable air conditioner as well as some private labelled brands for national retail stores. Danby sells compact and specialty appliances such as microwaves, compact refrigerators, wine coolers, ranges, washing machines, air conditioners and dehumidifiers.

### **Specific Measures to Compliance with Forced Labour Laws**

- Danby annually ensures that vendors are independently audited by reputable 3<sup>rd</sup> party auditing companies to test for compliance with many matters including that the vendors are not using any child labour or forced labour.
- Danby has employees in China to regularly inspect quality and factory working conditions and would be in a position to identify any child labour. While on site Danby China based employees will make observations and enquiries of factory staff on working conditions and compliance with laws. Danby China employees are independent of our vendors and hence in a position to report any issues or concerns they encounter.
- Danby's vendors in our supply chain in turn have sub-suppliers and raw material suppliers where there would remain a risk for forced labour or child labour being used. Danby has taken steps to assess and manage that risk through vendor discussions and representations to Danby from Danby's direct vendors as to these risks within our vendor's supply chain. Through these discussions we have obtained comfort that the risk is sufficiently mitigated for forced labour and child labour.
- Danby conducts regular vendor relation meetings with senior leadership from the vendor and Danby and as part of these meetings will make enquiries and reminders of our zero tolerance for child and forced labour.
- Danby has quarterly vendor scorecard reviews with Product Team, Sourcing Team, Danby Asia, Quality and Finance teams. During these meetings if a vendor was in breach of our policies this would be discussed together for corrective actions and escalation as appropriate.

- Danby has established a zero tolerance for child and forced labour and communicated that throughout our supply chain. Danby takes a firm stand on social compliance with our zero tolerance of child and forced labour laws.

### **Other Social Compliance Matters**

- Danby has established practices for strict health and safety measures at all locations to take care of our employees. We regularly talk about Health and Safety, and this is reinforced in stand-up meetings and Management meetings. Senior leadership of Danby specifically reminds and talks to our teams about the importance of safety.
- Provide fair and equitable pay. Danby complies with all labour laws in all jurisdictions that we operate in.
- Danby will maintain strict compliance with all required environmental laws and regulations in the markets we conduct business in.



#### **Diversity & Inclusion**

We recognize that diversity, inclusion and equity make us a stronger, more successful company. We know we need to do better, and acknowledge there is still much work ahead to dismantle barriers in our leadership pipeline. But we are and always have been an equal-opportunity employer, offer equal pay for equal work and believe hiring and promoting a diverse and inclusive workforce is always the right thing to do.

#### **Charitable Giving**

Being a leader in our community, and helping those less fortunate than ourselves, is at the root of everything we do at Danby. This stems from our CEO, Jim Estill, who is incredibly active from a charitable perspective and preaches the simple idea to always "Do the Right Thing". Jim became a household name during the Syrian refugee crisis, receiving the Order of Canada for his work, and he continues to be an active member in any charitable initiative or foundation that needs a helping hand.



#### **Sustainability**

For Danby and its customers, sustainability is very important. Every unit that is refurbished as "Danby Certified" helps to reduce the amount of recycling and waste being sent to a landfill, as well as lowers greenhouse gas production at our manufacturing plants. Our goal is to always work towards a more sustainable future. [Danby Sustainability Pledge](#)

### Charitable Giving

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- Danby supports many local charities in the communities we operate in through a combination of financial donations and donations of time through volunteering initiatives at the local level.
- Danby has opened a furniture bank for free donations to those in need in the Guelph area.

### Sustainability

- For Danby and its customers, sustainability is very important. Every unit that is refurbished as “Danby Certified” helps to reduce the amount of recycling and waste being sent to a landfill, as well as lowers greenhouse gas production at our manufacturing plants. Our goal is to always work towards a more sustainable future and keep as many consumer remorse returned units out of landfills as possible.
- Our Board of Directors consist of four members two of which are independent of Danby and annually appointed to provide guidance and best practice information back to the Management Team at Danby to implement. Danby has quarterly Board of Director meetings.

### Supply Chain Transparency and Supplier Code of Conduct

- Danby developed our suppliers code of conduct to maintain our principals of responsible sourcing and annually reviews this with vendors to ensure compliance. This code of conduct covers many matters but specifically covers the following:

#### *Forced Labour*

Suppliers will not use slave, prisoner or any other form of forced or involuntary labour. Danby has a zero-tolerance policy on the use of forced labour. Suppliers must take reasonable measures to ensure that all of their employees understand the terms of their employment.

#### *Child Labour*

Suppliers will not use child labour. Danby has a zero-tolerance policy regarding the employment of children where the age of employment is not in accordance with applicable laws.

- Danby believes in acting ethically and responsibly to meet our motto “do the right thing”. This code of conduct is to clarify our global expectations in the areas of business integrity, labor practices, associated health and safety, and environmental management.

- This Supplier Code of Conduct articulates Danby’s expectations of its suppliers and business partners. Suppliers are expected to understand and act in concert with Danby’s commitment to integrity, responsible and ethical sourcing and workplace standards, including health, safety and living wages. Danby requires its suppliers to adhere to these standards throughout their own supply chains. Danby is also committed to conducting business in compliance with all applicable laws within the countries where it markets or manufactures its products and will deal only with suppliers it considers reputable. Danby will not do business with companies that violate the law and will terminate suppliers that have run afoul of either local laws, international human rights law or both. Danby seeks and chooses suppliers with similar standards. It expects suppliers to adhere to contractual requirements and comply with laws, regulations and conduct business in a manner consistent with Danby principles and values.
- Suppliers for Danby Appliances are required to meet our expectations and it is included in all contracts.
- Danby has developed our Danby Suppliers Code of Conduct to maintain our principals of responsible sourcing and annually reviews this with vendors to ensure compliance. This Supplier Code of Conduct articulates Danby’s expectations of its suppliers and business partners. Suppliers are expected to understand and act in concert with Danby’s commitment to integrity, responsible and ethical sourcing, and workplace standards, including health, safety and living wages. Danby requires its suppliers to adhere to these standards throughout their own supply chains. Danby is also committed to conducting business in compliance with all applicable laws within the countries where it markets or manufactures its products and will deal only with suppliers it considers reputable. Danby will not do business with companies that violate the law and will terminate suppliers that have run afoul of either local laws, international human rights law or both. Danby seeks and chooses suppliers with similar standards. It expects suppliers to adhere to contractual requirements and comply with laws, regulations, and conduct business in a manner consistent with Danby principles and values.
- Suppliers for Danby Appliances are required to meet our expectations and it is included in all contracts. This code of conduct covers many matters but specifically covers the following:
  - Forced Labor- Suppliers are expected to understand and act in concert with Danby’s commitment to integrity, responsible and ethical sourcing, and workplace standards, including health, safety and living wages.
  - Child Labour- our zero-tolerance policy regarding the employment of children where the age of employment is not in accordance with, the applicable laws.
  - Human Trafficking: our suppliers will not engage directly or indirectly in human trafficking and abuses.
  - Indigenous Consultation: Ensuring Danby’s suppliers consult with indigenous communities regarding their operations with respect to any potential impact on the Environment.
  - Environmental Impact: request to increase efficiency and take measures to reduce carbon footprint as well as other sustainability efforts.

- Danby has developed our Danby Code of Conduct (the “Code”) is intended to assist employees of the Company in the sound judgment. The Code has been adopted by the Board of Directors of the Company to assure customers, suppliers, and shareholders that the Company adheres to high ethical standards and obeys all applicable laws. In addition, the Code is designed as a guide to help employees clearly understand what is required of them in order to protect the reputation and integrity of the Company. These set of principles are designed to maintain and reinforce the Company’s reputation for integrity and trust with our stakeholders and customers.

### Supply Chain Location Exposure Analysis

- Danby sources our products from the following countries and regions from our head office in Guelph, Ontario. We also have a China based office who meet with factories on a regular basis ensuring that our ethical commitments are met, and vendors live up to the terms of the Supplier Code of Conduct.
- In terms of Danby’s evaluation of our risk management by Country has been assessed for country risk on a scale of red-high, yellow-medium, green-low risk Country as follows:

Country of Origin	Forced Labour Risk Rating	Child Labour Risk Rating
China	Medium	Low
Thailand	Medium	Low
Turkey	Low	Low
Mexico	Low	Low
India	Low	Low
United States	Low	Low
Canada	Low	Low

- Danby provides social audit management by means of factory social audits, customer-initiated audits and supplier onboarding audits. Through internationally recognized firms. Danby is committed to Human rights and supply chain transparency in accordance with all applicable laws and regulations including California SB57, Uygher forced Prevention Act, Canada Bill S-211.

### Training Materials

- Danby has our Established Code of Conduct on these matters, but additional industry wide training materials have been published on our internal intranet on forced or child labour risks and mitigation strategies. We have included these training materials on this area as part of employee onboarding and annual policy renewals/reviews.

**Supply Chain Testing:**

Danby’s factory audits summary has been saved on our Company’s secure SharePoint site. The summary of these factory audits is included as follows:

Supplier Name	Product type	Factory Located (City, Country)	Agency	Definition	Audit Date	Audit Report	Compliance with Forced Labour / Child Labour - Verified through Auditing Process (Yes=Compliance, No=Issues)	Vendor Size Category (A-Top, B, C-small purchases)
Zhejiang Xingxing Refrigeration Co., Ltd	Refrigerator	Taizhou China	ARCHE	Qualified	4/11/2023	Costco audit	Yes	A
Wuhu Maty Air Conditioning Equipment Co., Ltd.	Air-conditioner	Wuhu China	SGS	Qualified	5/24/2023	BSCI	Yes	A
Guangdong Homa Appliances Co.,Ltd	Refrigerator	Zhongshan China	SGS	Qualified	6/12/2023	SMETA	Yes	A
Guangdong Midea Kitchen Appliances Manufacturing Co., Ltd	Microwave	Shunde China	SGS	Qualified	1/3/2023	BSCI	Yes	B
VESTEL BEHAZ ESVA SANTIÇ.A.S	Refrigerator	Turkey	ITS	Qualified	2/23/2023	SMETA	Yes	B
New Shunxiang Electrical Appliance Co.,Ltd	Wine cooler	Zhongshan China	APCER	Qualified	5/9/2023	BSCI	Yes	B
ZHONGSHAN GALIANZ HOUSEHOLD APPLIANCES CO., LTD	Microwave	Zhongshan China	SGS	Qualified	5/8/2023	SMETA	Yes	B
GUANGLONG GAS & ELECTRICAL APPLIANCES CO LTD	Range	Zhongshan China	SGS	Qualified	9/20/2023	BSCI	Yes	B
Foshan Shunde Midea Washing Appliance Mfg. Co.,Ltd	Dishwasher	Shunde China	ITS	Qualified	3/1/2023	SMETA	Yes	B
TCL Delonghi Home Appliances (Zhongshan) Co., Ltd.	Air-conditioner	Zhongshan China	TUV	Qualified	7/6/2023	BSCI	Yes	B
Guangzhou Midea Hualing Refrigerator Co., Ltd.	Refrigerator	Nansha China	ITS	Qualified	8/11/2023	BSCI	Yes	B
Wuhu Midea Smart Kitchen Appliance Manufacturing Co., Ltd	Dishwasher	Wuhu China	SGS	Qualified	8/28/2023	BSCI	Yes	B
TCL Air Conditioner (Zhongshan) Co., Ltd	Air-conditioner	Zhongshan China	TUV	Qualified	4/10/2023	BSCI	Yes	B
Hefei Midea Laundry Appliance Co., Ltd.	Washing machine	Wuqi China	SGS	Qualified	6/8/2023	BSCI	Yes	C
Toshiba Consumer Products (Thailand) Co.,Ltd.	Refrigerator	Thailand	ITS	Qualified	4/27/2023	SMETA	Yes	B
Guangdong Kerong Electrical Appliances Co.,LTD	Wine cooler	Zhongshan China	TUV	Qualified	2/28/2023	BSCI	Yes	C
Guangzhou Midea Hualing Refrigerator Co., Ltd. Foshan Nanhai Branch	Refrigerator	Nanhai China	ITS	Qualified	9/7/2023	BSCI	Yes	B
GD Midea Air Conditioning Equipment Co., Ltd.	Air-conditioner	Shunde China	BV	Qualified	5/24/2023	BSCI	Yes	B
Ningbo Yutong Electric Appliance Co., Ltd.	Icemaker	Ningbo China	ALGI	Qualified	6/13/2023	BSCI	Yes	C
Guangdong Xinbao Electrical Appliances Holdings Co., Ltd	Small appliance	Zhongshan China	UL	Qualified	10/30/2023	BSCI	Yes	C

Country	How many audits	Percentage of failure /success	Compliance with Child Labour	Compliance with Forced Labour
China	20	100%	100%	100%
Thailand	0	N/A	N/A	N/A
Mexico	0	N/A	N/A	N/A

**Danby Annual Certification:**

This Danby Annual Report on Compliance with Forced Labour Laws was approved by the Board of Directors for the fiscal year ended December 31, 2023. In accordance the requirements of the Act and in particular Section 11 thereof, I hereby attest that I have reviewed the information contained in the report for the entities listed above. To the best of my knowledge and after having exercised due 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.



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Andrew Raymond

President Danby Products Limited, Danby Products Inc., Intirion Corporation, and Danby Appliances Co. I have authority to bind Danby Appliances Co.

Dated this 31st day of March 2024.