



Anti-Slavery in Supply Chain Statement

To: All Smardt Employees

From: Legal and Risk department or Vice President Risk Management and Legal Affairs?

Date: 24 March 2025

Subject: Anti-Slavery in supply chain statement of TICA-Smardt Chiller Group Inc.

Dear All,

As a global organization that is rapidly growing, ensuring the integrity of our supply chain is of outmost importance to ensure ethical business practice throughout all our operations. Smardt has a zero-tolerance policy concerning modern slavery, human trafficking, and forced labour in all its forms and expects the same from our suppliers and business partners. Through robust policies, due diligence and continuous monitoring we aim to ensure our operations and supply chains are free from acts which violate these practices. This statement outlines our efforts and commitment to uphold our stance against modern slavery.

Smardt Chillers Pty Ltd has a direct Australian parent company affiliated to other Smardt entities around the world which are all owned by a common parent located in Canada. This statement is made on behalf of all affiliated entities of Smardt Chillers Pty Ltd ("Smardt") where 781 employees work. In Australia, Smardt employs approximately 115 where we are focused on the manufacture, service and sale of chillers, and HVAC related equipment, in the Australia and New Zealand regions. We provide manufacturing support from our Melbourne location to our Greater Asia and Asian locations where needed. This statement builds upon our ongoing actions and knowledge regarding modern slavery gained over the years.

OUR BUSINESS AND SUPPLY CHAINS

Smardt provides chillers and optimization solutions for commercial buildings around the world. We operate in Singapore, Malaysia, Hong Kong, China, Australia, Canada, Germany, France and the US.

Our supply chain is vast and ever-growing, which means we are constantly striving to ensure we meet our clients' needs with quality products. During the period from 1st January 2024 to 31st December 2024 which this report covers, we were not made aware of any slavery activities against any of our suppliers, but if we were, our supply chain team and regional leaders would act immediately and report such an activity via our whistleblower platform and/or directly to the appropriate authorities.

RISK ASSESSMENT

In 2024 we completed a review of suppliers using the London Stock Exchange Group's World Check One feature which continues ongoing screening of our suppliers on a regular basis against various law enforcement, regulatory body, sanctions lists and more. In addition, we revised our due diligence process to include an additional layer of verification of our suppliers after they were assessed through World Check One to ensure timely and appropriate decisions are taken regarding our relationship. This verification includes additional local searches and enquiries directly with the supplier.

Our ongoing risk assessment includes the consideration of the geographic location of our suppliers to avoid or mitigate business relationships with third parties in known high risk modern slavery areas; staying abreast of any news reported in the Bureau of Industry and Security (BIS.gov) press releases to react to any third-party business which may be identified on such lists; and reviewing other sources of information for practices such as corruption and bribery, because it may be a precursor to forced labour and human trafficking behaviors.

AWARENESS

Smardt started its awareness campaign among all employees in all regions with respect to modern slavery in the workplace and in supply chain by circulating its internal policy on the matter and its 2022 & 2023 policy statement which were posted on its website. As we prepared to ensure compliance with new laws in Canada regarding modern slavery we started to discuss the meaning





of modern slavery, use different language during meetings to ensure the term is understood across different regions (such as forced labour and trafficked persons).

Regional awareness training was provided to staff in all regions which explained the definition of modern slavery, provided information on red flags to identify such practices in the workplace or among suppliers; provided a quiz to said staff to ensure comprehension; developed a process to report and investigate any claims of modern slavery either in the workplace or among suppliers; and created a dedicated email address for all employees to use to raise concerns, report on the matter or ask questions. The next step of the campaign will further expose our leaders and new supporting staff with respect to the policy, the efforts of the supply chain staff and how to report any suspicion of modern slavery among our suppliers. Such training and awareness will be incorporated into annual and ongoing training obligations of the business across all entities.

Finally, Smardt complied with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (2023) by submitting its policy to the government in May 2024.

EFFECTIVENESS

As we've progressed during the year, our focus was on providing training for staff in all regions to raise awareness about modern slavery, as explained above. The focus of our efforts has been to implement a process that reviews our global practices. As such, we're in the early stage of developing measures to track the effectiveness of our actions. Currently, Smardt has identified one key performance indicator for this year:

How many employees have received specific training and know how to report suspicions of Slavery

COMMUNICATION ACROSS OUR BUSINESSES

Communication, definition and awareness training on inspecting and reporting cases of modern slavery is provided each year to all Smardt employees. Each Smardt location is then required to conduct its own investigations into its local supply chains. In the event of a global risk or concern, these issues are brought to the attention of the senior leadership team. Through this process, support is provided to each location, which helps align business practices and our commitment to fight modern slavery.

LOOKING AHEAD

Smardt will continue its efforts to integrate questionnaires in forms submitted to suppliers to improve its assurances of only working with compliant suppliers; continue awareness and training of all employees and working toward implementing an internal control on its reporting and investigation process in 2025.

This statement covers the period 1 January 2024 to 31 December 2024 and has been approved by the boards of directors of the following entities in March 2025.



Albert Yam, Board Director