



2023 Annual Report on Forced Labour and Child Labour

1. Introduction

This document reports on the actions taken by SBI over the past year to monitor its activities, including its supply chain, to ensure that the company is not involved in or in any way promotes forced labour and child labour in any form.

2. Company Overview

Gestion Jaymac Inc. is the parent company of several subsidiaries. For the purposes of this report, we will refer to this business combination as "SBI." SBI is a company that designs, manufactures, and markets residential heating products sold worldwide. The company operates three manufacturing plants and a distribution center located in Canada and the United States, as well as a distribution center in Australia. The products are made from materials and components sourced primarily from North America, but also from Europe and Asia. This involves the company collaborating with multiple suppliers and subcontractors to support its operations.

3. Actions taken in the last year

Over the past year, SBI has undertaken the following actions to reduce the risks of forced labor and child labor:

- Development and implementation of a policy on forced labor and child labor.
- Sharing this policy with its suppliers and business partners.
- Updating the Supplier Compliance Questionnaire, a central document of risk analysis integrated into the account opening and supplier file update process, to include issues related to forced labor and child labor.
- Assessment of procurement categories to evaluate the associated risks.
- Targeted assessment of selected suppliers to validate changes to the compliance questionnaire.

4. Policy and due diligence process

The new policy on forced labour and child labour can be found at the following link: <https://www.sbi-international.com/en/privacy-and-cookie-policies/>

SBI has established a comprehensive process for analyzing supply chain risks, focusing on sourcing strategies by component category. Each year, the purchasing team, along with a representative from the finance team, evaluates each procurement category to assess the suppliers used. This analysis leverages data collected through the compliance form to inform the risk assessment. Based on the preliminary risk analysis, additional actions, such as manufacturing site visits, are identified as needed. These actions are then incorporated into a detailed action plan, which is monitored over the following year. The team reviews the plan to determine whether the assessments have revealed issues requiring further action or if the identified risks have been effectively addressed.



5. Supply chain risks

Over the years, SBI's purchasing team has visited several of its suppliers to evaluate them. The suppliers visited have already been vetted and their manufacturing operations are unlikely to use forced or child labour. The greatest risks currently are with suppliers who have never been visited, as well as with companies that sell to SBI suppliers, because currently, the company has no visibility on them.

In the coming year, risks related to forced labour and child labour will be identified with the help of the new compliance form, taking into account mainly suppliers who have never been visited and suppliers' supply chains. The necessary actions to address the identified risks will then be undertaken.

6. Training

The policy regarding forced labor and child labor was presented to the company's corporate procurement team and human resources team. It is now included in the training materials for new employees. Additionally, at the beginning of the annual risk review meeting, the policy will be reviewed to ensure that all team members remain aware of its contents.

7. Evaluation

SBI has established a governance committee within the company. The efforts to identify risks related to forced labor and child labor, along with the actions taken to minimize these risks, will be presented to the governance committee annually. The committee is mandated to evaluate the work done and to require additional validations if necessary to ensure that the company's policies are upheld.

8. Approval and Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, certify that I have reviewed the information contained in this report for Jaymac Management Inc. and its subsidiaries. To the best of my knowledge, I confirm that the information contained in this report is true, accurate and complete in all respects material for the purposes of the Act for the aforementioned reporting year.

A handwritten signature in black ink, appearing to read 'M. Murphy', with a long horizontal line extending to the right.

Mark Murphy
CEO SBI International
President Gestion Jaymac Inc.
May 30, 2024