



## Statement Regarding Modern Slavery 2023

### Our Philosophy

Modern slavery – including but not limited to forced labour and child labour – and human trafficking are contrary to our Purpose, Vision, and Values. We do not tolerate slavery or human trafficking in our organization or in those of our suppliers and subcontractors. We hold ourselves to the highest standards and expect Napoleon employees, contract workers and all its subsidiaries to act with integrity and always comply with the letter and spirit of the laws, regulations and rules that apply to Napoleon in the jurisdictions where we operate. If instances arise where these expectations are not met, we will review and respond.

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff. This statement outlines the approach and initiatives by Napoleon to identify and address the risks of forced labour and child labour in its business operations and supply chains during the financial year commencing 2023 and ending 2023.

### Our Structure, Operations and Supply Chain

Proudly Canadian, Napoleon was established in 1976 by Wolfgang and Ingrid Schroeter. Fast forward to today, the Napoleon brand is known globally and is North America's largest privately owned manufacturer of Quality Grills, Hearth, and HVAC products.

With a culture of H.E.A.R.T Core values (Honesty, Engagement, Accountability, Respect and Teamwork) Napoleon shares a vision to inspire and enhance the most memorable experiences people enjoy in their homes.

### Risks of Modern Slavery in our Operations and Supply Chain

As a global manufacturer and importer, Napoleon understands the inherent risks within the supply chain. As such, due diligence is paramount as part of the vendor assessment and selection process.

- Procurement from low-cost countries such as China, India and Mexico
- Assignment clauses on terms and conditions
- Sub-tier suppliers operating in these regions.

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## Statement Regarding Modern Slavery 2023

### Our frameworks and policies

We believe that good governance is the essential foundation of a respectful and inclusive corporate culture that earns trust from and builds value for our employees, customers, and communities.

The Code of Conduct at Napoleon recognizes that respecting human rights is a shared responsibility of all enterprises regardless of where they operate globally. This perspective aligns with our Purpose, Vision and Values and has long been reflected in our policies and practices. Our Values and Code of Conduct guide us and set expectations for our behaviour and decision-making. Our Code of Conduct is the roadmap we follow to serve our clients with the highest standards of integrity. It also lays the foundation for how we work together in a respectful, transparent, and fair environment. The Code of Conduct forms the basis for all our relationships. It applies to all employees and contract workers of Napoleon and its subsidiaries. At Napoleon, our core Purpose, Vision and Values, and seeking to respect others in our pursuit of doing what's right, are fundamental principles that support and guide Napoleon's commitment to respecting human rights across our organization. Actual or possible violations of our Code of Conduct, including with respect to human rights are required to be reported, in order to take appropriate action to review and address issues. Our sustainability governance committee is responsible for actioning violations of our Code of Conduct and monitors emerging trends and best practices as part of its holistic approach to overseeing these issues.

#### *Supplier Code of Conduct*

Our Supplier Code of Conduct (the Supplier Code) requires suppliers and subcontractors to, among other things, abide by applicable employment standards, labour, non-discrimination, and human rights legislation. Where applicable laws do not prohibit human rights discrimination, or where they allow for differential treatment, we expect suppliers and subcontractors to be committed to non-discrimination principles and not to operate in a way that unfairly differentiates between individuals. Our supplier contract templates (PO's) include terms relating to Supplier Code compliance. Pursuant to our Supplier Code, suppliers must be able to demonstrate that they have policies and procedures in place to confirm that: child, forced or compulsory labour is not used; human rights discrimination and harassment are prohibited; retaliation for speaking up is prohibited and employees are free to raise concerns and speak up without fear of reprisal; appropriate and reasonable background screenings, including investigations for prior criminal activity to support the integrity and good character of the supplier's employees have been conducted; clear and uniformly applied employment standards are used that meet or exceed legal and regulatory requirements Where we are satisfied that a supplier's policies and procedures are at least equivalent to the Supplier Code, we may accept a supplier's commitment to comply with their own policies and procedures.

#### *Supplier Risk Management*

We have risk assessment and due diligence programs in place for suppliers including confirmation that suppliers acknowledge acceptance of the Supplier Code expectations. We assess supplier risk at the inception of the business relationship and have processes in place to track changes in their risk profiles on an ongoing basis. Napoleon aims to prevent and mitigate adverse impacts we may be directly linked to by taking appropriate action to mitigate such risks, which may include exercising leverage in our business relationships. Pursuant to the supply terms and conditions, Napoleon maintains the right to monitor supplier compliance and audit their control environment. We are also entitled to request information from our suppliers with respect to their compliance with the principles of the Supplier Code.

### Our Remediation Process

Our Code of Conduct requires all employees and contract workers to report actual or possible misconduct. Our core values, which sets out key behaviours expected of our workforce, encourages speaking up for the good of Napoleon. Employees and contract workers are encouraged to speak to their manager, senior management, Human Resources or report to [sustainability@napoleon.com](mailto:sustainability@napoleon.com) so issues can be addressed quickly and objectively. Napoleon upholds a strict commitment to non-retaliation.



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### Assessing our Effectiveness

During this period, Napoleon has sought to solidify our understanding of the 'fighting against forced labour and child labour act' and the forced labour and child labour risks and how they may appear. The measures outlined above have been implemented within 2023 with further additions to auditing and reporting framework as part of the supplier risk assessment audit coming in 2024.

We conduct ongoing screening of all new suppliers, which allows us to baseline a supplier's risk profile and subsequently flag and assess any activities that would violate our Supplier Code. We discuss any instances where corrective actions are required with the supplier and track these issues to completion. Having leveraged such supplier screenings and monitoring procedures, as well as our policies and processes relating to internal conduct, no evidence of modern slavery – including forced labour or child labour – or human trafficking incidents, or loss of income as a result of steps taken to eliminate modern slavery or human trafficking have been identified in 2023 and thus there has not been a basis to take remedial steps regarding such matters.

In concert with this, we plan training for our auditing teams on looking for and addressing instances where suppliers in the supply chain may be found in violation of our supplier code of conduct or terms and conditions of supply.

### Conclusion

Napoleon remains committed to preventing slavery and human trafficking from taking place in our businesses and in our supply chains. We will continue to review our policies, procedures and practices periodically to determine any enhancements we can make to help prevent modern slavery and human trafficking.

### Attestation Pursuant to section 11 of the Canadian Act

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act for the financial year ending Dec/31/2023.

Signed by

Chris Schroeter  
Co-Chief Executive Officer

Michael Tzimas  
President