



The ECCO Group™
Corporate Administration
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ANNUAL REPORT ON FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

FOR THE FINANCIAL CALENDAR YEAR ENDED DECEMBER 31, 2025

This report is made pursuant to Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act. This joint report outlines ECCO's approach and initiatives to identify and address the risks of forced labour and child labour in its business operations and supply chains during the financial year commencing January 1, 2025 and ending December 31, 2025.

At ECCO, we are committed to upholding and respecting human rights across all facets of our operations. We recognize the inherent dignity and worth of every individual and are dedicated to ensuring that our supply chain is free from forced labour and child labour.

We firmly believe that every person involved in our supply chain deserves to work in safe, ethical, and fair conditions. We condemn any form of forced labour, child labour, or exploitation and are committed to taking proactive measures to prevent and address such practices within our operations and supply chains.

By adhering to these principles, we aim not only to meet legal and regulatory requirements but also to contribute positively to the well-being and empowerment of individuals throughout our supply chain.

Corporate Structure

For the purposes of reporting under the Fighting Against Forced Labour and Child Labour in Supply Chains Act, this report represents a joint report for:

1. ECCO Holdings Ltd.
2. ECCO Heating Products Ltd.
3. ECCO Supply Corporation – US Subsidiary
4. ECCO Properties Ltd.
5. ECCO Heating Products Canada Ltd.
6. SH & A Investments Ltd.

These entities are variously engaged in the activities of a holding company, manufacturer and wholesale distributor of HVAC products and equipment, warehousing, commercial leasing and investments. Activities conducted by these companies include manufacturing, importing, distributing and selling goods in Canada and the United States.

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Supply Chain

ECCO sources raw materials, manufactured components, and finished HVAC products through a combination of domestic and international suppliers. Supplier selection is based on factors including quality, cost, availability, service, lead time and regulatory requirements.

ECCO sources products and materials from Canada, the United States, Taiwan, Korea, Vietnam, Mexico, Europe and other regions. These products include raw materials used in manufacturing operations as well as finished goods distributed through ECCO's various business units.

ECCO is not aware of any instances of forced labour or child labour within its current supply chain. However, the Company recognizes that such risks may exist within global supply chains and remains committed to strengthening its due diligence processes and supply chain oversight.

Policies and Due Diligence Processes

During 2025, ECCO formally implemented its Fighting Against Forced Labour and Child Labour in Supply Chains Policy. The policy establishes ECCO's commitment to ethical labour practices, responsible sourcing, and compliance with applicable legislation.

ECCO's policy applies to employees, contractors, suppliers and business partners and includes expectations regarding the prohibition of forced labour and child labour throughout the supply chain.

Responsibility for ongoing supply chain due diligence and supplier compliance initiatives was assigned to ECCO's Supply Chain function during the reporting period.

ECCO also established a framework to support future supplier due diligence activities, including supplier compliance attestations, risk-based supplier assessments, and contractual provisions prohibiting forced labour and child labour.

Risk Assessment

ECCO recognizes that forced labour and child labour risks may vary depending on supplier location, industry sector and nature of supplied products.

During the reporting period, ECCO developed a risk-based approach to supplier due diligence. This framework is intended to support future evaluation of suppliers and supply chains based on factors including geographic location, industry sector and other relevant risk indicators.

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At this time, ECCO has not identified any specific supplier, contractor or business partner that has been determined to present a known forced labour or child labour concern.

Remediation Measures

ECCO is not currently aware of any supplier, contractor or business partner within its supply chain that has been identified as utilizing forced labour or child labour. Accordingly, no remediation actions were required during the reporting period.

Should ECCO identify circumstances indicating the presence of forced labour or child labour within its operations or supply chain, the Company is committed to investigating such matters and taking appropriate corrective action consistent with its policies and applicable legal requirements.

Remediation Measures – Loss of Income

ECCO has not identified any instances where actions taken to address forced labour or child labour have resulted in a loss of income for vulnerable individuals or families. As no such situations have been identified, no remediation measures related to loss of income were required during the reporting period.

Training

ECCO recognizes the importance of employee awareness in identifying and addressing risks associated with forced labour and child labour.

During 2025, ECCO continued evaluating training and awareness materials that may be incorporated into future compliance programs, particularly for employees involved in sourcing, procurement, supplier management and related supply chain activities.

Formal training programs have not yet been implemented; however, ECCO remains committed to developing appropriate educational resources and awareness materials as part of its ongoing compliance efforts.

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Assessing Effectiveness

ECCO has not yet established formal performance metrics to evaluate the effectiveness of its efforts in preventing and reducing the risk of forced labour and child labour within its operations and supply chains.

During the reporting period, ECCO identified several future monitoring tools that may support effectiveness assessments, including supplier compliance attestations, risk-based supplier reviews, and supplier compliance documentation.

ECCO remains committed to continuous improvement and will continue to evaluate opportunities to strengthen supply chain governance and due diligence activities in future reporting periods.

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