

Midea Canada:
2025 Report
Under
the *Fighting*
Against Forced
Labour and
Child Labour in
Supply Chains Act



1. About this Report

This report is published by Midea (America) Canada Corp. (the “Company” or “MACC”). It relates to the financial year running from January 1, 2025 to December 31, 2025 (the “Reporting Period”). References in this report to “MACC”, “Company”, “we”, “our” and similar terms are to Midea (America) Canada Corp.

This report provides an overview of the steps taken by the Company within its last financial year to prevent and reduce the risk of forced labour or child labour in its activities and supply chain.

2. Structure, activities and supply chains

MACC’s headquarters is located in Markham, Ontario, Canada. There are no other key Canadian locations.

a. Organizational Structure

MACC is a wholly-owned subsidiary of Midea Group, and is engaged in the importation, distribution and sale of goods in Canada.

It comprises nine departments: General Manager and Assistant General Manager, Sales, Marketing, Human Resources, Operations, Finance, Product Marketing, After-Sales, and Business Intelligence. The company employs 65 people in Canada, including expatriates and interns. It maintains business relationships with major retail partners such as Walmart, Costco, The Home Depot, Best Buy, and Canadian Tire Corporation.

From a legal standpoint, MACC holds 100% of the equity of Midea Columbia Equipment SAS, a sales entity located in Colombia, which does not is engaged in the production or importation of goods in Canada. This entity forms part of the broader Midea group structure, and MACC is not involved in its day-to-day operations or decision-making.

b. Activities and Supply Chain Overview

MACC’s activities in Canada consist of sales and distribution of room air conditioners, small appliances, and large appliances.

The goods that we distribute are imported from various suppliers located in Thailand, China, and Vietnam and are shipped via Media Electric Trading (Singapore) Co. Pte. Ltd. using various delivery methods to third-party warehouses located in Quebec, Ontario, British Columbia, and Alberta. Suppliers perform the final assembly of these goods, and MACC does not perform any assembly activities. The Company's operations are limited to importing and distributing the goods in Canada.

MACC works with 19 active service providers, whose services fall primarily into the categories of transportation, warehousing, and consulting.

3. Policies and due diligence processes

During the Reporting period, we have taken steps to prevent and reduce risks that forced labour or child labour be used in the production of goods imported into Canada by us, including the following:

a. *Embedding Responsible Business Conduct and Internal Policies*

MACC is committed to maintaining a positive and ethical work environment. Forced labour and child labour are strictly prohibited in the Company, as clearly stated in our supplier agreements and the Midea Supplier Code of Conduct. Every year we review these terms with our compliance team, legal team, and third-party experts to ensure they meet the latest requirements, updating them immediately if necessary. All team members have a duty to promptly report any known or reasonably suspected policy violations, and the Company prohibits any form of retaliation for reports made in good faith.

b. *Supplier Due Diligence and Onboarding*

MACC and Midea Group apply strict onboarding criteria and review potential suppliers across multiple dimensions, including production capacity, quality, environmental protection, and labour practices. An environmental, social and governance ("ESG") assessment is carried out to comprehensively evaluate their labour management and other key performance areas. All supplier agreements explicitly prohibit forced labour and child labour.

4. Forced labour and child labour risks

MACC and Midea Group use both internal and third-party audits to review direct suppliers, indirect suppliers, and raw material suppliers for compliance with the Midea Supplier Code of Conduct. High-risk suppliers are identified through systematic analysis and are included in the full audit scope, which covers quality management and labour practices. Indirect suppliers also undergo regular and *ad-hoc* audits focusing on component quality, supply chain transparency, and labour management, while raw material suppliers are audited for quality, sourcing, and environmental and labour impacts.

In 2025, we conducted labour management audits of 2,396 suppliers; 99% complied with the labour standards of the Midea Supplier Code of Conduct. Twenty-three suppliers had non-conformities with the Midea Supplier Code of Conduct, primarily related to substandard workplace safety conditions and inadequate management system documentation. No supplier presented a high risk in labour management, specifically in relation to forced labour or child labour. With the support of Midea Group, all suppliers with non-conformities have completed corrective actions and passed final inspection.

On an ongoing basis, we assess the ESG management of all suppliers (direct, indirect, and raw material) through desk assessments and on-site reviews, with mandatory on-site audits for all high-risk direct and raw material suppliers. The assessments follow the Supplier Corporate Social Responsible Audit Form and evaluate compliance with the Midea Supplier Code of Conduct. Procurement processes are continuously monitored to ensure that selected suppliers strictly adhere to the Code.

5. Remediation measures and Remediation of loss of income

As part of our audit process, we have started the identifying risks of forced and child labour in our supply chains, which remains ongoing.

When issues relating to the enforcement of the Midea Supplier Code of Conduct are identified during audits, suppliers must implement rectification plans within a specified timeframe, and we verify the effectiveness of those plans. If significant or recurring ESG issues occur, suppliers are required to collaborate with Midea Group for an on-site investigation and must submit an analysis and rectification report within one week. For non-conformities with our , suppliers analyze the root cause, submit corrective and preventive action plans, and carry out the required corrective

actions. Where necessary, we provide one-on-one on-site coaching to improve their performance and ESG management capabilities. If a supplier fails to rectify non-compliant conduct as required, we suspend our cooperation with that supplier.

While our suppliers are generally committed to high ESG standards and we have procurement policies in place aimed at discouraging the use of forced labour and child labour, we acknowledge that we do not have full visibility over all tiers of our supply chain or our suppliers' sourcing practices. We also recognize that our industry may present an elevated risk of forced labour and child labour and that our supply chain extends into regions that may be more exposed to such risks.

To date, we have not been made aware of any specific instances of forced labour or child labour. Accordingly, no remediation measures have been required in relation to forced labour or child labour, nor have any measures been necessary to remediate any loss of income to vulnerable families resulting from such measures.

As reflected in the Midea Supplier Code of Conduct and consistent with our commitment to conducting business with integrity and fairness, any allegation, disclosure, or discovery of forced labour or child labour in our supply chains in contravention of Canadian law would be treated with the utmost seriousness by MACC. In such circumstances, we would ensure that an investigation is conducted as promptly as possible and, where appropriate, that corrective measures are implemented to address any identified risk.

6. Training and Capacity Building



MACC and Midea Group strengthens supplier capabilities through annual training and knowledge exchanges. We have built a supplier empowerment system covering labour management, quality management, and other critical areas. During the Reporting Period, we conducted 13 training sessions to communicate Midea Group's specific requirements and encourage the sharing of best practices. High-risk suppliers are required to attend at least one offline training session per year. Supply chain employees must also complete relevant training and pass an online examination, and refresher training is arranged whenever management requirements are updated.

7. Assessing the effectiveness of our approach

We will continue our efforts to identify, assess, and address risks of forced labour and child labour within our operations and supply chain. We intend to review our policies, procedures, and practices on a regular basis to determine whether any enhancements are necessary to further strengthen our commitment to preventing forced labour and child labour in our business and supply chains. By continuously assessing and improving our procedures, we aim to uphold ethical standards and promote responsible practices across all aspects of our operations.

8. Approval and Attestation

This report was approved by the Board of Directors of Midea (America) Canada Corp. on May 29, 2026 pursuant to paragraph 11(4)(a) of the Act and constitutes the report for the Company for the financial year ending December 31, 2025. In accordance with the requirements of the Act and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Field	Information
Signed by (full name) Jian Fu	Philip Xie
Title/Officer Position Director	Director
Date 03/06/2026	01/06/2026
Signature 	

I have the authority to bind the entity named in this report.