

2024 VELUX Canada Inc Report on Bill S-211 Addressing Modern Slavery in Supply Chain

Statement for the fiscal year ending 31 December 2024

Introduction

In compliance with the Bill S-211 Addressing Modern Slavery in Supply chains , the VELUX Group (VELUX) provides the following statement in relation to the prevention of slavery and human trafficking in our own business as well as in our supply chain. This statement is made pursuant Bill S-211 addressing Modern Slavery in Supply chains and constitutes our Group's slavery and human trafficking statement for the fiscal year ending 31 December 2024.

Modern Slavery is a crime and a violation of fundamental Human Rights. It can take many forms, such as, but not limited to: slavery, servitude, forced and compulsory labour and human trafficking, all of which amount to the depravation of a person's liberty by an individual or entity in order to exploit them for personal or commercial gain.

VELUX organization and supply chain

VELUX organization and supply chain VELUX operates a global sales, service and manufacturing network with 16 production sites in 9 countries and sales companies in 35 countries. Our product portfolio includes roof windows and skylights, modular skylights for commercial buildings, flat roof windows and sun tunnels, blinds and roller shutters, flashings and installation products and active (digital) products. Globally we employ around 11,000 highly skilled and dedicated employees. VELUX is headquartered north of Copenhagen in Denmark. The way we do business is defined in our Model Company Objective, which our founder Villum Kann Rasmussen formulated in 1965. With the Model Company Objective, we aim to set a positive example through our behaviour.

In 2020, VELUX launched its Sustainability Strategy 2030: a 10-year transformational journey in which we pioneer climate and nature action, innovate sustainable products, and secure a responsible business. We transform our high ambitions for sustainability into tangible actions across our company and value chain. This ensures that sustainability is truly integrated throughout our business from sourcing to production, people and products to sustainable building advocacy and product end-of-life.

VELUX policies

A number of VELUX Group policies set out our position and requirements connected to human rights and working conditions. These policies are developed based on the principles set forth in the International Bill of Human Rights and the core labour conventions of the ILO and with reference to the principles of the UN Global Compact and the UN Sustainable Development Goals.

The policies are publicly available on our homepage to demonstrate the high expectations we set for ourselves, our suppliers and our employees.

Sustainability Policy

The VELUX Group Sustainability Policy provides high-level guidance on how we conduct business. The main content relating to sustainability from our group policies is incorporated in the Sustainability Policy and we take a clear stance against forced labour, human trafficking and child labour in and beyond our value chain. Also, through our policy, we acknowledge our responsibility to respect freedom of association and collective bargaining and to ensure proper working conditions, non-discrimination and diversity in our entire organization.

The policy commits us to respecting human rights, including the principles set forth in the International Bill of Human Rights and the core labour conventions of the ILO. This includes avoiding infringing the rights of individuals, groups and communities through our business activities and relationships.

VELUX Code of Conduct for Employees

The VELUX Group Code of Conduct for Employees provides a guide to daily behaviour for all VELUX employees. The VELUX Code of Conduct builds on the 10 principles of UN Global Compact and our VELUX Values and serves as a guide to make the right choices. It describes the main principles of ethical behaviour and our expectations towards all VELUX employees within the following areas: human and labour rights, anti-corruption and business ethics, climate and environment, health and safety, information and data protection.

This includes a clear standpoint against: child labour, forced labour and human trafficking; discrimination and harassment, including physical punishment or other forms of physical, sexual, psychological or verbal abuse as a method of control in the workplace. The Code also includes our standpoint on respect for freedom of association and collective bargaining and requirements relating to basic working conditions.

VELUX Diversity, Equity and Inclusion (DEI) Policy

Our diversity, equity and inclusion (DEI) policy outlines our vision for DEI and serves as a guiding principle to foster a diverse, equitable and inclusive company culture that enables everyone to thrive.

Code of Conduct and Basic Working Conditions for Suppliers

The Code of Conduct and Basic Working Conditions for Suppliers (Code of Conduct for Suppliers) was introduced to ensure that all VELUX products and services are developed and manufactured in a responsible way throughout our value chain, including at sub suppliers. Like the high standards we set for ourselves, we expect our suppliers to share the commitment to these standards. It includes: our standpoint against forced labour, human

trafficking and child labour; how we expect our suppliers to respect freedom of association and collective bargaining; and how we expect them to ensure proper working conditions, non-discrimination against employees and their employees' right to privacy.

Supply chain due diligence

The VELUX Code of Conduct for Suppliers outlines our expectations for suppliers. Before a Supplier is approved, it must undertake a self-assessment which includes elements of our Code of Conduct for Suppliers. After selection, suppliers are audited using our Supplier Evaluation and Approval Process, which includes confirmatory checks of our Code of Conduct for Suppliers. The VELUX Group also reserves the right to monitor and audit, as appropriate, our suppliers' subcontractors to assess their compliance with our Code of Conduct for suppliers.

Compliance with the Code of Conduct for Suppliers is a KPI of VELUX. Compliance is monitored through scheduled re-evaluation activities and non-compliance is categorized in terms of severity ("major" and "minor"). Where non-compliance is identified, we request corrective action plans, and we undertake follow-up visits to ensure that improvements are made. The process to identify and close off "minor" non-compliance involves sign off at Manager level. For non-compliance categorized as "major" the sign off must occur at Director Level. Our first choice is to offer support and advice to suppliers, to enable the supplier to implement and comply with the Code of Conduct for Suppliers. However, if requested improvements do not progress in an acceptable manner, we reserve the right to bring the cooperation to an end.

We are currently working to strengthen our risk assessment and screening processes, in line with upcoming EU Directives. During 2022, we introduced a new due diligence process to screen our new and existing suppliers before contract signing. We are in the process of expanding our audit team to strengthen the audit of relevant risks associated to human rights and labour rights, including the risk of modern slavery issues.

In 2023, A team new team structure was established to strengthen our supply chain due diligence further. Human and labour rights also was considered in our 2023 Double Materiality Assessment of our risk and opportunities and their impact in our full value chain.

Risk identification

VELUX main risk for modern slavery is associated with our sourcing of goods and services in our supply chain. We have identified that our main risks are associated with our material sourcing of semi-processed goods and raw material for our products. But we also see smaller transactional suppliers and larger purchases within indirect procurement, such as electronics, as risk areas.

Training

Our supplier Supplier Quality and ESG & Compliance teams undergo mandatory training to ensure that forced labour and child labour are not being used in the Organization and our supply chains.

Training for VELUX procurement category managers took place during 2023. General awareness training will continue in 2025 on CSRD and ESRS, including Human Rights training.

Speak Up line

Our Whistle-Blower System, can be used to report illegal or unethical business behaviour or breaches with our Codes of Conduct. The whistle-blower system can be used by employees, business partners, suppliers, customers and any other stakeholders, to report serious concerns in a secure and confidential way. All reports will be fully investigated and appropriate remedial actions taken. VELUX ensures anonymity and confidentiality to everyone involved in the investigation.

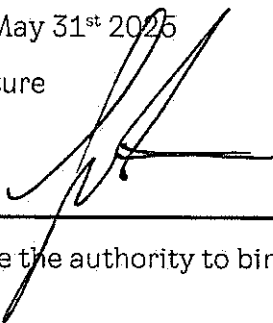
"In accordance with the requirements of the Act, and particular section 11 thereof, I attest that I have reviewed the information contained in the report for VELUX Group. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the Reporting year listed above."

Full Name Lars Petersson

Title CEO, The VELUX Group

Date May 31st 2025

Signature



"I have the authority to bind VELUX Group"