



SAVARIA CORPORATION

2023 Report

on Forced Labour and Child Labour
in Supply Chains

1. INTRODUCTION

This report (“**Report**”) is produced by the Savaria Corporation (“**Corporation**” or “**Savaria**”) and is designed to meet the Corporation's reporting obligations under *The Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“**Act**”). The Act requires that Savaria submit an annual report which describes the steps that it took during its previous fiscal year which commenced on January 1, 2023 and ended on December 31, 2023, to prevent and reduce the risk that forced labour or child labor is used at any step of the production of goods in Canada or elsewhere by Savaria or of goods imported into Canada by Savaria.

2. BACKGROUND AND STRUCTURAL INFORMATION

Savaria’s common shares are listed on the TSX under ticker symbol SIS and was incorporated by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta) on October 25, 1999.

The following table indicates Savaria’s principal subsidiaries and their jurisdiction of incorporation or formation as of December 31, 2023, all of which are wholly owned.

| <i>Subsidiary</i> | <i>Jurisdiction of Incorporation or Formation</i> |
|------------------------------------|--|
| Savaria Concord Lifts Inc. | Ontario, Canada |
| Savaria USA Inc. | Vermont, USA |
| Span-America Medical Systems, Inc. | South Carolina, USA |
| Span Medical Products Canada ULC | British Columbia, Canada |
| Garaventa USA Inc. | Illinois, USA |
| Garaventa (Canada) Ltd. | British Columbia, Canada |
| Handicare Stairlifts B.V. | The Netherlands |
| Handicare Accessibility Ltd. | United Kingdom |
| Handicare Canada Ltd. | Ontario, Canada |
| Handicare USA LLC | Delaware, USA |

Certain subsidiaries whose assets did not represent more than 10% of the Corporation’s consolidated assets or whose revenues did not represent more than 10% of the Corporation’s consolidated revenues as of December 31, 2023, have been omitted. The subsidiaries that have been omitted represent, as a group, less than 20% of the consolidated assets and revenues of the Corporation as of December 31, 2023. This table does not include subsidiaries whose primary role is to hold investments in other Savaria subsidiary entities.¹

3. OVERVIEW OF THE BUSINESS

Savaria is a global leader in the accessibility industry, which provides solutions for the elderly and physically challenged to improve their comfort, mobility and independence. The Corporation has one of the most comprehensive product lines in the industry.

The head office is located at 4350 Highway 13, Laval, Québec, Canada H7R 6E9. and its approximately 2,400 employees are located throughout the global manufacturing network which has six plants in Canada (Laval and Magog (Québec), Brampton, Beamsville and Toronto (Ontario) and Surrey (British Columbia)), two in the United States (Greenville (South Carolina) and St. Louis

¹ These are examples of the holding subsidiary entities: 15565375 Canada Inc., Savaria Holding USA Inc., Savaria (Sweden) AB, Savaria Holding (Sweden) AB and Handicare Holding Limited.

(Missouri)), one in Querétaro City (Mexico), five in Europe (Milan (Italy), Newton Abbot, Birmingham and, Kingswinford (UK) and Heerhugowaard (Netherlands)), and two in China (Huizhou and Xiamen). Savaria has direct sales offices in Canada, the United States, in seven European countries (Switzerland, Netherlands, Germany, Italy, Czech Republic, Poland and United Kingdom), Australia and China. It also operates an extensive worldwide dealer network.

3.1 ACCESSIBILITY SEGMENT

Through its *Accessibility* segment, Savaria designs, manufactures, distributes and installs accessibility products such as stairlifts for both straight and curved stairs, vertical and inclined wheelchair lifts and elevators for home and commercial use. The products are manufactured, assembled, and customized at the Brampton (Ontario Canada), Surrey (B.C., Canada), and Milan (Italy) plants. Through the acquisition of Handicare Group AB, products are now also manufactured, assembled, and customized at the plants located at Kingswinford, Xiamen and Heerhugowaard. The opening of the Querétaro (Mexico) plant additionally enables Savaria to manufacture, assemble and customize products.

Savaria's products are distributed worldwide under the Savaria, Garaventa and Handicare trademarks through a network of over 1,000 dealers as well as 30 direct sales offices, through which the Corporation provides maintenance services.

Through its Silver Cross division in Canada, the Corporation operates a network of franchises and corporate stores in which new and refurbished accessibility equipment is sold.

Until January 31, 2024, the Corporation served the Canadian marketplace with both personal use and commercial use designs for wheelchair passengers and drivers. Savaria designed and built lowered-floor wheelchair accessible conversions for popular brands of minivans. Side-entry access vans were built at its Van-Action (2005) Inc. division in Laval, while rear-entry access vans were completed at Freedom Motors Inc., in Toronto. Silver Cross Automotive served as a retailer of these products, along with other adaptation products in Ontario, Alberta and B.C. As of February 1, 2024, the transaction to sell this division was closed and it is no longer part of Savaria.

3.1.1. RESEARCH, DEVELOPMENT AND SUPPLIERS

Savaria designs, manufactures, and tests its accessibility products and elevators at its plants in Brampton (Ontario, Canada); Surrey (B.C. Canada); Heerhugowaard (The Netherlands); Kingswinford (UK); Milan (Italy); and Querétaro (Mexico). In 2023, Savaria developed crash-tested designs, and converted, and distributed lowered-floor minivans to accommodate people in wheelchairs.

The Corporation operates research and development centers in Brampton, Surrey, Huizhou, Heerhugowaard, and Kingswinford.

The Huizhou and Xiamen plants, both in China, as well as the Querétaro (Mexico) plant are the main suppliers of parts and components for the North American and European Savaria plants. At these plants, they also assemble product components and finished products mainly for the benefit of the Corporation and for the sale of products on the North American, Asian, European, and Australian markets. The customized parts are manufactured at facilities located in Brampton, Surrey, Kingswinford and Heerhugowaard.

3.2 PATIENT CARE SEGMENT

From its facility in Magog (Québec, Canada), Savaria designs and manufactures an innovative ceiling lift product line designed to meet the needs of patients and caregivers by safely repositioning patients in bed or proceeding with a transfer of a patient from wheelchair to bed or bath areas using the overhead ceiling lift.

Savaria, through its Patient Care divisions, makes medical beds, therapeutic support surfaces and pressure management products used in healthcare facilities such as long-term care and nursing homes by operating and manufacturing in Greenville (South Carolina, USA) (surfaces), and Beamsville (Ontario, Canada) (beds). Savaria also sells its patient care product line to home care and institutional sales channels through approximately 35 sales representatives in North America. Through its UK based division based in Newton Abbot, Savaria manufactures patient transfer slings and accessories which are branded Silvalea. It specializes in the design and development of challenging and complex patient transfer solutions, with an extensive catalog of over 800 sling designs.

At the Beamsville (Ontario Canada) facility, Savaria designs and manufactures therapeutic bed frames.

At the Greenville (South Carolina, USA) facility, Savaria designs and manufactures therapeutic support surfaces, patient positioners, mattress overlays and wheelchair cushions for the medical market. At the St. Louis (Missouri, USA) and Magog (Québec, Canada) facilities, Savaria manufactures ceiling lifts and slings for patient transfer in the institutional and home care markets, which are also manufactured at the Newton Abbot (UK) facility and distributes through its St. Louis (Missouri, USA) facility complementary third-party products including a variety of patient floor lift models.

3.2.1. RESEARCH, DEVELOPMENT AND SUPPLIERS

The Magog (Québec, Canada) location is the centre for research and development and the manufacturing of ceiling lifts and slings. Savaria maintains engineering departments in its Greenville (South Carolina, USA), Beamsville (Ontario, Canada), and Newton Abbot (UK) for new-product development.

All component parts for the beds manufactured in Beamsville (Ontario, Canada) are either manufactured directly by the Corporation or purchased from local suppliers based on the Corporation's product specifications.

The components used for the manufacturing of ceiling lifts and slings and manufactured products that contain electrical components and pumps; and the raw materials for the mattresses and the beds and slings, are purchased from various suppliers within the plants' territories.

4 CODE OF CONDUCT, COMPLEMENTARY POLICIES, GOVERNANCE AND ESG

Savaria established an infrastructure of conduct that is based on its [Code of Conduct and Ethics](#) ("**Code**"), complementary policies and continuous evaluation by its Corporate Governance and Human Capital Committee ("**Committee**").

On February 12, 2019, Savaria finalised its Code, which covers business practises and personal conduct. It applies to everyone working for the Corporation, its subsidiaries and affiliates, and must be reviewed and signed by new employees as part of the onboarding process. The employment contract states that the employee must comply with the Code for the duration of employment. The Code details the standards of behaviour expected from everyone to whom it applies in their daily activities and dealings with others. The Code and its complementary polices such as the Clawback

Policy (discussed below) outline the key responsibilities of the Corporation's leaders who are to act as role models and reflect the Code's core belief that acting "... in an ethical, sustainable and socially responsible manner. Respect for human rights is an integral part of Savaria's values base."

The Code also covers conduct with suppliers, "*Suppliers and partners are expected to act in accordance with ethical standards which are consistent with Savaria's ethical values.*" The Corporation is mindful that not all the jurisdictions within which it operates have the same types of protections for workers and children, and for this reason, its double-pronged approach for denouncing unethical conduct is important, because the Corporation expects that if its employees are aware of a possible violation of the Code that they will denounce it. The Code protects individuals who come, "*across cases of ethical doubts or breaches of Savaria's ethical requirements...*" These individuals may remain anonymous and, "*... will be protected from threats of retaliation, discharge or other types of discrimination...*" Furthermore, its whistleblowing policy, handles any complaints related to accounting and auditing matters; it is attached as Schedule B to the Code.

Moreover, the Committee's role is to advise the Corporation's board ("**Board**") in carrying out its responsibilities by dealing with matters related to corporate governance, ethics, compensation and human resources matters and making recommendations to the Board as appropriate. The Committee is comprised of independent directors who have overseen the development of the Clawback Policy which allows the Corporation to recoup incentive-based compensation from past or current director, executive officer or senior manager who commits a material violation of the Code.

Part of the Committee's core duties and responsibilities are directly related to ESG, as stated in the Corporation's [Proxy 2023 Circular](#):

- *Oversee and advise the Board on the Corporation's goals, strategies and commitments related to sustainability and environmental, social and governance matters (i.e. ESG), including climate risks and opportunities, human rights and human capital management, community and social impact, and diversity and inclusion.*
- *Commit to maintaining continuous oversight in the management of the Corporation's environmental impact and to the long-term goal of developing sustainable business practices, including developing ESG priorities with management as part of the Corporation's strategic oversight and ensuring tangible metrics are put in place to reward management for executing on these priorities.*
- *Oversee and advise the Board on the Corporation's sustainability and ESG related engagements efforts with shareholders and other key stakeholders.*

In 2023, the Corporation committed to aligning its business with the Sustainable Development Goals ("**SDG**"), as outlined in its [ESG Report 2023](#). While Savaria strives to contribute to all 17 SDGs, one of its foci is SDG 8 Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all. As part of this goal, Savaria intends to offer employee training sessions and skill building workshops.

5. STEPS THAT THE CORPORATION HAS TAKEN IN 2023 AND MOVING FOWARD

As of the publication date of this Report, the Corporation is still working on its mapping exercise begun in 2023, in which the Corporation is assessing the locations and labour risks associated with its tier 1 (direct) suppliers based on the [Walk Free Global Slavery Index](#). Based on its preliminary research, Savaria observes that the majority of its plants and offices are located in jurisdictions that have extensive protection for workers, so the Corporation is confident that the vast majority of its employees are of legal working age and are working in safe environments that align with the Code.

Despite this positive preliminary research, Savaria is committed to detecting and routing out forced and child labour from every step of its supply chains.

Given the Corporation's presence in the UK through its subsidiary Handicare Accessibility Ltd., it is subject to the United Kingdom's *Modern Slavery Act 2015*, and files accordingly. Consequently, in 2023 Savaria identified this subsidiary as a potential source for models on how to address forced and child labour

In 2023, Savaria also started to draft a corporate-wide code of conduct for suppliers, and is actively consulting existing codes, purchasing policies and handbooks that are used by affiliates. As Savaria maps the locations of the suppliers and can assess their labour frameworks, the Corporation will be able to draft a code that reflects both the Code and the reality of its suppliers.

5.1 CORRECTIVE MEASURES

As outlined in section 4, the Code and its complementary policies play an important role in ensuring that the Corporation meets its high standards. The mechanism for whistleblowing is deliberately simple to encourage the divulgence of concerns, in that an individual may simply contact a direct superior or the Chief Legal Officer and Corporate Secretary directly to start the process. In 2023, no complaints about unethical conduct were received and the Corporation remains vigilant of its obligations under the law and duties under the Code.

5.2 TRAINING

The Corporation acknowledges that as of the date of the Report, it does not offer training to its employees on the issues of forced and child labour, but its Code has outlined several compliance measures to ensure that everyone understands and adheres to the Code, including providing information sessions to management and ensuring awareness by all of its employees, and given its commitment to SDG #8, the Corporation is evaluating what training measures are available to its employees. The Corporation will also consult existing training precedents from its affiliates, such as newsletters, existing courses, and identifying which positions require specialised training, to develop a training program.

5.3 ASSESSING EFFECTIVENESS

Savaria has an infrastructure of conduct and is present mainly in highly regulated jurisdictions such that it is already minimising within its own organisation the risks presented by forced and child labour. While Savaria has not yet taken any actions to assess the effectiveness of the foregoing on its suppliers, it intends to assess the effectiveness in preventing and reducing the risks of forced labour and child labour in its activities and supply chains at a later stage.

5.4 MOVING FORWARD

The Corporation intends to complete its 2023 initiatives. It will also carefully plan to develop in the coming years due diligence processes; identify activities that carry a risk of forced labour or child labour; develop training programs; confirm if the Corporation has identified forced labour or child labour risks; evaluate if the Corporation can take measures to remediate any forced or child labour and the loss of income to the most vulnerable families; and develop policies and procedures to assess its effectiveness.

6 ATTESTATION

This report was approved by the board of directors of the Savaria Corporation, the whole in conformity with the Act:

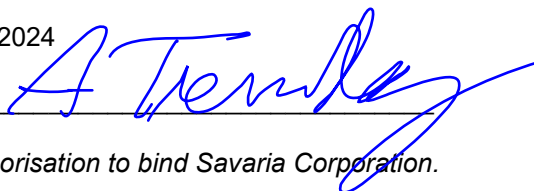
In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report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

Name: ALAIN TREMBLAY

Title: Board member and Chair of the Corporate Governance and Human Capital Committee

Date: May 29, 2024

Signature: _____



I have the authorisation to bind Savaria Corporation.

SAVARIA CORPORATION

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