

# 2024 Forced Labor in Canadian Supply Chain Report

Generac Power Systems Inc. & ECOBEE Technology ULC

Financial reporting year: **2024**

This is the first 2024 version of the report.

Canadian Business Number:

139346167 – Generac Power Systems, Inc.

845307594 - ECOBEE Technology ULC

Joint Report

**Generac Power Systems, Inc. (Generac)**, Waukesha, Wisconsin, USA

- Does business in Canada,
- Has generated at least \$40 million in revenue for at least one of its two most recent financial years, and,
- Employs an average of at least 250 employees for at least one of its two most recent financial years.

**ECOBEE Technology ULC** - Canadian business presence, Toronto, Ontario, Canada

- Has a place of business in Canada,
- Does business in Canada,
- Has assets in Canada,
- Has generated at least \$40 million in revenue for at least one of its two most recent financial years, and,
- Employs an average of at least 250 employees for at least one of its two most recent financial years.

## Sector / Industry

Generac Power Systems - ECOBEE
Manufacturing; Power Generation; Technology.

## Requirement (a) – Structure, activities, and supply chains

### Corporate Ownership Structure:

GENERAC HOLDINGS INC. – Corporation



Generac Power Systems Inc. – Corporation



Ecobee Technology ULC – Corporation

### Company Overview:

#### **GENERAC**

[Generac Power Systems, Inc.](#) is a leading global energy technology company, offering advanced power grid software solutions, backup and prime power systems for home, commercial, and industrial (C&I) applications, solar + battery storage solutions, energy management devices and controls virtual power plant platforms, and engine- and battery-powered tools and equipment. Established in 1959 and a wholly owned subsidiary of Generac Holdings, Inc., a public company traded on the New York Stock Exchange, , Generac Power Systems revolutionized the industry by introducing the first affordable home standby generator category, and it is committed to providing resilient, efficient, and sustainable energy solutions. Given the current electrical grid's limitations, Generac Power Systems is accelerating the transition to a more distributed and sustainable approach for tomorrow's energy needs.

#### **ecobee**

ecobee Inc. is a leading global designer and manufacturer of energy technology solutions and other power products. ecobee was founded in 2007 with a mission to improve everyday life while creating a more sustainable world. Since launching the world's first smart thermostat in 2009, ecobee has helped customers across North America save over 28 TWh of energy, which is the equivalent of taking all the homes in Los Angeles and Chicago off the grid for a year. Today, ecobee continues to innovate with smart home solutions that solve everyday problems with comfort, security, and conservation in mind. With ecobee's devices and services, including the Smart Security System and the award-winning Smart Thermostat Premium, ecobee continues to encourage Smart Owners to re-imagine what home could be. In 2021, Generac Power Systems acquired ecobee with a goal of executing a shared vision to create cleaner and more sustainable communities of the future with more resilient, efficient, and secure homes and businesses. For more information, visit [ecobee.com](https://ecobee.com). For ease of reference throughout this report, Generac Power Systems and ecobee are collectively referred to as "Generac."

## Manufacturing

Generac operate numerous manufacturing plants and distribution facilities and maintain inventory globally. Finished goods are stored at third-party logistics providers in the United States & Canada that accommodate material storage and the rapid response requirements of customers.

## Suppliers of Raw Materials

Generac sources raw materials and finished goods from a global supply base. With Generac's growing emphasis on energy technology solutions, there is an increased importance given to advanced electronic components, microprocessors, and batteries within the supply chain. Suppliers are continuously evaluated on quality and cost-effectiveness, and the ability of the supplier to meet the demands of the business.

## Requirement (b) – Policies and due diligence processes

Generac & its subsidiaries have established a Human Rights policy, which may be found on its website,

[Human Rights policy](#), prohibiting the use of forced labor or child labor:

- **Prohibition on Forced Labor & Child Labor:**

All individuals have the right to safe, fair, ethical, and humane working conditions, including no forced labor, compulsory labor, child labor, modern forms of slavery, bonded labor, and any form of human trafficking.

Generac requires its suppliers to acknowledge its [Supplier Code of Conduct & Sustainable Procurement Policy](#) on an annual basis.

Generac has an anonymous [Helpline](#) to raise concerns about unethical or improper behavior, including the use of forced labor or child labor in the manufacture of products, components, or raw materials, whether within Generac or its supply chain.

## Requirement (c) – Forced labor and child labor risks

### Strategic Global Sourcing – Risk Assessment

New Generac suppliers must complete a comprehensive risk assessment. In addition to demonstrating capabilities, suppliers are asked to provide supporting documentation on how they adhere to Ethical Labor practices and uphold Human Rights within their supply chains. Suppliers may be asked to demonstrate environmental compliance practices, as well as ethical supply chain trade association membership. As necessary, Generac may conduct further assessments based on the supplier's response and be placed on hold until satisfactory responses and documentation can be provided.

### DPS – Denied Party Screening Program

Generac uses a **Denied Party Screening** program that screens business partners against more than 300 sanctioned entity lists issued by 53 different countries. The DPS program utilizes an automated tool that connects with Generac's ERP system and conducts the screening behind the scenes when business transactions are conducted within the system. The system screens for every client, vendor, third party service provider.

Some of the most important denied party lists we screen against in the US include:

- **UFLPA - Uyghur Forced Labor Prevention Act**
- **OFAC - Office of Foreign Assets Control**
- **BIS - Bureau of Industry and Security list**

Generac's Trade Compliance department manages denied party screening activities. Each operating entity within Generac has a designated user that has been trained in sanctions, screening processes and escalation processes. When the user confirms a potential flagged partner, additional data will be collected to confirm the match between the sanctioned entity and the partner: e.g. date and place of birth. If the match is substantial, Generac will not proceed with the transaction and the entity will be blocked in our ERP system. A dedicated intranet website page has been created and updated regularly by the Trade Compliance team.

News about new sanctions and newly sanctioned entities are shared with relevant departments. Reverse search is also regularly implemented, by searching for the sanctions entities name in our partner database for any potential match. Any potential match has been reviewed, blocked, or approved by the Trade Compliance department and Legal Counsel.

## Requirement (d) – Remediation measures

If forced labor is discovered within Generac's supply chain, immediate action will be taken to investigate the situation thoroughly, remove the affected individuals from harm, and collaborate with relevant authorities and stakeholders to address the issue effectively. This may include terminating relationships with suppliers involved, implementing corrective measures to prevent recurrence, providing support to affected workers, and reinforcing our commitment to ethical sourcing practices through enhanced monitoring and transparency measures.

## Requirement (e) – Remediation of loss of income

Forced labor has not been identified within Generac's supply chain, and therefore no action has been necessary to remediate loss of income for any families in 2024. Generac remains committed to upholding ethical sourcing practices and will continue to diligently monitor and assess its supply chain to ensure compliance with its standards of integrity, respect for human rights, and responsible business conduct.

## Requirement (f) – Training

### DPS – Denied Party Screening

Generac employees responsible for denied party screening receive training on forced labor sanctions lists, other global sanctions, the screening tool, and penalties for non-compliance. User activity is monitored monthly to ensure screenings are conducted regularly and, if necessary, escalation of support and/or training. The training instructs users to pay special attention to any partner located in or doing business in the Xinjiang region of China, which has been identified as a high-risk area for forced labor by the International Labor Organization.

## Preventing Forced Labor in Our Supply Chain

In 2024, Generac took a significant step in ensuring ethical practices within its supply chain by developing a comprehensive, three-module training program aimed at preventing forced labor.

1. Indicators of Forced Labor: provides a high-level overview of the 11 key indicators, as named by the International Labor Organization (ILO)
2. Major Risk Areas for Forced Labor: addresses major risk areas such as recruitment processes, the targeting of vulnerable populations, complexities within extended supply chains, and the heightened risks associated with specific geographical locations.
3. International Requirements Surrounding Forced Labor: addresses the legislative frameworks and best practices established to prevent forced labor effectively, including, but not limited to the Forced Labor Convention by the ILO, the Universal Declaration of Human Rights, the Uyghur Forced Labor Prevention Act.

Participants are guided through the essential steps that our company must adhere to in order to align with these regulatory measures and foster a compliant and ethical working environment. For each module, a corresponding quiz was prepared to assess employee's understanding and retention of the material presented. This training is a mandatory requirement for all employees and must be completed annually.

In 2024, over 440 employees from various locations across the United States, Canada, and Great Britain were enrolled into the mandatory training, and in 2024, 290 completed the program (66%), reaffirming Generac's commitment to upholding ethical standards and safeguarding human rights throughout its operations.

In 2025, we plan to expand the mandatory training to our Spanish, Italian and German speaking organizations.

## Requirement (g) – Assessing effectiveness

As described above, Generac employs due diligence and risk assessments to evaluate new suppliers for potential compliance risks, including forced labor and human rights. On an annual basis, Generac requires all suppliers to certify compliance with its Supplier Code of Conduct & Sustainable Procurement Policy, which explicitly prohibits the use of forced labor in any form. This code outlines Generac's expectations regarding fair labor practices, human rights, and ethical business conduct. Suppliers are required to sign agreements acknowledging their understanding and acceptance of these principles before any collaboration begins.

Furthermore, we prioritize partnerships with suppliers who demonstrate a commitment to ethical labor practices through certifications. These certifications provide independent verification of a supplier's compliance with international labor standards and help ensure transparency and accountability throughout the supply chain. Through our investigations and audits conducted within our supply chain in 2024 we have not identified any forced labor practices. Regular monitoring and auditing are integral components of our approach to preventing forced labor in our supply chain. We conduct periodic audits to assess compliance with our Supplier Code of Conduct and investigate any reports or suspicions of unethical labor practices promptly.

**SIGNATURE**

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.

**Brian Cothroll**Vice President & Deputy General Counsel  
5/13/2025

I have the authority to bind GENERAC Power Systems Inc.

**Josh Huizenga**Senior Director Supplier Management  
5/13/2025

I have the authority to bind ECOBEE Technology ULC.