



# 2024 Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

## 2024 Report – Introduction

This report has been jointly prepared by Amax Leather Canada Ltd., Campbell Warehousing Ltd., and Delta Berg Holdings Ltd. (collectively “AMAX”) in response to the requirements under Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) for our financial year ending May 31, 2024.

AMAX is committed to combatting forced labour and child labour in our operations and supply chain. We recognize the importance of upholding human rights and ethical standards and are dedicated to ensuring that forced labour and child labour have no place in our business or the businesses we work with. As part of our commitment, we conduct due diligence on our suppliers to assess and address potential risks related to modern slavery. We expect our suppliers to comply with all relevant laws and regulations regarding labour practices.

## Organizational structure, activities, and supply chain

AMAX is a group of privately owned companies operating in the furniture industry since 1994. We sell leather and fabric furniture products to retailers in Canada and the United States. Our headquarters are in Delta, British Columbia. We have approximately 30 employees in Canada.

We take great care to ensure that every piece of furniture we sell meets high standards of quality and craftsmanship. AMAX requires our vendors and their subcontractors to operate lawfully and to conduct their activities in a socially and environmentally responsible manner.

We sell leather sofas, sectionals, and recliners that are designed in North Carolina. We maintain a strategic partnership with a trusted furniture manufacturer in China that has a rich heritage in the furniture industry and well-established production facilities. We have visibility over the source of our leather suppliers to ensure consistent product quality.

## Steps to prevent and reduce the risks of forced labour and child labour

AMAX took the following steps to prevent and reduce the risks of forced labour or child labour in our operations and supply chain:

- Implementing due diligence policies and processes to identify, address, and prohibit the use of forced labour and child labour in our supply chain
- Implementing a Supplier Code of Conduct that expressly prohibits the use of forced labour or child labour
- Implementing a Human Rights Policy that prohibits the use of forced labour, child labour, and modern slavery within our operations and supply chains
- Requiring our suppliers to attest that they respect and comply with applicable health, safety, environmental, and employment regulations
- Adopting a supplier audit process that involves conducting on-site visits and inspections to evaluate operational processes, facilities, and working conditions, ensuring compliance with safety, environmental, and labour standards
- Training our employees to recognize and report any indicators of forced labour and child labour



## Policies and due diligence processes

AMAX policies are aimed at promoting social responsibility by prioritizing the health, safety, and well-being of our employees, promoting human rights and diversity, as well as engaging with suppliers who share our commitment to ethical business practices, and fair labour standards. AMAX believes that every individual has the right to work in a safe and dignified environment, free from exploitation and coercion.

Our Code of Conduct outlines the ethical and behavioral standards that we expect of our employees, contractors, and stakeholders. We comply with all applicable laws, regulations, and industry standards in Canada and other jurisdictions where we operate, and we expect our employees to stay informed about legal requirements relevant to their roles. We promote a workplace culture that values respect, diversity, and inclusion, and maintain a safe working environment and adhere to health and safety guidelines and protocols. Employees are encouraged to report any violations of the Code of Conduct or ethical concerns through designated internal reporting channels.

Our Supplier Code of Conduct (“Supplier Code”) sets standards of ethical conduct which AMAX requires from our suppliers, including to ensure safe and fair working conditions and promote responsible business practices. Accordingly, under our Supplier Code:

- AMAX commits to working with suppliers, agents, consultants, and other third parties and business partners, who share our commitment to be socially and ethically responsible.
- We require our suppliers to comply with all applicable laws, regulations, and industry standards, especially regarding work hours, minimum wage, minimum age, overtime, rest period requirements, and the rights of employees to freely associate, organize and bargain collectively.
- We encourage our suppliers to support the principles of the United Nations Global Compact and the International Labour Organization (“ILO”) Core Standards and Declaration on Fundamental Principles and Rights at Work.
- We are committed to the elimination of the worst forms of child labour and our suppliers are strictly prohibited from using child labour in accordance with ILO Conventions.
- We prohibit the use of forced, bonded, compulsory labour or any form of modern slavery by our suppliers.
- Our suppliers are prohibited from engaging in or benefitting from any form of human trafficking.
- Our suppliers must not employ individuals below the minimum age permitted by local law and the core ILO standards, including ILO Convention 138.
- We commit to inclusivity, diversity, and tolerance and our suppliers are expected to promote an inclusive work environment that celebrates the diversity of its employee base free from discrimination and harassment.
- We require our suppliers to provide a safe, clean, and healthy work environment and abide by all applicable laws with respect to occupational health and safety.
- Workers have the right to leave work and freely terminate their employment within legal notice period requirements.

Our Procurement Policy and Procedures describes our purchasing processes and sourcing strategies. We require our employees to uphold ethical conduct, social responsibility, transparency, auditability and accountability, and sound risk management in the context of procurement. This policy applies to all procurement at AMAX.

Our Human Rights Policy reflects our commitment to uphold the human rights and wellbeing of individuals associated with AMAX, including our employees, customers, suppliers, and communities. We are dedicated to providing a safe and healthy work environment that is free from discrimination, harassment, and exploitation. We strictly prohibit forced labour, child labour, and modern slavery within our operations and supply chains. We expect our suppliers and business partners to share our commitment to human rights.



## Assessing forced labour and child labour risk

AMAX recognizes the importance of assessing supply chain risks to ensure the resilience and sustainability of our operations. We are aware of reported risks of forced labour and child labour in the global manufacturing and raw materials supply chain, including with respect to leather production. We prioritize ethical sourcing and responsible business practices throughout our supply chain. Our commitment to ethical business practices extends beyond Canadian borders. AMAX's direct suppliers must attest that they respect and comply with all applicable health, safety, environmental, and employment regulations. Any known violations or inability to provide the appropriate evidence disqualifies a supplier from the procurement process.

## Remediation measures and remediation of loss of income

AMAX encourages the reporting of concerns related to human rights violations through our designated channels. We prohibit retaliation against individuals who report grievances, and we are committed to promptly addressing and remediating any violations or concerns related to labour rights within our operations and supply chain. Our Code of Conduct and Human Rights Policy includes a Remediation of Labour Rights Policy, which outlines our approach to identifying, addressing, and mitigating labour rights issues to uphold ethical standards and promote a fair and respectful workplace environment. We implement targeted remediation measures, which includes improving working conditions, addressing wage discrepancies, and facilitating collective bargaining processes.

To date, we have not received any complaints relating to forced labour or child labour in our operations or supply chain, and as such have not taken any substantive remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

## Employee training

We recognize the importance of training and educating our employees on labour rights principles, ethical practices, and compliance requirements to ensure a respectful and supportive workplace environment. Our Procurement Policy provides for the continuous improvement of our staff engaged in procurement processes.

Our employees involved in our supply chains and procurement decisions are trained on recognizing and reporting any indicators of forced labour and child labour, and we maintain robust processes for investigating and addressing any allegations or concerns. We are committed to transparency and accountability in our efforts to combat modern slavery, and we continuously seek to improve our practices to uphold human rights across our operations.

## Assessing effectiveness

Our supply chain risk assessment process is designed to identify, evaluate, and mitigate potential risks that could impact the continuity of supply, quality, or ethical standards within our supply network. We hold ourselves accountable for upholding our Human Rights Policy and continuously improving our practices.

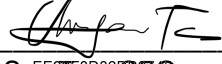
In abiding with the principles of our Supplier Code, we require our suppliers to maintain documentation to demonstrate their compliance with the Supplier Code. Suppliers are expected to demonstrate compliance with the Supplier Code upon our request. Through audits, assessments, and feedback mechanisms, we ensure that our suppliers align with our values and meet our expectations. Moving forward, our supplier audit process will include bi-annual on-site visits and inspections by the AMAX procurement team to evaluate operational processes, facilities, and working conditions, ensuring compliance with safety, environmental, and labour standards.



## Approval and attestation

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 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.

Dated in the City of Delta, British Columbia, this 30 day of May, 2024.

DocuSigned by:  
  
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Chang Suo Tan, CEO

I have the authority to bind the AMAX.