



FGI Canada Ltd.

ANNUAL REPORT

PURPOSE

This annual report for the 2023 financial reporting year has been created by FGI Canada LTD. (“**FGI Canada**”) for the sole purpose of meeting its obligations and reporting requirements for entities pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act, SC 2023, c 9* (the “**Act**”).

OUR COMMITMENT

FGI Canada is committed to preventing and reducing the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere, including goods that FGI Canada imports into Canada.

CATEGORIZATION, SECTOR, AND INDUSTRY

FGI Canada is an entity under the Act

In terms of the Act’s threshold requirements, FGI Canada has at least \$20 million in assets for at least one of its two most recent financial years and has generated at least \$40 million in revenue for at least one of its two most recent financial years.

Our Operations

FGI Canada is a wholly owned subsidiary of FGI Industries, Ltd. (“**FGI industries**”) and operates in wholesale trade. Based outside of Toronto, FGI Canada is the sole Canadian division of FGI Industries and serves the kitchen and bath industries.

STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Our Supply Chain

FGI Canada primarily imports sanitaryware (primarily toilets, sinks, pedestals, and toilet seats), bath furniture (vanities, mirrors, and cabinets), shower systems, custom kitchen cabinetry and other accessory items from a select shortlist of trusted suppliers who are primarily located in Asia.

Steps Taken by FGI Canada in 2023

To prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada, FGI Canada undertook an external assessment of risks of forced and child labour, including performing Retail Ethical Sourcing Assessments (“**RESA**”) audits on its overseas suppliers, which specifically ask questions related to the uses of child labour and forced labour. FGI Canada also implemented various policies and procedures that help to mitigate the risk of child labour and forced labour, which are discussed below.



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POLICIES AND DUE DILIGENCE PROCESSES

FGI Canada's Policies and Processes

FGI Canada maintained several policies and processes which affirm its commitment to abiding by applicable forced labour and child labour laws, including:

- a) FGI Canada has adopted and is informed by FGI Industries' supplier policy, which allows FGI Canada to terminate business with a supplier at any time for non-compliance. The policy prohibits all forms of forced labour and suppliers need to comply with other forms of modern slavery legislation. The policy also specifically prohibits the use workers that are below the local legal work age; and any workers younger than 15 years old. More generally, the policy requires suppliers to operate in full compliance with all applicable laws and regulations of the countries in which they operate.
- b) FGI Canada also receives Retail Ethical Sourcing Assessment ("RESA") audit reports for overseas suppliers. These RESA reports help reveal information on the use of child labour and forced labour within the supplier's business. This greatly helps FGI Canada assess whether or not the suppliers they choose to source their goods from are behaving in an ethical fashion and greatly reduce the risk of child labour or forced labour being present in the supply chain.
- c) FGI Canada is informed by FGI Industries' Corporate Citizenship statement. The statement maintains a commitment to the responsible sourcing of materials, human rights, product quality and safety, and anti-corruption.
- d) The FGI Canada Employee Handbook specifically mandates that all Canada employees, including managers, abide by and obey all applicable laws.

FORCED LABOUR AND CHILD LABOUR RISKS

FGI Canada has started the process of identifying risks of forced labour and child labour through the measures and procedures found within its current policies and procedures in place, including the receipt of RESA reports, supplier policy, and electronic monitoring policy. FGI Canada is aware that there may be higher risks associated with certain regions, goods, and industries.

REMEDATION MEASURES

FGI Canada has not identified any forced labour or child labour in its activities or supply chains. As such, it has not undertaken any remediation measures.

REMEDATION OF LOSS OF INCOME

FGI Canada has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains. As such, it has not undertaken any remediation measures for loss of income.



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TRAINING PROVIDED TO EMPLOYEES

In 2023, FGI Canada did not provide training to its employees specific to forced labour or child labour. Moving forward, it will be assessing what related training may be appropriate.

ASSESSING EFFECTIVENESS

FGI Canada does not currently have specific policies and procedures in place to assesses its effectiveness in reducing and/or eliminating the risk of child labour and/or forced labour in its supply chain. However, as outlined above, the policies and procedures that are currently in place do reduce the risk that child labour and/or forced labour is present in FGI Canada’s activities and supply chain.

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 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

IN WITNESS WHEREOF the authorized signing officer(s) of FGI Canada LTD. have executed this report as of the effective date of the signatures set out below.

SIGNED)	
)	FGI CANADA LTD.
5/29/2024)	<small>DocuSigned by:</small>
_____)	Per: 
Date)	Name: Dave Bruce
)	Title: Chief Executive Officer
)	I have authority to bind FGI Canada LTD.