

PREVENTING FORCED AND CHILD LABOUR STATEMENT

ARTICLE 1: INTRODUCTION

- 1.1 Hyundai L&C Canada Inc. (“**Hyundai L&C**”) is committed to acting ethically and with integrity in our business and our supply chains (collectively, our “**business**”) and protecting the dignity and human rights of all people connected to our business. We seek to foster inclusive workplaces and sourcing products responsibly, and strive to work closely with our vendors and suppliers (collectively, “**suppliers**”) to ensure these objectives are implemented and maintained in their workforce and their supply chains.
- 1.2 This is Hyundai L&C’s first modern anti-forced labour statement made pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9 (the “**Act**”). This statement will be reviewed and, if necessary, revised annually.
- 1.3 Hyundai L&C acknowledges that it cannot stop forced and child labour globally, but it does acknowledge that preventing forced and child labour within its supply chains is an important step in the long process of halting the practices of modern slavery worldwide.
- 1.4 This statement outlines the measures Hyundai L&C has in place and the efforts Hyundai L&C have implemented to assess and address risks of forced and child labour in our business.

ARTICLE 2: HYUNDAI L&C’S STRUCTURE AND ACTIVITIES

- 2.1 Hyundai L&C is a corporation with a financial reporting year ending on December 31st on each year. Its business number is 82903 5351 RM0001. Hyundai L&C is a producer, seller, importer, and distributor of goods in the building material sector. Hyundai L&C employs 237 in Canada and has business operations in Canada and the United States.
- 2.2 To learn more about Hyundai L&C, please see: <https://hanstone.ca/en/>.
- 2.3 The activities of Hyundai L&C involve producing, selling, and distributing engineered stone for use in commercial and residential construction applications, primarily as countertops. To manufacture such goods, Hyundai L&C sources raw materials (including crushed quartz minerals, polyester resin, cobalt, silicon, and pigment) from suppliers in the following countries: Germany, Italy, Belgium, South Korea, Vietnam, Turkey, India, and China.

ARTICLE 3: OUR POLICIES

- 3.1 Hyundai L&C is drafting an internal Anti-Modern Slavery Policy that will reflect our commitment implementing and maintaining processes to prevent forced and child labour from taking place in our business.
- 3.2 Hyundai L&C raises awareness to its suppliers of its anti-modern slavery policies, and requires its suppliers to adhere to the same high standards. Hyundai L&C has drafted a Supplier Code of Conduct that sets forth our expectations of all suppliers to us related to ethical business practices. A copy of our Supplier Code of Conduct will be posted on our website.

- 3.3 Hyundai L&C will also begin to require its vendors to sign a declaration form, in which each vendor will affirm the following:
- (a) We do not engage in the use of forced labour and child labour, as defined by Canadian law and international standards.
 - (b) We have implemented policies and procedures to prevent the use of forced labour and child labour throughout our supply chain.
 - (c) We conduct regular audits or assessments to ensure compliance with these policies.
 - (d) We are willing to collaborate with Hyundai L&C in any investigations related to the employment practices within our organization or supply chain if required.
 - (e) We understand the importance of this commitment and the implications of non-compliance with legal and ethical standards regarding child labor. We assure that all information provided herein is accurate to the best of our knowledge.
 - (f) Should there be any changes in our policies or practices regarding the employment of forced labour and child labor, we agree to promptly inform Hyundai L&C of such changes.

ARTICLE 4: OUR DUE DILIGENCE PROCESSES

- 4.1 Hyundai L&C carries out background checks and periodically reassess our employment practices to ensure that we at the minimum meet employment standards in the locations we employ employees.
- 4.2 Hyundai L&C is currently reviewing its approach to supplier due diligence, and is in the process of completing a supplier risk-mapping assessment, starting with our key suppliers, in order to identify forced and child labour risks in our business. As part of this assessment, we will ask our most important suppliers to complete a supplier-due diligence questionnaire. Subsequently, we will ask our lower-risk suppliers to complete the same questionnaire. As we receive responses from our suppliers, we may undertake additional verifications and audits.

ARTICLE 5: ASSESSMENT OF RISK OF FORCED OR CHILD LABOUR

- 5.1 Within Hyundai L&C's business operations, we have assessed a low to moderate risk of forced labour based on the following risk criteria:
- (a) **Country risk:** The Global Slavery Index describes the countries in which forced or child labour is most prevalent.
 - (b) **Sector or industry risk:** Certain sectors have a higher risk of forced or child labour.
 - (c) **Business or transaction risk:** Certain business relationships or transactions have a higher risk of forced or child labour.
 - (d) **Raw materials risk:** Certain raw materials have a higher risk of forced or child labour.

- 5.2 As noted in Section 2.1, our employees are located solely in Canada. Canada has been identified as having a low risk of forced or child labour due to its employment and labour laws.
- 5.3 Hyundai L&C does not operate in an industry identified in the Global Slavery Index as being at high risk for forced labour, such as the garment industry or industries with little government oversight.
- 5.4 The risk of forced or child labour may be present in our business in areas. The following map out why such risks may exist:
- (a) While Hyundai L&C purchases raw materials from many countries identified by the Global Slavery Index as having a low prevalence of slavery, we also purchase raw materials from suppliers located in countries identified as having a moderate to high prevalence of modern slavery, including China, India, Turkey, and Vietnam.
 - (b) While Hyundai L&C has control over its own employment practices, we have less control and visibility over the working conditions and employment terms of our suppliers, and we continue to tailor our risk management actions to address those risks. We will begin further efforts to classify our supplier risks to identify and prevent forced and child labour.

ARTICLE 6: ACTIONS TAKEN TO COMBAT THE RISK OF FORCED OR CHILD LABOUR:

- 6.1 Building on the policies and procedures we currently have in place, Hyundai L&C is developing strategies in order to:
- (a) assess and further its understanding in the areas of potential risk for forced and child labour in our business;
 - (b) monitor such potential risk areas; and
 - (c) reduce or mitigate such risks.
- 6.2 As can be seen in ARTICLE 5 above, Hyundai L&C anticipates that its business in China, India, Turkey, and Vietnam, from where Hyundai L&C imports raw materials, is susceptible to risks of forced or child labour. To manage such risk, Hyundai L&C will implement the following non-exhaustive list of actions:
- (a) training to all employees to raise awareness of this issue in accordance with ARTICLE 7;
 - (b) conduct the risk mapping assessment set out in Section 4.2; and
 - (c) assess the continued relationship with high-risk suppliers in light of the results of any risk mapping or due diligence.
- 6.3 Hyundai L&C additionally seeks to only do business with suppliers that have similar ethical business practices, including those related to human rights. Hyundai L&C will not tolerate any form of forced or child labour within its supply chain. To manage such risk, Hyundai L&C will implement appropriate contractual obligations, including, but not limited to, compliance with Hyundai L&C's Code of Conduct and audit provisions.

ARTICLE 7: EMPLOYEE TRAINING

- 7.1 Hyundai L&C is developing an employee training program to make our employees aware, knowledgeable, and capable of reporting the risks of forced or child labour in our business. Such employee training program will be made available to all employees.
- 7.2 Hyundai L&C is developing employee onboarding materials to ready employees for the training program noted in Section 7.1.

ARTICLE 8: MEASURES TAKEN TO REMEDIATE:

- 8.1 As of the date of this statement, Hyundai L&C has not identified any instances of forced or child labour in our business. Therefore, we have not been required to take remedial measures.

ARTICLE 9: ASSESSING EFFECTIVENESS

- 9.1 As it is still early stages, Hyundai L&C has not taken any actions to assess the effectiveness of its actions in preventing and reducing risks of forced and child labour in our business. In the future, we will begin assessing the effectiveness of our actions by evaluating key performance indicators, namely the number of staff trained, the number of suppliers and contractors screened, the number of reported breaches, and the instances of remedial actions being taken.

ARTICLE 10: APPROVAL OF THE STATEMENT

- 10.1 This statement is made in accordance with Section 11 of the Supply Chains Act and represents Hyundai L&C's statement for the financial year ending on December 31st, 2023.
- 10.2 This statement was approved by the Board of Directors of Hyundai L&C pursuant to Paragraph 11(4)(a) of the Supply Chains Act on [May 22, 2024].
- 10.3 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.

[Signature page follows]

DATED 22 May 2024

Donghyun Kim

Name: [insert name of approver]

Hyundai L&C Canada Inc.

Per: 

Name: Donghyun Kim

Title: CFO

I have the authority to bind the corporation