

## Bill S211 STATEMENT

### Introduction

*This report has been prepared by Macro Universe Enterprises Ltd. / DBA Fuzion Flooring (Business Number: 802562678) in compliance with Section 11 of Bill S-211 for the financial year ending February 29th, 2024. Macro Universe Enterprises / DBA Fuzion Flooring qualifies as a Reporting Entity under the Act, having a place of business in Canada, engaging in business activities within Canada, and meeting the specified thresholds for revenue and assets, as well as for importing and distributing goods.*

*Macro Universe Enterprises / DBA Fuzion Flooring is committed to maintaining the highest standards of honesty and integrity in all its business operations. In accordance with Bill S-211, this report outlines the measures implemented by Macro Universe Enterprises / DBA Fuzion Flooring over the previous financial year to mitigate risks associated with forced and child labour in its business framework. This report also details initiatives that speak to the commitment of Macro Universe / DBA Fuzion Flooring to expand its risk management practices related to forced and child labour.*

### Section A: Structure, Activities, and Supply Chains

*Macro Universe Enterprises / DBA Fuzion Flooring, a corporation registered in Canada, has dedicated over 15 years to delivering high-quality flooring solutions, integrating innovative product development in Canada with strategic sourcing from Asia, Europe, and the USA. Our diverse workforce is spread across our operations in Canada, the USA, and Asia, committed to our mission of exceeding client expectations and staying true to our values of putting customers, partners, and employees first.*

*Our expertise lies in sourcing, importation, and distribution within the flooring industry. Our supply chain involves the procurement of finished goods from Asia, Europe, and the USA. As the exclusive Canadian distributor of the Fuzion brand, we take pride in designing and distributing a range of products, from prefinished hardwood to laminate, waterproof laminate, vinyl plank & tile, carpet tile, and flooring accessories. Our curated product portfolios, color options, and high-quality materials cater to both residential and commercial market demands.*

*Headquartered in Mississauga, Ontario, our operations are supported with fully owned warehouse operations in Calgary and third-party logistics operations in Vancouver, Edmonton, Montreal, and Quebec City.*

### Section B: Policies and Due Diligence Processes

*In the previous fiscal year, Macro Universe Enterprises / DBA Fuzion Flooring implemented several measures to mitigate the risk of forced or child labour in its supply chain. These efforts were critical in maintaining our commitment to ethical business practices and included:*

- Conducting Regular Site Visits: We regularly perform site visits for both new and existing suppliers to manage quality control and ensure that their operations align with our operational standards. This ongoing evaluation process allows us to identify issues early, maintain consistent quality, and uphold our commitment to operational excellence.*

- *Engaging with Supply Chain Partners: We actively collaborate with our supply chain partners to ensure transparent and ethical supply chains. This engagement fosters a*

*shared commitment to uphold integrity and compliance throughout our operational network.*

*Macro Universe Enterprises / DBA Fuzion Flooring also conducts annual site visits with all suppliers to ensure that their operations aligned with our expectations. In 2023 we performed over 800 onsite quality control site visits, with no evidence of forced or child labour. Moving forward, we will focus on documenting our assessment of the risks of forced or child labour during these site visits.*

*As part of our strategy to address and mitigate these risks, Macro Universe Enterprises / DBA Fuzion Flooring is in the process of developing a Supplier Code of Conduct. Once implemented, all suppliers will be required to agree to and sign this document, affirming their commitment to upholding the highest standards of labour practices. Moreover, Macro Universe Enterprises / DBA Fuzion Flooring has recently conducted an internal risk assessment, to identify and analyze the risks of forced labour and child labour within our organization's activities and supply chains. This process helps to pinpoint areas of concern and prioritize our mitigation efforts.*

## **Section C - Forced Labour and Child Labour Risks**

*During the last fiscal year, we did not conduct a risk assessment. More recently in April 2024, to understand where in the supply chain forced or child labour risks may exist, Macro Universe Enterprises / DBA Fuzion Flooring carried out a risk assessment process. This process was informed by insights from the Walk Free Global Slavery Index, the OECD Due Diligence Guidance for Responsible Business Conduct, and the US Department of Labour's List of Goods Produced by Child Labour or Forced Labour. Through our analysis, we were able to highlight potential risks associated with specific goods and countries.*

*Our risk identification exercise does not imply the actual use of forced or child labour within our operations or supply chains. Instead, it aims to recognize potential scenarios where such risks might arise, thereby enabling us to implement effective preventative measures. We acknowledge that no industry is entirely free from the risks of forced and child labour, and that certain sectors of our supply chain, particularly in regions with less robust regulatory frameworks and enforcement mechanisms, are inherently vulnerable.*

*Our analysis involved a geographic risk assessment based on the Walk Free Global Slavery Index and other credible sources, identifying regions at higher risk of forced and child labour practices. This geographic assessment was combined with an evaluation of at-risk goods categories, enabling us to apply a targeted approach to our risk assessment strategy.*

### Risk Assessment Findings

*Through our analysis, Macro Universe Enterprises / DBA Fuzion Flooring has identified three countries in which some of our suppliers operate – China, Poland, and Vietnam – as having a heightened risk of forced or child labour. We have found no existence of forced or child labour within our supply chain, in these, or other counties. While these countries exhibit only a slightly higher prevalence of modern slavery according to the Walk Free Global Slavery Index, we are committed to addressing and monitoring these risks.*

# FUZION™

beyond expectation

*In addition to geographic risk factors, we have also utilized data from the US Department of Labour's List of Goods Produced by Child Labour or Forced Labour. This step was crucial for*

*isolating specific goods within our import portfolio that may be susceptible to forced or child labour issues. Particularly, our imports of carpet tiles from China have been identified as carrying an elevated risk. This insight is vital as it will guide our efforts towards enhanced due diligence and targeted risk analysis for these products.*

*While the findings from our risk assessment indicate that our overall exposure to forced and child labour risks within the supply chain is low, we do not underestimate the importance of vigilance in this area. The low overall risk does not diminish our commitment to risk management procedures and policies.*

*In response to the specific risks identified, Macro Universe Enterprises / DBA Fuzion Flooring is currently contemplating strategies to address suppliers who carry a higher risk profile. Macro Universe Enterprises / DBA Fuzion Flooring aims to further mitigate and manage the risks of forced and child labour in our supply chain, ensuring that our business practices remain ethical and responsible.*

## **Section D - Remediation Measures**

*To date, our assessments have not identified any instances of forced or child labour within our operations or supply chains; consequently, no remediation measures have been required. In alignment with the United Nations Guiding Principles on Business and Human Rights, we recognize the importance of having robust remediation strategies prepared should any such issues arise in the future. Our response plan, currently under review, includes the following measures:*

- *Immediate Action and Remediation: Should any instances of forced or child labour be identified within our operations or those of our suppliers, we will take immediate action. This involves engaging directly with affected individuals and communities to understand the impact and develop appropriate remediation measures. Remediation may include financial compensation, support for alternative employment opportunities, and access to education and healthcare services.*
- *Engagement with Suppliers: Recognizing the complexity of supply chains, we commit to working collaboratively with our suppliers to ensure that remediation measures are effectively implemented. This collaboration may include providing guidance, education, and other forms of support to our suppliers.*
- *Policy Review and Strengthening: The identification of any forced or child labour will prompt a comprehensive review of our related policies and practices. This review would aim to extract learnings and make necessary adjustments, ensuring that our preventative measures remain effective and that we continuously improve based on experience.*
- *Stakeholder Communication: In line with our commitment to transparency and accountability, we will communicate our remediation efforts and outcomes to appropriate stakeholders, adhering to privacy and confidentiality requirements.*

## **Section E - Remediation of Loss of Income**

*While Macro Universe Enterprises / DBA Fuzion Flooring has not identified any instances of child or forced labour in its operations or supply chains, and therefore has not needed to implement measures to remediate any associated loss of income for vulnerable families, we do recognize the*

6745 Financial Drive  
Mississauga, ON, Canada L5N 7J7  
T. 905.821.7777 - TF. 1.877.282.4352  
F. 905.821.7771  
[www.fuzionflooring.com](http://www.fuzionflooring.com)

importance of being prepared to take immediate and effective action should any issues arise in the future. To this end, we are refining our primary response to remediation, as outlined in Section D.

In cases where our efforts to eliminate forced or child labour might result in a loss of income for vulnerable families, we will implement effective remediation measures. Our approach will focus on engagement rather than withdrawal, demonstrating our commitment to leveraging our influence for positive change.

## Section F - Training

Macro Universe Enterprises / DBA Fuzion Flooring has not yet conducted specific training focused on identifying and addressing forced or child labour issues within our staff. However, recognizing the critical importance of such training, we are in the process of developing a comprehensive program that will be rolled out in 2024. This training will be mandatory for all staff involved in procurement and purchasing, as these roles are pivotal in maintaining the integrity of our supply chains. The goal of the training program is threefold:

- **Awareness Building:** To educate our staff on the definitions and indicators of forced and child labour. This includes understanding the legal frameworks, both local and international, that govern labour practices and the responsibilities of businesses under these regulations.
- **Skill Development:** To equip our employees with the practical skills needed to identify potential risks and violations in our supply chain. This will involve training on how to conduct audits, evaluate supplier compliance, and recognize the subtle signs that may indicate unethical labour practices.
- **Response Strategies:** To provide clear guidelines on how to act effectively if issues are detected. This includes steps for reporting these issues within our corporate structure, engaging with suppliers on corrective action, and collaborating with external bodies where necessary.

By implementing this training program, Macro Universe Enterprises / DBA Fuzion Flooring aims to enhance the capabilities of our procurement and purchasing staff, ensuring they are not only aware of forced and child labour issues but also fully prepared to address them effectively. This proactive approach is a part of our broader commitment to ethical business practices and corporate responsibility.

## Section G - Assessing Effectiveness

While Macro Universe Enterprises / DBA Fuzion Flooring does not currently have specific policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains, we are dedicated to enhancing our policies and processes in relation to forced and child labour in the supply chain in the forthcoming year. In time, this may include partnering with an external organization for an independent review or audit of our actions.

In addition to these steps, Macro Universe Enterprises / DBA Fuzion Flooring is considering the implementation of tracking relevant performance indicators. These may include the number of

# FUZION™

beyond expectation

*site visits conducted, the frequency and outcomes of supplier audits, and the responsiveness of suppliers to surveys and self-assessments.*

## 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 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.

**Victor Liu**  
**CEO**  
**Macro-Universe Enterprises LTD / DBA Fuzion Flooring**



---

Signature

I have the authority to bind Macro-Universe Enterprises LTD

05/10/2024

---

Date

6745 Financial Drive  
Mississauga, ON, Canada L5N 7J7  
T. 905.821.7777 - TF. 1.877.282.4352  
F. 905.821.7771  
[www.fuzionflooring.com](http://www.fuzionflooring.com)