

STRUCTUBE

Fighting against forced labour and child labour in Supply Chains Act

Fiscal year 2023-2024

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I. About this reportⁱ

The Fighting Against Forced Labour and Child Labour in Supply Chains Act came into force on January 1, 2024. The Act stipulates that certain entities and government institutions must submit a report to the Minister of Public

Safety by May 31 of each year. Reports must detail the steps taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used by them or in their supply chains.

All reports will be made available to the public in two ways:

- In a prominent location on the entity or government institution's website
- In an electronic registry on Public Safety Canada's website

A summary of the information received through the reports will be tabled in an annual report to Parliament by the Minister of Public Safety.

Consequently, Structube has created and submitted this annual report for the fiscal year 2023 to 2024, to the Minister of Public Safety on the steps it has taken and will take to prevent and reduce the risk of forced labour or child labour in its supply chain and published the report on its website under "About Us".

II. Reporting under the Act

a. About Structube - Structure, activities and supply chains

Structube is a privately held specialty furniture retailer with its head office located in Laval, Quebec, and a representative office located in Dongguan, Guangdong, China.

All of its stores across Canada are corporately owned (not franchised).

It employs 750 directly with hundreds more indirectly.

Structube sells furniture and accessories of all sorts via its stores and online for both commercial and non-commercial use, (including but not limited to) office spaces, living room, dining room, bedroom, and in institutions of food/beverage and lodging.

Goods are procured from various countries around the world.

b. Steps to prevent and reduce risks of forced labour and child labour

Structube is conscientious of the risks of forced and/or child labour and in its 40+ years of operations has never knowingly, inadvertently, nor discovered forced and/or child labour in its supply chains.

The risk of furniture retailers is much lower when compared to other industries where it has been discovered such as food and garment, as well as with respect to the producers and locations around the world where it procures from. For example, Structube has never procured from the Xinjiang Uygur region of China

In large part due to Structube's volume, quality and compliance requirements, the "pool" of producers who can fulfill their requirements is limited to large producers who are often listed on stock exchanges, have multinational footprints, and themselves are subject to stringent internal controls in the prevention of forced and/or child labour.

First and foremost, before Structube embarks on a partnership with a potential supplier their facilities are subject to audit, at which time valid business licenses must be made available among the various other points of audit. A valid business licence is, in and of itself, indicative that the supplier is subject to the labour laws for which it is bound by its local and country's governments.

If Structube becomes aware of a supplier or region in the world where it procures from may present risk of child and/or forced labour the partnership would be immediately ceased.

c. Policies and due diligence processes

As a private entity with one head office and a representative office in China, Structube is easily able to enforce and maintain its policy of zero tolerance for child and/or forced labour in its supply chains.

Although Structube does not currently have a formal document for suppliers to sign in acknowledgement of its zero-tolerance policy, it is a point covered in detail during the supplier onboarding process. Structube is currently assessing if a formal document would have any meaningful impact, as stated previously, never in its 40+ years of operation has child and/or forced labour been an issue in its supply chain.

d. Activities and supply chains that carry a risk of forced labour or child labour

While Structube will not work with any producer who poses a risk of child and/or forced labour, which as previously set out is conducted via audit, Structube is conscientious that farther down the supply chain where it has no contractual obligations, such as raw material milling and various logistics to move those materials, may pose risks.

As a work in progress to finetune and adequately address Canada's new Act, Structube is now assessing ways it can have a positive influence on aspects of its much broader supply chain where it traditionally has no access.

e. Measures taken to remediate any forced labour or child labour

Structube has not identified any instances where remediation was required, but as previously set out, a zero-tolerance policy does not leave much room for remediation.

f. Measures taken to remediate loss of income

Structube has not identified any instances where remediation was required (due to the loss of income to the most vulnerable families resulting from measures taken to eliminate the use of forced labour

or child labour in our activities and supply chain). However, as a work in progress to finetune and adequately address Canada's new Act, Structube is now assessing how this can be done should the need arise.

g. Training

Structube is in the process of developing a more formalized approach to engaging with its producers on this topic. Efforts include but are not limited to developing awareness-raising guidance materials, including risk mitigation strategies, and a code of ethics that will above all else focus on a zero-tolerance policy for child and/or forced labour.

h. Assessment of effectiveness

At this time Structube has not identified any child and/or forced labour in its supply chains. As such it is difficult to measure the effectiveness of putting into place policy and procedure designed to target that which cannot be measured. Structube is in the process of analyzing what KPIs can be taken under consideration when developing its strategy to address child and/or forced labour.

III. Moving forward

In response to the recent coming-into-force of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (January 2024), Structube will continue to research, analyze, and establish processes, procedures and policies to mitigate the risks of child and/or forced labour.

IV. 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 Structube. 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 2023-2024. *I have the authority to bind Structube.*



June 5, 2024

Eric Knafo, President Date

Statements contained in this document are aspirational and relate to the manner in which the Company currently intends to conduct certain of its activities, based on management's current plans and expectations. These statements are not promises, guarantees, or statements on which you should rely with respect to the Company's conduct or policies, and are subject to a variety of risks and uncertainties, some of which may be material and/or beyond the Company's control. Forward-looking statements speak only as of the date they are made, and the Company does not undertake to update these statements, except as required by law.

¹ Health Canada. (2024, May 28). Fighting against forced labour and child labour in Supply Chains Act 2023 to 2024. <https://www.canada.ca/en/health-canada/corporate/transparency/corporate-management-reporting/supply-chains/fighting-forced-child-labour-act-2023-2024.html#a4>