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Canada
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Compliance Report under Bill S-211

Artika For Living Inc.

854650389

Entity categorization according to the Act

Wholesaler , retailer

1756, 50e Avenue

Montréal (Lachine), Québec

Canada H8T 2V5

May 1st, 2024 to April 30, 2025

May 1th, 2025

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Executive Summary

Artika for Living Inc. is dedicated to the pursuit of ethical sourcing practices and the prevention of forced and child labor within its operations and supply chains. Our commitment is demonstrated through a multifaceted approach, including the implementation of rigorous policies, comprehensive training programs, and regular auditing processes. We prioritize transparency and accountability throughout our supply chain, ensuring that all employees and suppliers are aware of and adhere to our stringent standards. Through internationally recognized audits and ongoing assessments, we continuously monitor and evaluate our efforts, identifying areas for improvement and implementing remediation measures as needed. Our proactive stance and unwavering dedication underscore our commitment to promoting ethical sourcing practices and safeguarding against forced and child labor.

Introduction

- Brief introduction to the entity, including size, industry, and operational regions:

Artika For Living Inc is a leading company in the home improvement sector, specializing in lighting, bathroom, and home décor products. With a focus on quality and innovation, Artika has rapidly established itself as a significant player in both domestic and international markets.

Operating across North America, Europe, and Asia, Artika serves a diverse clientele of homeowners, designers, and retailers. Committed to enhancing modern living spaces, the company prioritizes sustainability and customer satisfaction.

Artika For Living Inc primarily exports its products from China, leveraging the country's manufacturing capabilities. Additionally, a small portion of its products are sourced from Cambodia and Vietnam, ensuring a diversified supply chain. This strategic approach enables Artika to maintain high-quality standards while meeting the demands of its global customer base.

- Overview of the entity's approach to addressing forced and child labor.

Artika For Living Inc. is dedicated to upholding the highest ethical standards in its operations and supply chain. This executive summary provides an overview of the company's commitment to addressing forced and child labor, as detailed in its compliance report under Bill S-211.

Commitment to Ethical Sourcing Practices:

Artika For Living Inc. places a paramount emphasis on combating forced and child labor within its supply chain. The company's internal policy outlines strict adherence to international labor standards, including the prohibition of forced and child labor. All employees in touch with our Chinese suppliers have been extensively trained on the policy and the importance of adhering to it.

Rigorous Auditing and Due Diligence:

To ensure compliance with ethical sourcing practices, Artika For Living Inc. mandates that all suppliers undergo internationally recognized audits, such as SMETA, BSCI, Costco SoC audits, Home Depot social audit, Lowes RESA audit, and Sam's Club social audit. These audits comprehensively cover various aspects of labor standards, health and safety, environmental assessment, and business ethics.

Transparency and Accountability:

By adhering to stringent audit protocols and fostering transparent supplier relationships, Artika For Living Inc. demonstrates its unwavering commitment to combating forced and child labor throughout its operations. The company holds both itself and its suppliers accountable to the highest ethical standards, ensuring a supply chain that is free from exploitation and prioritizes the well-being of workers worldwide.

This executive summary provides a condensed overview of Artika for Living Inc.'s compliance report under Bill S-211, highlighting the company's dedication to ethical sourcing practices, robust internal policies, and ongoing efforts to combat forced and child labor.

Compliance with Legal Requirements

Subsection 11(1)

- Detailed report on the actions taken to prevent and reduce the risk of forced and child labor in operations and supply chains.

Artika For Living Inc. recognizes the critical importance of preventing and reducing the risk of forced and child labor in its operations and supply chains. This report outlines the comprehensive actions undertaken by the company to address this issue, demonstrating our unwavering commitment to ethical sourcing practices and social responsibility.

1. Internal Policy and Training:

Artika For Living Inc. has developed a robust internal policy that explicitly prohibits the use of forced and child labor in any stage of the supply chain (see annex 1). This policy is communicated to all employees, particularly those in direct contact with our Chinese suppliers. Employees are educated on the policy's significance and their role in upholding it, emphasizing the importance of ethical sourcing practices.

2. Supplier Code of Conduct:

Artika For Living Inc. requires all its suppliers to adhere to a comprehensive Supplier Code of Conduct, which explicitly prohibits forced and child labor (see annex 2). This code outlines our expectations regarding labor standards, environmental practices, and business ethics. Suppliers are contractually

obligated to comply with these standards, and failure to do so may result in termination of the business relationship.

3. Rigorous Auditing and Due Diligence:

Artika For Living Inc. mandates that all suppliers undergo internationally recognized audits, such as SMETA, BSCI, Costco SoC audits, Home Depot social audit, Lowes RESA audit, and Sam's Club social audit. These audits comprehensively assess various aspects of labor standards, health and safety, environmental assessment, and business ethics. Through these audits, we verify compliance with our Supplier Code of Conduct and identify any areas for improvement.

4. Supply Chain Transparency:

Artika For Living Inc. fosters transparent relationships with its suppliers, encouraging open communication and collaboration. We engage in regular dialogue with suppliers to address any concerns or issues related to labor practices. Additionally, we conduct on-site inspections and monitoring to ensure continued compliance with ethical sourcing standards.

5. Compliance with Conflict Mineral Program:

Artika For Living Inc. is compliant with the Conflict Mineral Program, which prevents the use of minerals from conflict-affected regions. We conduct due diligence to trace the origins of tin, tantalum, tungsten, and gold (3TG), ensuring our supply chain remains free from materials that may fund armed conflict or human rights abuses. This commitment reflects our dedication to social responsibility and sustainable practices.

Subsection 11(3)

Requirement (a) – Structure, Activities, and Supply Chains

Artika for Living Inc. operates as a corporation, classified under the legal structure. Our organizational structure is streamlined to facilitate efficient communication and decision-making processes, with a clear mandate focused on innovation and sustainability in the home improvement sector. Currently, we employ over 500 individuals globally, fostering a diverse and collaborative work environment. As part of our commitment to industry standards and best practices, we are members of several partner organizations and industry groups. Our activities primarily revolve around the production and importation of lighting, bathroom, and home décor products. We operate in multiple locations across North America, Europe, Oceania, and Asia, with our supply chains extending globally. These supply chains are carefully managed to ensure ethical sourcing practices and compliance with international labor standards.

Requirement (b) – Policies and Due Diligence Processes

At Artika for Living Inc., responsible business conduct is foundational to our operations, guided by our internal policy and supplier code of conduct. We proactively integrate ethical practices into our policies and management systems, continuously assessing and addressing adverse impacts. Through our robust auditing process, any points needing improvement are flagged and duly monitored through a CAP (Corrective Action Plan) process. We track implementation and communicate results transparently, ensuring alignment with our responsible business practices. We are committed to providing or cooperating in remediation efforts as needed. Our controlled entities adhere to the same high standards, guided by our internal policy and supplier code of conduct, which emphasize ethical sourcing and labor standards.

Requirement (c) – Forced Labor and Child Labor Risks

At Artika for Living Inc., we recognize that a significant risk within our activities and supply chains stems from our reliance on suppliers predominantly based in China. To mitigate this risk, we have implemented rigorous auditing processes to ensure that all labor laws and ethical standards are diligently followed throughout our supply chain. Through thorough assessments and audits, we identify specific areas of potential risk and take proactive measures to address them. Our controlled entities are also integral to this process, as they adhere to our established procedures for risk assessment and management. By prioritizing transparency and accountability, we strive to ensure compliance with ethical sourcing practices and labor standards across our entire supply chain.

Requirement (d) – Remediation Measures

Artika for Living Inc. is committed to implementing effective remediation measures to address any identified issues related to forced and child labor within our supply chain. In cases where non-compliance is identified through our auditing processes, immediate corrective actions are taken to rectify the situation. These measures may include providing additional training to suppliers, implementing new policies or procedures, or even terminating relationships with non-compliant suppliers if necessary. Additionally, our controlled entities are actively engaged in the remediation process, following the same rigorous standards and procedures established by Artika for Living Inc. Through collaborative efforts and continuous improvement initiatives, we strive to ensure that ethical sourcing practices and labor standards are upheld throughout our operations and supply chain.

Requirement (e) – Remediation of Loss of Income

Artika for Living Inc. has not identified any instances of loss of income to vulnerable families resulting from our efforts to eliminate forced and child labor in our operations and supply chains. However, should such a situation arise, we are prepared to swiftly implement appropriate measures to compensate affected families. Our commitment includes providing alternative employment opportunities, vocational training programs, or other forms of financial assistance. Our controlled entities are aligned with these principles and are ready to support any necessary remediation efforts. By

prioritizing the well-being of vulnerable communities, we uphold the highest standards of corporate responsibility and ethical business conduct.

Requirement (f) – Training

Artika for Living Inc. provides training to employees, focusing on ethical sourcing practices, labor standards, and the prohibition of forced and child labor. Additionally, our controlled entities undergo similar training to ensure alignment with our standards. These programs aim to educate employees on their responsibilities in upholding ethical standards throughout the supply chain. By investing in training, we foster a culture of awareness and accountability, promoting ethical sourcing practices across our operations.

Requirement (g) – Assessing Effectiveness

Artika for Living Inc. employs annual audits as a key mechanism to assess the effectiveness of our measures against forced and child labor in our operations and supply chains. These audits provide a systematic review of our policies, training programs, and compliance with ethical sourcing standards. By conducting audits on a yearly basis, we ensure thorough follow-up and monitoring over time, allowing us to identify areas for improvement and track progress in addressing risks. Our controlled entities also undergo regular audits, reinforcing our commitment to maintaining ethical standards throughout the supply chain. Through this ongoing assessment process, we demonstrate our dedication to continuous improvement and the prevention of forced and child labor.

Conclusion

In conclusion, Artika for Living Inc. has demonstrated a steadfast commitment to ethical sourcing practices and the prevention of forced and child labor throughout its operations and supply chains. Through robust policies, rigorous training programs, and regular auditing processes, we uphold high standards of corporate responsibility and ethical conduct. Our proactive approach, coupled with ongoing assessments and remediation measures, underscores our dedication to continuous improvement and accountability. Moving forward, we remain committed to adhering to the principles outlined in the Act, ensuring transparency and accountability in all aspects of our business practices. As we progress, our goal is to further strengthen our efforts in combating forced and child labor, fostering a supply chain that prioritizes the well-being of workers and communities worldwide.

Annex 1: Artika Internal Policy

Introduction:

Artika For Living Inc is committed to upholding human rights and ethical business practices in all aspects of its operations. As part of this commitment, Artika for Living Inc recognizes the importance of addressing modern slavery and human trafficking within its supply chain and business activities. Modern slavery encompasses various forms of exploitation, including forced labor, child labor, and human trafficking. Artika For Living Inc condemns these practices unequivocally and is dedicated to taking proactive measures to prevent and mitigate the risks of modern slavery within its sphere of influence.

Policy Statement:

1. Zero-Tolerance Approach:

Artika for Living Inc maintains a zero-tolerance approach towards modern slavery and human trafficking in all its forms. The company prohibits the use of forced labor, child labor, and any other form of exploitation within its operations, supply chain, and business relationships.

2. Compliance with Laws and Regulations:

Artika for Living Inc is committed to complying with all applicable laws and regulations related to modern slavery and human trafficking in the jurisdictions where it operates. The company ensures that its operations adhere to international standards and guidelines governing human rights and labor practices.

3. Supplier Due Diligence:

Artika for Living Inc conducts thorough due diligence on its suppliers to assess and mitigate the risk of modern slavery within its supply chain. The company evaluates suppliers based on their commitment to ethical labor practices, transparency, and compliance with relevant laws and regulations.

4. Supplier Code of Conduct:

Artika for Living Inc requires all its suppliers to adhere to a Supplier Code of Conduct that explicitly prohibits the use of forced labor, child labor, and any other form of modern slavery. The company communicates its expectations to suppliers and works collaboratively with them to ensure compliance.

5. Employee Awareness and Training:

Artika for Living Inc provides regular training and awareness programs to its employees to educate them about the risks of modern slavery and human trafficking. Employees are encouraged to report any suspicions or concerns related to modern slavery through designated channels.

6. Continuous Improvement:

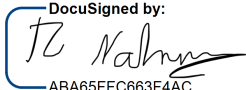
Artika for Living Inc is committed to continuously reviewing and improving its policies, procedures, and practices related to modern slavery. The company regularly monitors its supply chain and business activities to identify and address any potential risks or violations.

Conclusion:

Artika For Living Inc is dedicated to combating modern slavery and human trafficking in partnership with its employees, suppliers, and stakeholders. By upholding the principles of ethical business conduct and human rights, the company reaffirms its commitment to making a positive impact on society and creating a fair and just working environment for all.

Date of Policy: 2025/04/03

Approved by: Ronnie Nahum

Signature:  ABA65FFC663F4AC...

Annex 2: Artika Supplier Policy Agreement

Introduction:

This Supplier Agreement and Code of Conduct ("Agreement") sets forth the terms and conditions under which [Supplier Name] ("Supplier") agrees to conduct business with Artika for Living Inc ("Artika"). By entering into this Agreement, Supplier acknowledges and agrees to comply with the following Code of Conduct, which outlines the standards and expectations for ethical business practices and the prevention of modern slavery and human trafficking within the supply chain.

1. Compliance with Laws and Regulations:

- Supplier shall comply with all applicable laws and regulations related to labor practices, human rights, and modern slavery in the jurisdictions where it operates.
- Supplier shall ensure that its operations and business practices adhere to international standards and guidelines governing human rights and labor practices.

2. Prohibition of Modern Slavery:

- Supplier shall prohibit the use of forced labor, child labor, and any other form of modern slavery in its operations and supply chain.
- Supplier shall not engage in human trafficking or any other form of exploitation of workers.

3. Fair Employment Practices:

- Supplier shall provide fair wages, working hours, and working conditions for all employees, in accordance with applicable laws and industry standards.
- Supplier shall respect the rights of workers to freedom of association and collective bargaining.

4. Health and Safety:

- Supplier shall provide a safe and healthy working environment for all employees, free from hazards and risks to their health and safety.
- Supplier shall implement appropriate measures to prevent accidents, injuries, and occupational illnesses.

5. Ethical Conduct:

- Supplier shall conduct business with honesty, integrity, and transparency, and refrain from engaging in bribery, corruption, or unethical practices.
- Supplier shall adhere to high standards of business ethics and integrity in all dealings with Artika and other parties.

6. Compliance Reporting:

- Supplier shall promptly report any violations of this Code of Conduct or any suspicions of modern slavery or human trafficking within its operations or supply chain to Artika.

Conclusion:

By entering into this Agreement and agreeing to abide by this Code of Conduct, Supplier acknowledges its commitment to ethical business practices and the prevention of modern slavery and human trafficking. Artika reserves the right to monitor Supplier compliance with this Agreement and take appropriate action in the event of any violations.

Date of Agreement: [Insert Date]

Supplier Name: [Supplier Name]

Artika For Living Inc: [Artika Representative Name and Title]

Signature: _____

[Supplier Signature]

Signature: _____

[Artika Representative Signature]

Annexe 3: Approval Attestation

Entity Name: Artika for Living Inc.

Report Title: Compliance Report under Bill S-211

Reporting Period: May 1st, 2024 to April 30, 2025

Attestation Statement

This Compliance Report under Bill S-211 has been duly considered and approved by the governing body of Artika for Living Inc. We hereby affirm that this report accurately and comprehensively reflects our entity's actions and measures taken to address forced and child labor in accordance with the requirements set forth in subsections 11(1) and 11(3) of Bill S-211.

We acknowledge our responsibility to ensure ongoing compliance with the provisions of Bill S-211 and commit to continual improvement in our efforts to identify, prevent, and mitigate the risks of forced and child labor in our operations and supply chains.

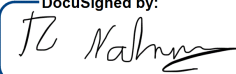
This report is a true and fair representation of our practices and performance for the reporting period mentioned above.

Name of Approver: Ronnie Nahum

Position/Title: CFO

Date of Approval: [Date]

Signature

DocuSigned by:

ABA65FFC683F4AC...

[Signature of Ronnie Nahum]