



FGI Canada Ltd.

## ANNUAL REPORT

### PURPOSE

This annual report for the 2024 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 dedicated to preventing and minimizing the risk of forced labour or child labour being involved at any stage of the production process, both within Canada and internationally, including in the goods it 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 fiscal years and has generated at least \$40 million in revenue for at least one of its two most recent fiscal 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 2024***

FGI Canada remains committed to ongoing compliance with efforts to prevent and reduce the risk of forced labour or child labour in any stage of the production of goods in Canada, abroad, or in goods imported into Canada. To support this, we conducted an external risk assessment focused on forced and child labour, which included Retail Ethical Sourcing Assessments (“RESA”) audits of our overseas suppliers. These audits specifically address the use of child and forced labour. FGI Canada is in the process of reviewing, revising, and updating its policies and procedures, where necessary, to align with the requirements of Bill S-211 and to help mitigate the risk of child and forced labour. These policies and procedures are outlined below.



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## **POLICIES AND DUE DILIGENCE PROCESSES**

### ***FGI Canada's Policies and Processes***

FGI Canada upholds several policies and processes to ensure its operations and supply chains comply with both internal standards and national legislation, fostering ethical business practices and supporting the global fight against forced and child labour. These include:

- a) FGI Canada has adopted FGI Industries' supplier policy, which grants the company the authority to terminate relationships with suppliers at any time for non-compliance. This policy prohibits all forms of forced labour and mandates compliance with applicable modern slavery legislation. It also specifically prohibits the employment of workers below the local legal working age or any workers under 15 years old. More broadly, 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 obtains Retail Ethical Sourcing Assessment ("RESA") audit reports for its overseas suppliers. These RESA reports provide valuable insights into the potential use of child labour and forced labour within the supplier's operations. This significantly aids FGI Canada in evaluating whether their selected suppliers uphold ethical practices, thereby minimizing the risk of child labour or forced labour within their 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 initiated and continues to undertake the process of identifying risks of forced and child labour through the measures and procedures outlined in its current policies, including the receipt of RESA reports, the Supplier Policy, and the Electronic Monitoring Policy. While no specific risks have been identified to date, FGI Canada remains aware that certain regions, goods, and industries may present higher risks and is committed to ongoing monitoring and assessment.

## **REMEDATION MEASURES**

FGI Canada has not found any instances of forced labour or child labour in its operations or supply chains. Therefore, no remediation measures have been taken.

## **REMEDICATION OF LOSS OF INCOME**

FGI Canada has not identified any income loss for vulnerable families because of efforts to eliminate forced labour or child labour within its operations and supply chains. Therefore, no remediation measures have been implemented for income loss.



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**TRAINING PROVIDED TO EMPLOYEES**

In 2024, FGI Canada did not provide training specific to forced or child labour. In alignment with the requirements of Bill S-211, the company is currently exploring potential training opportunities for relevant employee groups, such as those in procurement, sourcing, and leadership, to support awareness and understanding of ethical labour practices.

**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** )  
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 04/15/2025 )  
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**Date** )  
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**FGI CANADA LTD.**  
  
**Per:**     *Dave Bruce*      
**Name:** Dave Bruce  
**Title:** Chief Executive Officer  
I have authority to bind FGI Canada LTD.