



FGI Canada Ltd.

ANNUAL REPORT

PURPOSE

This annual report for the 2025 financial reporting year has been prepared by FGI Canada LTD. (“**FGI Canada**”) in accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the “**Act**”).

OUR COMMITMENT

FGI Canada remains committed to preventing and minimizing the risk of forced labour and child labour in its operations and supply chains, both within Canada and internationally, including in goods imported into Canada.

CATEGORIZATION, SECTOR, AND INDUSTRY

FGI Canada is an entity subject to the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

FGI Canada meets the Act’s threshold requirements, including having at least \$20 million in assets and generating at least \$40 million in revenue in at least one of its two most recent fiscal years.

FGI Canada operates in the wholesale trade sector.

STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Our Operations

FGI Canada is a wholly owned subsidiary of FGI Industries, Ltd. (“**FGI Industries**”) and operates in wholesale trade sector. Based outside of Toronto, Ontario, FGI Canada is the sole Canadian division of FGI Industries and serves the kitchen and bath industries.

Our Supply Chain

FGI Canada primarily imports sanitaryware (including toilets, sinks, pedestals, and toilet seats), bath furniture (including vanities, mirrors, and cabinets), shower systems, custom kitchen cabinetry, and related accessories from a select group of suppliers primarily located in Asia.

Steps Taken by FGI Canada in FY2025

FGI Canada continued to maintain and apply its existing processes to prevent and reduce the risk of forced labour and child labour within its operations and supply chains.

During the reporting period, the Company continued to utilize Retail Ethical Sourcing Assessments (“RESA”) audit reports for its overseas suppliers. These audits include specific assessments addressing the use of forced labour and child labour.

FGI Canada also continues to review and, where appropriate, update its policies and procedures to align with the requirements of the Act and to support the mitigation of risks related to forced labour and child labour.



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These measures support FGI Canada's ongoing efforts to identify and mitigate potential risks within its supply chain.

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 applicable legislation, fostering ethical business practices and supporting the global effort to prevent forced labour 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 obtains Retail Ethical Sourcing Assessment ("RESA") audit reports for its overseas suppliers. These RESA reports provide insights into the potential use of child labour and forced labour within supplier operations and support FGI Canada in evaluating whether its selected suppliers uphold ethical practices, thereby helping to mitigate the risk of forced labour and child labour within their supply chain.
- c) FGI Canada is informed by FGI Industries' Corporate Citizenship statement, which includes commitments to responsible sourcing, human rights, product quality and safety, and anti-corruption.
- d) The FGI Canada Employee Handbook requires all employees, including managers, to comply with applicable laws and Company policies
- e) In FY2025, FGI Canada enhanced its Employee Handbook to explicitly address compliance with forced labour and child labour requirements under applicable legislation. The Handbook also outlines expectations for employees to report any concerns related to unethical labour practices, including through the Company's whistleblower reporting process.

FORCED LABOUR AND CHILD LABOUR RISKS

FGI Canada continues to undertake the process of identifying risks of forced labour 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.

Given the nature of its supply chain, including the sourcing of goods from overseas suppliers, FGI Canada recognizes that certain regions, goods, and industries may present an elevated risk of forced labour and child labour.

While no specific instances of forced labour or child labour have been identified to date, FGI Canada remains committed to ongoing monitoring and assessment of these risks.



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REMEDIATION MEASURES

FGI Canada has not identified any instances of forced labour or child labour in its operations or supply chains. Accordingly, no remediation measures have been required.

REMEDIATION OF LOSS OF INCOME

FGI Canada has not identified any income loss for vulnerable families resulting from efforts to eliminate forced labour or child labour within its operations or supply chains. Accordingly, no remediation measures have been required in respect of income loss.

TRAINING PROVIDED TO EMPLOYEES

In FY2025, FGI Canada continued to evaluate training opportunities related to forced labour and child labour.

During the reporting period, the Company considered the development of internal awareness materials to support understanding of risks related to forced labour and child labour among relevant employee groups, including those involved in procurement, sourcing, and leadership.

FGI Canada will continue to assess and implement appropriate training initiatives as part of its ongoing compliance efforts.

ASSESSING EFFECTIVENESS

FGI Canada does not currently maintain formal standalone policies or procedures specifically designed to assess the effectiveness of its efforts in reducing the risk of forced labour and child labour within its supply chain.

However, as outlined above, FGI Canada relies on its existing processes to monitor and assess risk, including the review of RESA audit reports, ongoing oversight of supplier relationships, and internal procurement and sourcing practices.

These processes provide a reasonable basis for FGI Canada to monitor and evaluate the effectiveness of its approach to mitigating the risk of forced labour and child labour within its operations and supply chain.



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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 this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this 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)	
04/20/2026)	FGI CANADA LTD.
_____)	
Date)	Per: <u><i>Dave Bruce</i></u>
)	Name: Dave Bruce
)	Title: Chief Executive Officer
)	I have authority to bind FGI Canada LTD.