

May 31, 2024



2023 REPORT ON BILL S-211, AN ACT TO ENACT THE FIGHTING
AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY
CHAINS ACT AND TO AMEND THE CUSTOMS TARIFF

Accent-Fairchild
GROUPE GROUP

Groupe Accent Fairchild Group Inc. & 6883869 Canada Inc.

2023 FINANCIAL REPORTING YEAR

1-INTRODUCTION

This is a joint report published pursuant to the Canadian “Fighting Against Forced Labour and Child Labour in Supply Chains Act” for the following entities: Groupe Accent-Fairchild Group Inc. and 6883869 Canada Inc., referred to as “AFG”. The following report sets out the steps that have been taken to fight forced and child labour in our business and supply chains. The Report refers to the 2023 fiscal year end and covers activities from January 1, 2023 to December 31st 2023 for Groupe Accent-Fairchild Group Inc. and April 1, 2022 to March 31, 2023 for 6883869 Canada Inc.

6883869 Canada Inc, as a holding company, substantially relies upon the efforts of Groupe Accent-Fairchild Group Inc. as the operating business, for the purposes of managing and monitoring its supply chain operations and compliance programs.

A deep commitment to legal compliance and ethical business practices is firmly embedded in AFG’s history and company culture. We recognize our responsibility to respect and protect the human rights of all people who are part of or interact with our business. We are committed to acting ethically and with integrity and transparency as we continuously strive to put systems and processes in place to safeguard against any form of forced or child labour in our supply chain.

We expect our business partners and suppliers and their contractors to uphold these same principles within their operations.

2. STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

STRUCTURE:

AFG is incorporated under the Canada Business Corporation Act. The head office is located at 5151 Thimens Blvd, Montreal, Quebec, H4R 2C8.

6883869 Canada Inc. is incorporated under the Canada Business Corporation Act. The head office is located at 5151 Thimens Blvd, Montreal, Quebec, H4R 2C8.

ACTIVITIES:

Founded in 1974, AFG is one of Canada’s largest housewares companies. By leveraging our expertise and capabilities in manufacturing, distribution, sales, and marketing, we deliver a unique value proposition to every retail channel and all trade partners.

Headquartered in Montreal, AFG supplies a full range of food storage and home organization solutions to meet the evolving needs of today’s consumer. We design and engineer our products to provide the best value, durability, and reliability. Our vertically integrated, fully automated manufacturing facility operates 24 hours a day, 7 days a week and virtually every day of the year.

While many of our competitors are focused on outsourcing production, we are committed to building our infrastructure, modernizing our machines, and manufacturing domestically. Our operation is one of the most advanced in Canada. R&D, marketing, sales, finance, moulding, assembly, and warehousing collaborate under one roof.

SUPPLY CHAIN OVERVIEW AND PARTS THAT CARRY A RISK OF FORCED LABOUR AND CHILD LABOUR

Our products are primarily produced in Canada or imported from the USA, Asia and Europe. Since most of our business is supplying the major retailers in Canada and the USA our supply chain process is regularly reviewed and a significant part of our supply chain is inspected. Our customers require us to meet very detailed Social and quality objectives and ensures that we are in compliance with the laws in North America and those in the countries that are producing our products. A significant amount of our revenues are attached to the retailers which require us to perform annual 3rd Party Independent Audits. These audits not only include quality testing but also Social Compliance, including the evaluation of whether there is child labour or forced labour in any manner.

Nonetheless, we acknowledge that certain of our suppliers operate in regions that have inherent risks of child labour and forced labour practices and that the supply chain of our suppliers may extend into regions potentially facing greater risk of forced labour and child labour. However, we use reputable factories and vendors that understand the requirements and consequences of meeting the social audits and requirements to avoid forced and child labour.

3. COMPANY POLICIES AND PROCESSES IN RELATION TO FORCED AND CHILD LABOUR.

a) Policies and processes

Our business practice is to avoid the use of any factories that have been identified as using child or forced labour in their audits. We also have agents who work with us to ensure these social and quality objectives are regularly met through visits to the factories. We will work on implementing a formal policy.

b) Third-party audits

Use of 3rd party audits by our customers (retailers) addresses the issue that there is no forced or child labour at domestic and overseas factories within the supply chain.

The audits performed on the factories are detailed and provide for policies to address issues and measures to adhere to, as well as remediation practices and timelines for correction. If the remediation is not performed, then the factory would be delisted as an acceptable vendor.

c) Other

Internal review process of all hires by the HR department.

4. TRAINING PROVIDED TO EMPLOYEES ON FORCED LABOUR AND CHILD LABOUR

During the reporting period, we did not provide formal employee training with regards to forced labour and child labour issues. We recognize that there is a potential risk of forced labour and child labour may reside in our supply chain, and we are committed to ensuring that we engage with suppliers that have high ethical standards and that do not engage in such practices. As a result, we will provide such training to employees on this key topic in the near future.

5. REMEDIATION AND EFFECTIVENESS ASSESSMENTS TO ENSURE FORCED AND CHILD LABOUR ARE NOT BEING USED IN OUR OPERATIONS AND SUPPLY CHAIN.

To date none of the audited reports show any violation of forced and child labour laws. To date, there have been no identified or reported instances of child labour or forced labour and any related loss of income resulting from our measures taken to eliminate the use of forced labour in our supply chain. As a result, we did not have to put in place remediation actions.

We believe that the independent third-party audit program enables us to prevent and reduce the risk that forced labour or child labour is used in our activities and supply chains. These continued practices have supported the fact that we have not been required to address any identifiable issues or the need for any remediation requirements. While we have not yet taken any actions to assess the effectiveness of those actions, we intend to assess its effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains in the near future.

6. 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.

Name: Evan Feldman
Title: President



I have the authority to bind Accent-Fairchild Group Inc. and 6883869 Canada Inc.

MAY 31st 2024