



**2024 Report Pursuant to the Fighting
Against Forced Labour and
Child Labour in Supply Chains Act**

Fiscal year ended March 31, 2024

Table of Contents

1	Introduction	2
2	Measures to Prevent and Reduce Risks of Forced Labour and Child Labour	3
2.1	Prioritizing Canadian Procurement	3
2.2	Limiting Supplier Partnerships in High-Risk Countries	3
2.3	CTPAT Certification (Customs-Trade Partnership Against Terrorism)	4
2.4	Supplier Qualification	4
2.4.1	Amisco Declaration of Compliance.....	4
2.4.2	Quality System Audit	4
2.5	Annual Supplier Performance Evaluation	4
3	Structure, Business Activities, and Supply Chain	5
3.1	Structure	5
3.2	Business Activities	5
3.3	Governance.....	5
3.4	Supply Chain	6
4	Policy and Due Diligence Process.....	7
5	Risk of Forced Labour and Child Labour	7
6	Measures Taken to Address the Use of Forced Labour and Child Labour	8
7	Conclusion.....	9
8	Approval.....	9

1 Introduction

The Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”), in effect since January 1, 2024, requires businesses to report on the steps they have taken during their last fiscal year to prevent and reduce the risk of forced labour or child labour in their operations and supply chains.

Located in L’Islet, Québec, Canada, Les Industries Amisco (the Company) is a Québec-based manufacturer of residential furniture. The Company has been established for 70 years and, since 2018, has been a Gold member of Canada’s Best Managed Companies program. This is the country’s leading business awards program, recognizing excellence in privately owned Canadian companies. The Company adheres to a zero-tolerance organizational policy regarding human rights violations, including forced labour and child labour.

In this report, produced for the 2024 fiscal year, covering from April 1, 2023, to March 31, 2024 (“Reference Period”), Les Industries Amisco outlines the steps taken during the Reference Period to prevent and reduce the risks of the use of forced labour or child labour at all stages of the production of Amisco-branded products and the importation of goods into Canada by the Company.

This is a joint report for all companies included in *Les Industries Amisco*, which are required to publish an annual report under the Act. The information contained in this report applies to all entities of the Company and covers the structure, operations and supply chain of the Company and its subsidiaries.

All information provided in this report is accurate as of March 31, 2024.

2 Measures to Prevent and Reduce Risks Related to Forced Labour and Child Labour

The protection and promotion of human rights is a fundamental aspect and value that govern all the Company's activities. The Company's current policies include provisions aimed at reducing any risk of modern slavery or human trafficking occurring in its operations and global supply chain.

During the Reference Period, the Company took the following measures to prevent and reduce the risk of forced labour or child labour in its operations and supply chain.

2.1 Prioritizing Canadian Procurement

Within its supply chain, the Company acquires goods and services from 1,612 suppliers, including regional, national, and international suppliers. Based on the annual purchase amount, the Company sources 88% from Canadian-based suppliers. By adopting this strategy, the Company aims to support the Canadian economy while also mitigating the risks of forced labour and child labour associated with suppliers in high-risk countries.

2.2 Limiting Supplier Partnerships in High-Risk Countries

The Company conducts due diligence reviews before approving new suppliers, particularly those located in countries with a high risk of forced labour or child labour.

The *Forced Labour Observatory* platform from the ILO - International Labour Organization and the *UNICEF Child Labour* report will be added to the existing procedure as part of this due diligence process.

2.3 CTPAT Certification (Customs-Trade Partnership Against Terrorism)

The Customs-Trade Partnership Against Terrorism is a voluntary supply chain security program established and led by U.S. Customs and Border Protection (CBP), focused on enhancing the security of private companies' supply chains against terrorism. On August 1, 2022, the *CTPAT - Trade Compliance Program* announced the addition of six new requirements to the program, including the prevention of forced labour and child labour in the supply chain. The Company has been CTPAT-certified since April 2004.

2.4 Supplier Qualification

2.4.1 Amisco Declaration of Compliance

In the Company's process for *Qualification of new suppliers*, each supplier is required to sign the *Amisco Declaration of Compliance* form to be eligible for qualification. In this document, the supplier declares that it does not use forced labour or child labour.

2.4.2 Quality System Audit

The Quality System Audit form is one of the documents included in the Company's supplier qualification process. In this form, suppliers must confirm whether they are CTPAT validated or certified. In the updated version of this form, suppliers will be asked to confirm whether actions to counter forced labour and child labour have been implemented in their operations and supply chains.

2.5 Annual Supplier Performance Evaluation

To ensure that its qualified suppliers meet standards of quality, cost, and delivery time, inter alia, the Company will implement from July 2024, the Annual Supplier Evaluation. Among the evaluation criteria, suppliers will be assessed for their social responsibility practices, including their commitment to combating forced labour and child labour.

3 Structure, Business Activities, and Supply Chain

3.1 Structure

Founded in 1954, Les Industries Amisco Ltée is a Canadian business governed by the Québec Business Corporations Act and has four production sites in Canada. Across these four sites, the Company employs a total of 400 people.

The table below details the Company's entities according to the country in which they operate and the jurisdiction under which they are organized:

Company Name	Legal Form	Ownership	Jurisdiction
Les Industries Amisco	Business corporation	100% Amisco	Québec, Canada
Groupe Gibo	Business corporation	100% Amisco	Québec, Canada
Rembourrage-Pro	Business corporation	100% Amisco	Québec, Canada
Stema-Pro	Business corporation	100% Amisco	Québec, Canada

3.2 Business Activities

Les Industries Amisco is a Québec-based company operating four manufacturing sites in the development, production, and distribution of kitchen and dining room furniture. Amisco products are sold by retailers throughout North America and by online retailers.

3.3 Governance

Amisco's governance framework is intended to ensure the adequacy and effectiveness of its policies, standards, and procedures for organizational and risk management. The HR and Governance Committee and Supply Chain Management are aligned with the Company's strategic and operational governance on human rights, including the management of risks related to forced labour and child labour in its operations and supply chain.

3.4 Supply Chain

The Company's supply chain is made up of 1,612 suppliers of goods and services, including raw materials (metal, glass, wood, fabric, and upholstery foam) and supplies purchased for use in products manufactured at its four production sites.

The table below details the geographic distribution of the Company's suppliers and the annual purchasing volume by country during the Reference Period.

Supplier Location	Number of Suppliers per Country	Number of Suppliers per Country (%)	Annual Expenditure (%) *
Canada	1,389	86.17%	88.01%
United States	203	12.59%	7.16%
China	8	0.50%	2.38%
Germany	2	0.12%	0%
Italy	4	0.25%	2.45%
Taiwan	1	0.06%	0%
Indonesia	1	0.06%	0%
England	1	0.06%	0%
Malaysia	1	0.06%	0%
Switzerland	1	0.06%	0%
Belgium	1	0.06%	0%
Total	1,612	100.00%	100.00%

**Expenditure in Canadian dollars presented as a percentage.*

Based on the annual purchasing amount, the Company sources 88.17% of its supplies from Canadian-based suppliers. In doing so, the Company aims to support the Canadian economy while also mitigating procurement risks associated with suppliers in countries vulnerable to forced labour and child labour.

4 Policy and Due Diligence Process

In line with its culture, values, and the Canadian and Québec *Charters of Human Rights and Freedoms*, the Company is committed to preventing forced labour and child labour in its operations and supply chain.

The Company has developed and implemented training and awareness tools for new employees, addressing the new requirements imposed by the CTPAT (Customs-Trade Partnership Against Terrorism) program as well as by the Act.

The Company conducts due diligence to identify and assess the risks of forced labour and child labour within its supply chain before qualifying new suppliers. In the existing process, all selected suppliers are required to sign the *Amisco Declaration of Compliance* to certify that they do not use forced labour or child labour in their operations before being qualified.

As of July 1, 2024, the *Annual Supplier Evaluation* will be implemented to ensure that all qualified suppliers comply with its policies and applicable laws. As part of this evaluation, all suppliers in high-risk countries must annually disclose each of their actions aimed at preventing and reducing the risk of forced labour or child labour in their operations and supply chain.

The *Supplier Code of Conduct* will be implemented before the fall of 2024. Adherence will be mandatory for all qualified suppliers of the Company and its subsidiaries.

5 Risk of Forced Labour and Child Labour

In its operations, the implementation of a code of conduct for the Company's management and its subsidiaries, applicable to its management team, aims, among other things, to eliminate any risk of forced labour and child labour. This code requires all directors to comply with applicable laws, rules, and regulations, including the Canadian and Québec *Charters of Human Rights and Freedoms*.

Based on the geographical evaluation of the Company's 1,612 suppliers during the Reference Period, it was found that 95.26% of its suppliers are in North America (Canada and the United States), where the risk of forced labour and child labour is considered low by organizations such as the ILO (International Labour Organization), the UN

(United Nations), and UNICEF (United Nations International Children’s Emergency Fund).

Despite these findings, and although no cases of forced labour or child labour have been identified in its operations or supply chain to date, the Company focuses its efforts on improving the effectiveness of its prevention and monitoring tools internally and with all its suppliers.

The Company is currently reviewing all activities and practices relating to the selection, analysis, and qualification process of new suppliers, as well as the annual evaluation of qualified suppliers, to ensure and maximize the effectiveness of existing and future tools and procedures.

6 Measures Taken to Address the Use of Forced Labour or Child Labour

The qualification process for new suppliers and the annual evaluation of qualified suppliers are two effective tools for preventing and reducing the risk of forced labour or child labour in the Company’s supply chain, as well as for remediation.

As part of the qualification process for new and existing suppliers, all suppliers must sign the *Amisco Declaration of Compliance*, stating that their activities do not involve the use of forced labour or child labour.

If qualified suppliers fail to comply with the Company’s requirements, standards, and policies, particularly regarding the use of forced labour and child labour during the annual supplier evaluation process as described on page 7 of this report, they will be instantly notified of any non-compliance and corrective measures will be required. If they fail to take effective corrective measures, and in case of persistent non-compliance, they will be disqualified as soon as a new source of supply is developed.

7 Conclusion

Eliminating forced labour and child labour is an essential starting point for creating a fair and sustainable supply chain. The Company remains determined and vigilant.

A new report will be published at the end of each fiscal year to demonstrate the continuous progress and commitment of the Company and its subsidiaries in implementing measures that protect human rights, including the prevention and reduction of risks related to forced labour and child labour in its supply chain.

8 Approval

This report has been approved by the Board of Directors of Les Industries Amisco and its subsidiaries - Groupe Gibo, Stema Pro, and Rembourrage Pro, for the fiscal year ending March 31, 2024, in accordance with subsection 11(4)(b)(i) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I certify that I have reviewed the information contained in the report for the entities listed above. To the best of my knowledge, and having exercised due diligence, I confirm that the information contained in the report is true, accurate, and complete in all material respects for the purposes of the Act, for the aforementioned reporting year.



2024.05.27

Luc Robitaille – President and Chief Operating Officer



2024.08.02

Réjean Poitras – President and Chief Executive Officer