

This statement sets out how Karndean International Inc. (Karndean Designflooring Canada) complies with **Bill S-211 *The Fighting Against Forced Labour and Child Labour in Supply Chains Act*** (the Act), Karndean International Inc. is part of the Karndean group of companies.

It also explains how we comply with the new guidance in relation to Bill S-211, which was released by the Government January 1, 2024.

As a business, we wholly support the purpose of (the Act) which is to promote transparency in supply chains, and we also note that since the new guidance is intended to drive best practice it will assist businesses with tackling Modern Slavery.

#### The structure of our organisations, our business and its supply chain

Karndean Designflooring Canada distributes high quality luxury vinyl flooring to retail and commercial flooring businesses in Canada. Products are sourced from international suppliers including those from Taiwan, China, South Korea and Vietnam.

#### Our Commitment & Understanding of the Impact of Forced Labour and Child Labour

Karndean Designflooring Canada is committed to ensuring complete compliance with the Bill S-211 and mandates the same of its suppliers. It is the company's moral and ethical responsibility to ensure that all individuals are treated fairly and respectfully throughout the procurement and manufacturing of our product offering. Ownership of this policy resides with the leader of the business but is fully adopted and adhered to by all its employees.

#### Our Policies in relation to Forced Labour, Child Labour and Human Trafficking

Karndean Designflooring Canada makes clear the standards we expect of our employees, consultants and suppliers. Suppliers are audited regularly, and our employees and consultants are vigilant to the requirements of Bill S-211. Supplier factories are informed that conditions of employment; wages and benefits and child labour policies must meet the standard required of them by law. Modern slavery (which may also be referred to as forced labour) and human trafficking are prohibited. We request assurances from all major suppliers each year that standards are being met.

#### The due diligence processes in relation to Forced Labour, Child Labour and Human Trafficking

Karndean Designflooring Canada assess any instances of non-compliance on a case-by-case basis and will tailor any remedial action appropriately. We will only trade with those companies which comply with these requirements.

#### Our risk assessment of modern slavery or human trafficking taking place, and the steps we have taken to assess and manage that risk

- The responses from suppliers to our supply chain audits have been positive. We would propose remedial actions to our suppliers should any of them not meet our standards.
- Any new suppliers are risk-assessed for compliance prior to concluding contracts.

#### Training

- Karndean Designflooring Canada is embarking on a program of continuous improvement in understanding and identifying risks within the supply chain.
- This statement was approved by Tim Craik, Vice President & General Manager, for and on behalf of Karndean International Inc. and will be reviewed on an annual basis.

Tim Craik

**Vice President & General Manager**