

Entity(s): MSI Stone ULC
2140 Meadowpine Blvd
Mississauga, ON L5N 6H6 Canada

M S International, Inc.
2095 N. Batavia Street
Orange, CA 92865 USA

Industry: Stone and Stone Product Distribution (SIC 5032)

Report: 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 (2024 Report)

Period: Fiscal Year: January 1, 2023, through December 31, 2023

Date: May 23, 2024

General:

MSI Stone ULC supports the efforts intended under the Act and is committed to preventing forced labour and child labour within its supply chains. MSI Stone ULC has implemented meaningful and proactive measures to identify non-compliance under the Act and ensure oversight in our supply chain to identify emerging risks. MSI Stone ULC will continue to demonstrate due diligence, govern regulatory compliance practices, and implement corrective measures in this area.

Structure & Activities:

MSI Stone ULC is an 'Entity' as defined under *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*. MSI Stone ULC operates as a subsidiary of M S International, Inc. The entity acts as an importer and distributor of flooring, countertop, wall tile and hardscaping products produced outside of Canada.

Policies & Due Diligence:

MSI Stone ULC has implemented policies and due diligence processes to prevent forced-child labour and we strictly prohibits forced, bonded, or prison labour with emphasis on ensuring vendors adhere to these standards. MSI Stone ULC prohibits employment of workers below minimum working or school age, with

documentation required for age verification and our vendors must comply with local laws regarding minimum working age and verify workers' ages.

MSI Stone ULC emphasizes worker respect, safety, and compliance with labour laws on working conditions, wages, and hours. In addition, we encourage our vendors to report violations confidentially and prohibit bribery and collusion. MSI Stone conducts audits and assessments to enforce these policies, ensuring transparency and accountability in its supply chain.

The following elements of our due diligence process have been implemented in relations to forced-child labour:

- Embedding responsible business conduct into policies and management systems
- Identifying and assessing adverse impacts in operations, supply chains and business relationships
- Ceasing, preventing, or mitigating adverse impacts
- Tracking implementation and results
- Communicating how impacts are addressed
- Providing for or cooperating in remediation when appropriate

Supply Chain Risk & Management of Risk:

MSI Stone ULC has taken steps prior to and during the reporting period to prevent and reduce the risk that forced-child labour is used at any step of the production of goods and imported into Canada. These steps are as follows:

- Mapping activities
- Mapping supply chains
- Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
- Contracting an external assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
- Auditing suppliers
- Monitoring suppliers

MSI Stone ULC continues to focus on identifying any potential risk of forced-child labour in our business and supply chain. We will continue to strive to identify emerging risks also. However, we are pleased to report we have not identified any forced-child labour in our current activities or supply chain. Several key aspects of our activities are identified as potential risks. They are as follows:

- Suppliers further down the supply chain than tier 3 (three)
- The use of outsourced, contracted, or subcontracted labour
- The use of migrant labour

It is paramount to note that MSI Stone ULC will continue to take the necessary steps to assess and manage the risk of forced-child labour. We conduct regular audits and monitoring of our suppliers' facilities and practices to verify compliance with labour standards and identify any instances of forced or child labour. Audits may be conducted internally or by 3rd party auditors, depending on the nature of the supplier and level of risk. We have also developed and communicated a 'Supplier Code of Conduct' that outlines our expectations regarding labour practices, including prohibition on forced-child labour, and any form of human trafficking. Suppliers are required to acknowledge and adhere to this code as a condition of doing business with our entity.

In addition, MSI Stone ULC requires all suppliers to sign a 'Vendor Agreement' that contains a 'Supplier Code of Conduct' to ensure commitment to responsible and ethical business principles. Each vendor is required to certify their compliance with this Code of Conduct which specifically prohibits forced labour. We also regularly monitor numerous international standards resources and reports such as the United Nations Guiding Principles on Business and Human Rights documents to ensure compliance in our supply chains.

Measures to Remediate any Forced-Child Labour:

MSI Stone ULC has not identified any forced-child labour in our activities and supply chains.

Measures to Remediate Loss of Income:

As no forced-child labour instances have been identified in MSI Stone ULC activities and supply chains, there was no loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

Employee Training:

MSI Stone ULC currently provides training to employees on forced-child labour, which is mandatory for employees making contracting and purchasing decisions. The most recent training session was conducted in March 2023.

The companies' 'Supplier Code of Conduct' is distributed and requires each team member to complete a quiz on its content. Each team member must retake the quiz until achieving a perfect score, ensuring through understanding of the code of conduct.

Assessment of Entity's Effectiveness:

MSI Stone ULC has policies and procedures in place to assess its effectiveness in ensuring that forced-child labour is not being used in its activities and supply chain. MSI Stone ULC conducts regular reviews or audits of the organization's policies and procedures related to forced-child labour.

MSI Stone ULC is dedicated to conducting business in a lawful and ethical manner. MSI Stone ULC expects its suppliers to obey all laws, regulations, and other governmental authorities of any country in which they do business, and to conduct themselves in a professional and ethical manner. MSI Stone ULC expects that suppliers do not use forced labour of any kind, including human trafficking and slavery, to produce the products they provide to our company.

Our company audits potential new and current suppliers from time to time to determine if they are meeting these requirements. On an annual basis, a selection of suppliers is audited using a risk-based approach. Supplier participation in the audit process is mandatory and failure to meet the requirements of MSI Stone ULC may result in discontinuation of the supplier partnership.

Suppliers are also required to enter into written agreements that require suppliers to comply with applicable laws within the country of business, including those laws regarding human trafficking and slavery. MSI Stone ULC recognizes the importance of fair labour practices and is committed to doing its part to eradicating not only forced labour but slavery and human trafficking also.

Future Activities Designed to Identify Forced Labour

MSI Stone ULC intends to take the following steps to further enhance its forced labour scrutiny within its business:

- Mapping activities
- Mapping supply chains
- Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
- Contracting an external assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
- Auditing suppliers
- Monitoring suppliers

Multiple Jurisdictions

M S International, Inc. supports and complies with the Uyghur Forced Labor Prevention Act of 2021 in the United States.

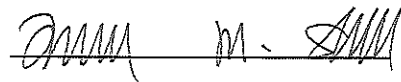
Summary

MSI Stone ULC maintains a robust program to identify forced labour within its supply chain and overall business. It will continue to dedicate resources to this initiative. At this time, MSI Stone ULC has not identified any instances of forced labour within its business activities or supply chains, but recognizes and appreciates the critical importance of continuing its diligence in this area.

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 or entities 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.

I have the authority to bind **MSI Stone ULC**.



Rupesh M. Shah

Co-CEO

May 31, 2024