



Fairchild Property Group Ltd.

Modern Slavery Report

For the fiscal year ended March 31, 2024

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1. Introduction

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “**Act**”) requires businesses to state the actions they have taken during the fiscal year to prevent and reduce the risk of forced labour or child labour within their operations and supply chain. This is a joint report prepared by Fairchild Property Group Ltd. (“**FPG**” or “**we**” or “**us**”) for the fiscal year ended March 31, 2024 (“**Fiscal 2024**”) on its own operations as well as on the operations of its directly controlled subsidiary companies that produce or import goods produced outside Canada.

This report summarizes the steps taken to prevent and reduce the risk of modern slavery at any step of the production of goods that are produced, sold, or distributed by us. In this report, we use the term “modern slavery” to refer to forced labour and child labour.

2. Steps to Prevent and Reduce the Risk of Forced Labour and Child Labour

During the fiscal year ended March 31, 2024, FPG took the following steps to help prevent and reduce the risk of forced labour or child labour in our operations and supply chain:

- Conducted an internal assessment to identify areas of our operations that have a risk of forced labour and child labour;
- Worked to contact suppliers to assess the risks of forced labour and child labour in their supply chains;
- Mapped activities and our supply chain;
- Worked on developing and deploying a formal statement on modern slavery as well as Supplier Code of Conduct in our supply chain;
- Worked on developing and implementing anti-forced labour and child labour clauses in our purchase and supply contracts;
- Worked on Act compliance checklist and training materials for employees responsible for hiring and procurement; and
- Raised awareness among employees about the Act and their related responsibilities.

3. Structure, Activities and Supply Chains

3.1. Structure and Activities

FPG is incorporated under the laws of the Province of British Columbia and was established in 1989. FPG is headquartered in Richmond, British Columbia and engages in a diverse range of businesses serving the needs of multicultural communities and households from coast to coast. FPG operates in multiple sectors, including media, technology, real estate, food and beverage, wholesale, retail and lifestyle, with further expansions on the horizon. These businesses have been strategically developed to synergistically enhance operations between each other, ensuring a strong network of support for companies expanding into the Canadian market.

As of March 31, 2024, FPG employs over 400 full-time and part-time employees in Canada through its direct controlled subsidiaries that produce or import goods produced outside Canada. FPG maintains a presence in Toronto Ontario, Vancouver British Columbia and Calgary Alberta through its subsidiaries.

3.2. Supply Chain

FPG's supply chain consists of suppliers of finished goods including general merchandise and clothing, based in Canada, Japan, Hong Kong, and China. Finished goods are sourced in compliance with our internal import/supply policies and in conjunction with our supplier partners, from a combination of local sources and an international base of proven suppliers. We partner with suppliers that share our commitment to quality, employee welfare and social sustainability. The majority of our finished goods are procured from suppliers in Japan and Hong Kong.

4. Policies and Due Diligence Processes

4.1. Code of Conduct

FPG is committed to operating in accordance with the highest human rights and ethical standards, in compliance with all applicable labour codes and laws, both federal and provincial, as well as government regulations and rules. (the "Code").

FPG wishes to maintain a work environment that fosters personal and professional growth for all employees in accordance with the Code. While maintaining such an environment is the responsibility of every staff member, managers and supervisors have additional responsibilities to lead in a manner that fosters respect for each employee.

Our responsibility is to:

- Foster cooperation and communication among each other;
- Treat each other fairly, with dignity and respect;
- Promote harmony and teamwork in the workplace;
- Strive for mutual understanding of performance expectations, and communicate routinely to reinforce that understanding;
- Encourage and consider opinions of other employees, and invite participation in decisions that affect work and careers;
- Support the growth and development of employees by helping them achieve personal goals at FPG and beyond;
- Seek to avoid workplace conflict, and if it occurs, respond fairly and quickly to resolve it;
- Administer all policies equitably and fairly, recognizing that jobs are different but each is important; that individual performance should be recognized and measured against predetermined standards; and that each employee has the right to fair treatment;
- Recognize that employees in their personal lives may experience crisis and show compassion and understanding.

4.2. Recruitment Policy and Work Environment

FPG is an equal opportunity employer and employs personnel without regard to race, ancestry, place of origin, color, ethnic origin, language, citizenship, creed, religion, gender, sexual orientation, age, marital status, physical and/or mental disability, or financial ability. While remaining alert and sensitive to the issue of fair and equitable treatment for all, FPG seeks to fully integrate this principle of Employment Equity with its other human-resources policies and procedures to ensure that all present and potential employees receive equitable treatment in all matters related to employment.

Consistent with Human Rights legislation, we recognize the value and dignity of each individual, ensuring genuine, open, and unhindered access to employment opportunities free from any barriers. We are committed to providing equal opportunities in hiring, promotion, and compensation. We believe every employee should be valued and are dedicated to fostering an environment where everyone can thrive and contribute to our collective success.

FPG does not tolerate bullying, harassment or other inappropriate comments or conduct towards a person that causes humiliation, intimidation, or embarrassment in any of its workspaces. FPG aims to provide a safe and healthy work environment for the continuous growth and development of all our employees, helping to foster and sustain a culture of honesty and accountability.

4.3. Supply Chain

In Fiscal 2024, FPG worked to reduce the risks of modern slavery in our supply chain. We developed a checklist to guide procurement and hiring staff, as well as all other relevant employees, on the key considerations related to modern slavery during hiring or procurement. We are also working on a modern slavery questionnaire to be completed by our suppliers.

We made inquiries with our suppliers about their due diligence practices and any policies or codes related to modern slavery. We are also working to extend our diligence to second-level suppliers by confirming that all brands we purchase have supplier codes of conduct or policies that prohibit the use of forced labour and child labour.

We have started to compile the following to help reduce modern slavery in our supply chain:

a) Supplier Code of Conduct

FPG is currently developing Supplier Modern Slavery Questionnaire and Supplier Code of Conduct ("**Supplier Code**"). The Supplier Code will set out rules and information for our suppliers that require them to take certain steps to reduce modern slavery risks in their supply chains. We plan to deploy the Supplier Code in Fiscal 2024/2025.

b) Contractual Clauses

FPG has developed contractual clauses aimed at reducing the risk of modern slavery. Going forward, we intend that all contracts negotiated with suppliers of goods shall include such clauses.

c) Reporting Mechanisms

We are working to include a reporting mechanism on our website, via mail, email or phone, for the public to report suspected use of modern slavery in our supply chain, as well as suspected wrongdoing, fraudulent acts, questionable behavior, and/or violations of our Code of Conduct.

5. Risk Assessment

FPG operations are located within Canada, with major business activities in real estate and media businesses, and a secondary focus on retail and wholesale. We are not engaged in the type of work normally associated with forced labour or child labour.

Nonetheless, we recognize that the potential exists for forced labour or child labour to be present in our supply chain, either with direct suppliers or indirect suppliers further down the supply chain. To assist in our risk assessment, we plan to review researches published by local human right organizations, the United Nations, and other international governing bodies that examine which goods are at risk of being produced by forced labour and child labour. We also made direct inquiries with applicable suppliers about how they assess risks of modern slavery in their supply chains.

While we must continue to be vigilant, our current assessment is that we have minimal exposure to modern slavery risks in our supply chain. A more detailed summary of risks on products procured is set out below.

5.1. General Merchandise and clothing

FPG, through its wholesale and retail subsidiaries, purchases finished goods from suppliers in Asian countries for resale in Canada. To minimize the risk of purchasing goods produced by

forced labour and child labour, we will start making inquiries with suppliers via questionnaires and checklists about their due diligence practices and any policies or codes relating to modern slavery. For existing supplier contracts as well as future supplier contract renegotiations, we will insert contractual clauses that require suppliers to take steps to avoid modern slavery risks and notify us promptly if any instances of modern slavery are discovered.

To further reduce such risks, we also plan to extend our diligence to second-level suppliers by confirming that all goods we purchase have supplier codes of conduct or policies that prohibit the use of forced labour and child labour.

6. Remedial Measures

FPG is not aware of any instances of forced labour or child labour in our supply chain, and therefore we did not take any measures to remediate any adverse impacts or the loss of income to families that could have resulted from measures taken to address modern slavery. If we learn of any potential or confirmed instances of modern slavery, we will investigate and take appropriate remedial measures.

7. Training

FPG employees receive regular training on regulatory requirements, ethical practices, and our Code of Conduct. Additionally, our employees who handle hiring and procurement are required to review and monitor any new labor regulations and import regulations that come into effect

In Fiscal 2025, FPG plans to hold meetings and training for staff who are directly responsible for procurement matters. We are working to prepare more detailed training materials for our employees on modern slavery.

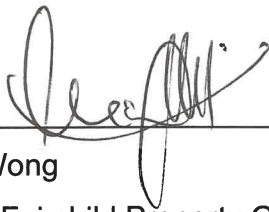
8. Assessing Effectiveness and Future Improvements

An assessment of the new measures in Sections 4.3(a), 4.3(b) and 4.3(c) of this report will be conducted at the end of the next fiscal year to determine their effectiveness. This assessment will help identify future improvements needed to enhance our commitment to preventing and reducing the risk of modern slavery in our supply chain.

9. Approval and Attestation

This report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of FPG for the fiscal year ended March 31, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, 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.



Patrick Wong

Director, Fairchild Property Group Ltd.

May 27, 2024

I have authority to bind Fairchild Property Group Ltd.