

March 25, 2024

BILL S-211

Modern Slavery Statement for the Financial Year ended Dec. 31, 2023

This statement is made pursuant to 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. This statement outlines the approach and initiatives by 5033278 Ontario Inc O/A S&M Enterprises to identify and address the risks forced labour and child labour in its business operations and supply chains during the financial year commencing Jan 1, 2023-Dec 31, 2023.

S&M Enterprises is a GFSI certified facility that is opposed to child labour as part of its certification criteria. We are against child labour not just from a legal and operational level but certainly an ethical level.

Group Structure

5033278 Ontario Inc was established on May 12, 2020. It trades under the business name S&M Enterprises with its head office at 2965 Bristol Cir. Building C

Our company is a repacker and distributor of confectionary items to major retailers. The largest retailers also require our suppliers to provide audits on their site of being child labour free as part of the SMETA audit reports.

We currently purchase majority of our bill of materials from within North America and Spain. Packaging supplies come from India through a global leading packaging supplier that also passes retailers supply chain audit requirements.

Risks in Supply Chain

A part our portfolio contains chocolate which is known to have labor issues throughout the supply chain. We pay a premium to source from the most reputable companies in the world to minimize the likelihood of having child labour as part of the supply chain.

Actions Taken

S&M Enterprises has announced company wide and further to procurement department our stance against child labour.

Procurement has sent out letter of guarantees to all suppliers for statement on no child labour as part of their company processes.

We have employee education on the issue of risks within our supply chain and onboarding of new suppliers. They must go through the process that complies with our GFSI certification as well as major retailers own SMETA requirements which further reduces likelihood of child labor.

Risk Assessment

Historically when we onboard suppliers as well as new suppliers, we use a matrix system to identify risks to quality as well as child labour on the material, country of origin as well as company itself.

The outcome of these decisions weigh into our company decision to proceed qualifying them into our approved supplier list.

After that when we submit items for approval to our customers, they do their own analysis in conjunction with us, and our approved supplier has to be comfortable with our customers proceeding with onsite ethical audits to stay active as an approved supplier.

Remediation

Thankfully we have not run into any issues regarding child labour. If suspected, we would notify our customer who has their active items and engage through the appropriate legal procedures from the country of origin.

Training

Child labour training is part of our supply chain and approved supplier process training that occurs annually as part of our requirement for a GFSI certification.

Effectiveness Assessment

We are required to track when child labour has been detected for which raw material, country of origin as well as company that it came from.

However up until now we have had zero cases to track.

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act for the financial year ending Dec 31, 2023. It has been issued on behalf of 5033278 Ontario Inc and approved by 5033278 Ontario Inc board of directors.

Signed,

Board of Directors

Chang Kevin Sun



Khang Luong



Kim Luong



Leo Rhee

