

# Advantage Sales & Marketing Inc. and Subsidiaries: Report Under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

(For the fiscal year ended December 31, 2023)

## Introduction

Advantage Sales & Marketing Inc. submits this joint report in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") for the fiscal year ending December 31, 2023. Advantage Sales & Marketing Inc. together with its subsidiaries is referred to herein collectively, as "ASI", the "Company" or "our" or "we"),<sup>1</sup>

## Our Company

ASI is a leading business solutions provider to consumer goods manufacturers and retailers. We have a strong platform of competitively advantaged sales and marketing services built over multiple decades – essential, business critical services like headquarter sales, retail merchandising, in-store sampling, digital commerce and shopper marketing. For brands and retailers of all sizes, we help get the right products on the shelf (whether physical or digital) and into the hands of consumers (however they shop). We use a scaled platform to innovate as a trusted partner with our clients, solving problems to increase their efficiency and effectiveness across a broad range of channels.

ASI's operations are segmented into three distinct business units: *Branded Services*, *Retail Services* and *Experiential Services*.

<b>Branded Services</b>	ASI provides tailored services for branded consumer goods manufacturers. We offer comprehensive headquarter relationship management, where we represent our clients in negotiations and business development with retailers. This includes the development and execution of strategies for product distribution, positioning, pricing, and promotion. Our branded services also include merchandising efforts, such on-site product arrangement, promotional activities, and the use of technology to optimize in-store presence and performance.
<b>Retail Services</b>	ASI supports retailers directly by optimizing in-store operations and consumer interactions. We serve as a merchandising partner, managing the presentation and arrangement of products in stores. We perform compliance audits, data collection, in-store product assembly, and advisory services such as analytics and planogram services. These services are designed to increase sales and optimize inventory and space management, allowing retailer personnel to focus more on customer service. This also includes managing multi-manufacturer circulars and other in-store media, aiming to maximize sales, improve inventory management, and enhance the shopping

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<sup>1</sup> The entities covered by this report for the fiscal year ended December 31, 2023, are listed in the Appendix.

## Daymon Canada (dba "Club Demonstration Services" and "Interactions Consumer Marketing")

Daymon Canada specializes in experiential marketing services tailored for Canadian retail clients with a focus on in-store product demonstrations designed to increase sales and improve consumer engagement by providing interactive, hands-on experiences with products. Club Demonstration Services is an exclusive in-house event marketing provider to Costco. It provides support for road shows, merchandising services, product demonstrations, special events, brand ambassadors and insights and analytics.

Daymon Canada employs a trained workforce to conduct product demonstrations using specialized equipment sourced from manufacturers in Asia. Items include stainless steel carts, Teppanyaki carts, metro carts, and prep counters, which are used to conduct demonstrations in retail environments.

## Our Policies

ASI is committed to conducting its business with the highest ethical standards. This commitment is reflected in our principle that *"We act with integrity in all of our business dealings."* These values are formalized in our policies and Code of Business Conduct and Ethics ("**Code of Conduct**").

### Code of Business Conduct and Ethics

ASI's current Code of Conduct was adopted in February 2023 and includes several policies that contribute to our broader efforts to maintain high ethical standards in our operations and supply chains. ASI's Code of Conduct describes the standards applicable to all of our employees, directors, officers, and to third parties who contract with and/or perform services for or on behalf of the Company (including without limitation consultants, suppliers, independent contractors and other third-party representatives) ("**Third-Parties**"). It provides comprehensive guidelines for daily business conduct and emphasizes the importance of integrity, respect and professionalism in all of our business dealings. We expect our employees and business partners to be familiar with the Code of Conduct and to adhere to its principles and procedures. .

The ASI Code of Conduct promotes:

- **Honest and Ethical Conduct.** This involves fair dealings and the ethical handling of actual or apparent conflicts of interest.
- **Safe and Professional Work Environment:** We insist on a workplace where safety rules and procedures are followed diligently, including the usage of safety equipment and immediate reporting of unsafe conditions. We maintain a strict no-tolerance policy towards any form of illegal discrimination or harassment, to ensure a workplace free from discrimination based on legally protected categories such as race, gender, and others.
- **Compliance with Laws:** Our employees and Third-Parties must comply fully with all applicable laws, rules, and regulations. This includes adhering to anti-bribery laws, competition laws, and other relevant legal standards.

in our operations, regardless of their position. It covers not only employees but also applicants, interns, contractors, customers, vendors, and any third parties interacting with the Company. The policy's protection extends to all work-related settings, including Company-sponsored events and off-site work assignments.

## **The Risks of Forced Labour or Child Labour**

We have not identified instances of forced labour or child labour in our operations or those of our direct suppliers. However, ASI acknowledges its responsibility to be vigilant about forced labour and child labour risks across its business operations and supply chains. Our commitment is to transparency and continuous improvement in identifying and managing any potential risks associated with forced and child labour.

ASI's demonstration services require the regular acquisition and importation of equipment and materials, including carts, stainless steel counters, and related goods from manufacturers in the United States. As part of its retail and distribution services, ASI also imports various food items from Belgium, Italy and the Asia-Pacific region. These activities inherently carry a risk of forced or child labour due to the complex and often opaque supply chains associated with these products. Some of the regions from which these goods are sourced are known for weaker labour regulations and enforcement, creating a potential risk of forced or child labour.

## **Due Diligence Processes and steps taken to prevent and reduce the risk of forced labour or child labour**

The following points outline our key initiatives and processes aimed at promoting ethical business conduct and maintaining high standards of integrity and responsibility throughout our operations and supply chains.

- **Business Code of Conduct and Supplier Code of Conduct.** In 2023, ASI adopted its Code of Business Conduct and Ethics, which articulates its expectations for ethical business conduct from employees and Third-Parties. ASI intends to implement a Supplier Code of Conduct within the next twelve-months.
- **Third-Party Audits.** In collaboration with major partners like Costco, ASI participates in supply chain and labour practices audits aimed at evaluating our suppliers' management systems, facilities and practices related to labour – including child labour and indicators of forced labour – , health, safety and employee housing, and environmental management.
- **Contractual Requirements.** In line with ASI's commitment to uphold high standards of safety and compliance in its supply chains, IBC suppliers are contractually required to undergo annual audits and inspections conducted by independent third-party auditors. The purpose of these audits is to ensure that the suppliers engaged with us in buy/sell activities adhere to all applicable laws and regulations relevant to the performance of the agreement. If any issues are identified during the audits, suppliers are obligated to take immediate corrective actions at their own expense. These actions are necessary to address any non-compliance issues uncovered

Bryce Robinson  
Secretary

Advantage Sales & Marketing Inc.

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*I have the authority to bind Advantage Sales & Marketing Inc.*

May 31, 2024

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	experience. We also manage a variety of media, merchandising, and display platforms for retailers, including multi-manufacturer circular programs.
<b>Experiential Services</b>	ASI designs and executes experiential marketing campaigns that directly engage consumers. These services are delivered both in-store and online, including large-scale sampling and demonstration events. By creating interactive experiences, we aim to boost brand visibility, influence purchase decisions, and enhance consumer loyalty. This segment represents a significant portion of our marketing services, offering personalized and impactful consumer engagements.

## Structure, Activities and Supply Chains

ASI delivers retail and experiential services to the Canadian market primarily through the following US and Canadian subsidiaries of Advantage Sales & Marketing Inc.:<sup>2</sup>

- Advantage Solutions Inc. ("**ASI Canada**") is a federally incorporated Canadian corporation and is a direct and wholly owned subsidiary of Advantage Sales & Marketing Inc.
- Daymon Worldwide Canada Inc. ("**Daymon Canada**") is a US-based (Delaware) corporation and an indirect subsidiary of Advantage Sales & Marketing Inc.

### ASI Canada, including its IBC business unit

ASI Canada delivers retail services to Canadian customers, including marketing, brokerage, and distribution operations across different retail channels. ASI Canada represents various brands at retailers throughout Canada. Its activities include managing product placement, monitoring inventory levels, and facilitating direct sales relationships. These services ensure that products are prominently displayed and readily available to consumers.

As part of its brokerage services, ASI Canada engages in buy-sell relationships where it acts as the importer of record and distributor of goods. This involves taking possession or ownership of inventory, managing trade spend, and overseeing the entire distribution process from importation to final sale on behalf of retail customers. ASI Canada also provides reline services for major retailers. This service involves restructuring retail layouts according to new planograms, which are strategic layouts designed to optimize shelf space and enhance product visibility.

IBC operates as a distinct business unit within ASI Canada. The primary focus of IBC's business is selling its clients' goods into Costco, as well as managing the logistics and distribution associated with these sales. IBC's business involves the importation of various food products, primarily from European and Asian suppliers, and selling them to Costco for resale to consumers.

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<sup>2</sup> Advantage Sales & Marketing Inc. is a holding company and its business activities are conducted through operating subsidiaries. Advantage Sales & Marketing Inc. does not have direct employees or independent operational functions.

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The ASI Code of Conduct promotes:

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- **Safe and Professional Work Environment:** We insist on a workplace where safety rules and procedures are followed diligently, including the usage of safety equipment and immediate reporting of unsafe conditions. We maintain a strict no-tolerance policy towards any form of illegal discrimination or harassment, to ensure a workplace free from discrimination based on legally protected categories such as race, gender, and others.
- **Compliance with Laws:** Our employees and Third-Parties must comply fully with all applicable laws, rules, and regulations. This includes adhering to anti-bribery laws, competition laws, and other relevant legal standards.

- **Prompt Reporting:** ASI employees have a duty to report potential violation of applicable laws, rules or regulations, or of the provisions of the Code of Conduct. We expect the same of Third-Parties. This can be done through various reporting channels, including supervisors, human resources, or ASI's ethics and compliance reporting hotline, which is operated by an independent third-party service provider and can be accessed worldwide 24/7 through a website or a toll-free telephone number.
- **Accountability and Enforcement:** ASI employees must adhere to the Code of Conduct. Failure to do so may result in disciplinary action, up to and including termination of employment. Employees who report suspected violations in good faith are protected from retaliation. This encourages the reporting of unethical behavior and helps maintain the integrity of our operations. We also expect the same high standards from Third-Parties.

The Code is reviewed periodically by the ASI legal team and the Audit Committee and submitted to the Board of Directors, which must approve any substantive changes to the Code. A copy of the Code of Conduct is available on our website: <https://ir.advantagesolutions.net/static-files/51fd1f5a-9ffc-402a-bedb-cf35308c0af3>

## Other Policies

The principles outlined in our Code of Conduct and our commitment to ethical business practices are also reflected in the policies that are incorporated in our employee handbook.

**Occupational Health and Safety Policy.** ASI is deeply committed to the personal and collective health and safety of its employees. This commitment is integral to our organizational culture and extends from senior management to every individual working within the Company. The primary objective of this policy is to ensure a safe work environment, preventing occupational injuries, accidents, and illnesses. A key component of ASI's health and safety framework is the Joint Health and Safety Committee (JHSC), which includes representatives from both workers and management. The JHSC plays a crucial role in enhancing workplace safety by raising awareness, identifying risks, and developing recommendations for mitigating these risks. Our policy also addresses workplace violence, harassment, and discrimination, recognizing these issues as significant occupational health and safety hazards.

**Respect in the Workplace Policy.** ASI is dedicated to fostering a working environment rooted in respect for the dignity and rights of all individuals within the organization. The Respect in the Workplace Policy, effective April 1, 2021, outlines our commitment to ensuring a healthy, safe work environment free from discrimination, harassment, bullying, violence, or the threat of violence. This policy applies to all full-time employees, temporary employees, contractors, interns, volunteers, suppliers, customers, and any other parties involved in work-related activities. The policy forbids all forms of harassment, including sexual harassment and psychological harassment. Harassment can take many forms, such as unwelcome verbal or physical contact, threats, and bullying.

**Sexual and Other Unlawful Harassment Policy.** ASI is committed to providing a work environment free from any form of harassment. Effective January 15, 2020, the Sexual and Other Unlawful Harassment Policy strictly prohibits any form of sexual harassment and harassment based on any legally recognized status (e.g., gender, colour, religion, citizenship status, etc.). This policy applies to all individuals involved

in our operations, regardless of their position. It covers not only employees but also applicants, interns, contractors, customers, vendors, and any third parties interacting with the Company. The policy's protection extends to all work-related settings, including Company-sponsored events and off-site work assignments.

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during the audits and to prevent future occurrences.

- **Advantage Anonymous Ethics Reporting Hotline.** The ASI Anonymous Ethics Reporting Hotline provides an avenue for employees to ask questions, express concerns or report actions in the workplace you believe might conflict with the Company's Code of Business Conduct and Ethics, accounting or auditing practices, Company policies or the law. The hotline, operated by a third-party provider, may be accessed worldwide, 24 hours a day, 365 days per year either online at [adv.ethicspoint.com](http://adv.ethicspoint.com) or by calling the toll-free telephone number 1-888-325-7882.
- **Recruitment and Onboarding Policies.** ASI conducts background and identity checks as part of its worker recruitment strategy to ensure a safe and secure workplace for employees. ASI also enforces a policy that requires C-suite approval to employ individuals under the age of 18. ASI's employees receive formal offer letters for their respective positions.
- **Environmental, Social, and Governance (ESG) Initiative.** In 2023, ASI identified Belonging & Impact, which includes Diversity, Equity & Inclusion (DEI), Community Engagement, and Environmental, Social, Governance (ESG), as a business priority. The Executive Leadership Team (ELT) established a dedicated Belonging & Impact team, led by a Vice President reporting to the Chief Human Resources Officer (CHRO), to drive these enterprise-wide efforts. The Belonging & Impact team developed a multi-year strategy, approved by the CHRO, Chief Executive Officer, and ELT, which includes conducting an evidence-based assessment of ESG priorities.

## Training Program

ASI provides annual training on its Code of Conduct, which is managed and tracked through its Learning and Development department. Completion of this training is mandatory. ASI also offers a comprehensive suite of training programs aimed at fostering an ethical, safe, and inclusive workplace. These training materials focus on several key themes, including corporate social responsibility, workplace ethics, and sustainability strategies, emphasizing the importance of ethical leadership and comprehensive sustainability planning. Our training program also addresses issues related to workplace physical and sexual violence and harassment in the workplace, excessive overtime, equitable workplace practices, inclusive hiring, and payment of all wages in compliance with applicable laws, including where applicable over-time amounts.

## Approval and Attestation

The Report was approved pursuant to Subparagraph 11(4)(a)(ii) of the Act by the Board of Directors of Advantage Sales & Marketing Inc.

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 entities listed in the Appendix. 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.

Bryce Robinson  
Secretary

Advantage Sales & Marketing Inc.

A handwritten signature in black ink, appearing to read "Bryce Robinson", written over a horizontal line.

*I have the authority to bind Advantage Sales & Marketing Inc.*

May 31, 2024

# **Appendix**

## **Reporting Entities**

- Advantage Sales & Marketing Inc. (US, Delaware)
- Advantage Solutions Inc. (Canada) (referred to herein as "ASI Canada")
- Daymon Worldwide Inc. (US, Delaware)
- Daymon Worldwide Canada Inc. (US, Delaware) with a Canadian branch (referred to herein as "Daymon Canada")