



Amway Canada Corporation

*Fighting Forced and Child Labour in Supply Chains Act Report*

Fiscal Year End December 31, 2023

## About this Report

Amway Canada Corporation has prepared this report (the "**Report**") being submitted pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") for the financial year ended December 31, 2023 (the "**Reporting Period**").

This Report describes the efforts being taken to enhance the transparency in our supply chains by outlining the steps during the Reporting Period to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada. This has been done in accordance with the mandatory reporting criteria outlined in Sections 11(1) and 11(3) of the Act.

## Introduction

Amway is the world's No. 1 direct selling business, according to the Direct Selling News Global 100\*. Operating in more than 100 countries and territories, Amway manufactures and distributes more than 450 consumer products, which are supported by a team of more than 950 Amway scientists, engineers and technical professionals working across more than 75 R&D and quality assurance labs around the world. More than 16,000 employees support millions of Amway Business Owners (ABOs) who sell Amway™ products. Top-selling brands for Amway include Nutrilite™ vitamin, mineral and dietary supplements; Artistry™ skincare products and color cosmetics; and eSpring™ water treatment systems.

Amway Canada was the first Amway affiliate located outside of the United States. Since opening in 1962, Amway Canada continues to be the sole provider of Amway products for Canadian Independent Business Owners (IBOs) and their customers.

\*Ranked by the DSN Global 100. Based on 2023 revenues.

## Structures, Activities and Supply Chains

Amway Canada is a wholly owned subsidiary of Amway, incorporated under the laws of Ontario. Amway Canada is headquartered in London Ontario. Our offices are located in London Ontario while our distribution centres are located in Ada Michigan USA and Sante Fe Springs California USA.

All products that Amway Canada sells and distributes to its Canadian IBOs and customers are sourced from Amway Corporation's sister company, Access Business Group ("**ABG**"), which is located in Ada, Michigan. Canadian IBOs and customers purchase their product from Amway Canada through its website ([www.amway.ca](http://www.amway.ca)). These individual orders are systematically collected and electronically sent to an ABG distribution centre in either Michigan or California for processing.

Amway Canada is the sole importer of record for all product shipped to Canada and receives the orders prior to distributing them to its IBOs and customers. Amway Canada partners with three Canadian parcel delivery companies to distribute the IBO and customer orders to their homes. All finished goods sold by Amway Canada are either manufactured by ABG or purchased directly from non-related suppliers.

As a part of the Amway family, we benefit from Amway's broad supplier base. This includes Amway's own farms, where the company grows and harvests natural ingredients found in several Amway products. Amway's procurement department also sources and procures all of ABG's required raw materials and packaging components that are needed to complete the manufacturing process. These suppliers are located throughout the world.

In 2023, Amway Canada purchased 482 products from 1 supplier based in the United States of America. Of those products, approximately 67.2% were purchased in Canada and the United States, approximately 12.2% in China, and the remaining 20.6% from 15 other countries.

Country Of Origin	SKU Pct.
Belgium	1.7%
Canada	2.3%
China	12.2%
Columbia	0.8%
Denmark	0.4%
Denmark	0.2%
France	0.2%
Great Britain	0.2%
India	0.4%
Italy	4.6%
Japan	1.5%
Korea	7.3%
Malaysia	0.2%
Netherlands	0.4%
Norway	0.2%
Thailand	2.3%
Taiwan	0.2%
United States	64.9%

When it comes to sourcing materials and finished goods from non-related companies, the Amway procurement team vets each supplier thoroughly and seeks accountability and compliance with the Supplier Code of Conduct.

## **Policies and Due Diligence Processes**

Amway takes a global, company wide approach to its child and forced labour compliance, which includes Amway Canada. The policies and procedures discussed in this Report, including the Corporate Procurement Policy, Code of Conduct, and Supplier Code of Conduct, apply to all corporations within Amway's organization, including Amway Canada.

Accordingly, at Amway Canada, we rely on the supply chain processes used by Amway globally, which assess suppliers.

a. Corporate Procurement Policy

As part of the global Corporate Amway Procurement Policy, Amway seeks to ensure that purchases of all goods and services achieve the maximum economic value for the corporation while still maintaining or improving the service, delivery, and quality required for efficient operations. In addition, Amway's Corporate Procurement Policy strives to have appropriate controls in place both for both direct materials and indirect goods and services procured through the use of contracts, purchase orders, or other financial tools, while also ensuring that the company is utilizing appropriate and ethical sourcing practices.

b. Code of Conduct

The Amway Code of Conduct is a crucial resource, put in place by Amway to guide each employee to do what is right, not just "what works." The Code of Conduct is supported by Amway senior management, its family of companies and by the Board of Directors in order to demonstrate that Amway is responsible and accountable. At Amway Canada the Code of Conduct is introduced to all employees during their onboarding process immediately after they are hired and reviewed annually thereafter.

Integrity and ethical behaviour have long been the rule at Amway. Accordingly, Amway expects all employees to demonstrate the company's corporate values and to compete fairly to build sustainable economic opportunities.

No member of Amway partners with any organization that utilizes child labour, forced labour, engages in human trafficking, or is suspected of terrorism.

c. Supplier Code of Conduct

To maintain Amway's commitment to its ethical principles and corporate values, Amway has established a Supplier Code of Conduct for all of its suppliers and potential suppliers.

As part of Amway, Customers depend on the quality and value of Amway products and the underlying integrity of the workplace that produces them. For this reason, Amway expects all suppliers (and their subcontractors) to adhere to these standards. Amway reserves the right to terminate a relationship, cancel all orders with any supplier, or pursue any other available remedies with suppliers that do not comply with these standards.

Amway expects all suppliers to provide full access to their facilities and records for compliance inspections. These audits can be conducted by an Amway representative or independent inspections firms retained by Amway.

## Determining the Risk of Forced Labour or Child Labour

### a. Amway Employees

Human Resource policies at Amway Canada are written and enforced in compliance with all Canadian Human Rights regulations that include, but are not limited to, recruitment and selection of full-time, part-time and contract labour. Further, from a geographical risk perspective, our employees are limited to [Canada](#), which has a low prevalence of child and forced labour, low risk of vulnerability to child and forced labour, and fairly robust governmental responses addressing child and forced labour.

Accordingly, we view the risk of child and forced labour in our operations to be low.

### b. Amway's Supply Chain

As part of Amway, our supply chains directly benefit from the policies and due diligence implemented at the parent level and amongst the Amway companies that are designed to assess the compliance of their respective supply chains with a variety of issues, including those related to child and forced labour.

However, we are aware that there may be a risk of forced or child labour within Amway's global supply chain. To prevent and reduce these risks, Amway assesses all levels of its supply chain regularly and is prepared to take the necessary steps to prevent any unethical practices within its supply chain network. This includes the termination of purchase orders and all contractual obligations set forth in any agreement with a supplier deemed to be in contravention of Amway's Supplier Code of Conduct. At Amway Canada, we rely on the policies and procedures of Amway to prevent and reduce these risks.

As part of Amway, we understand that we have a role in influencing the against fight forced labour and child labour in supply chains. Accordingly, Amway has implemented the steps described in this Report. Additionally, Amway's procurement department works jointly with Amway's legal department to monitor Amway contractual compliance with applicable legislative and ethical standards.

In the past fiscal year, Amway has not identified or been made aware of any incidents of forced labour or child labour within its broad supply chain network. As a result, the company did not need to take any remedial measures, including those related to remediating the economic impacts on the most vulnerable families. As the company moves forward, Amway will continue to be cognizant of the activities of its partners and has processes in place to initiate appropriate remedial actions in compliance with international standards should it deem it necessary.

## Training

All Amway, Amway Canada and ABG procurement and leadership employees are required to complete several training sessions once hired, and then annually thereafter. These training sessions include:

- Code of Conduct
- Workplace Violence and Harassment
- Anti-Corruption Policy
- Fair Competition Policy

## Assessing Our Effectiveness

Based on Amway's assessment of its current policies, procedures, operations and supply chains, we believe that the measures taken to prevent and reduce the risk of the use of forced and child labour within its supply chain have been effective. Presently, we intend to consider, where appropriate, implementing measures to assess the effectiveness of any of our processes.

## Approval and Attestation

This report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Amway Canada Corporation.

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 2023.

I have the authority to bind Amway Canada Corporation.



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Ashleigh Gough

Market Manager – Canada

Date: May 14, 2024