



1220 Nicholson Road, Newmarket, ON L3Y 9C4 Canada Tel. (905) 853-8828

**Gum Products International Inc.**  
(referred to as “GPI” or the “Company” in the remainder of this document)

***The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act), aims to increase industry awareness and transparency and drive businesses to improve social practices.***

*Legal Name of reporting entity : GUM PRODUCTS INTERNATIONAL INC.*  
*Business number : 89213 7092*  
*Reporting year : Fiscal 2023*

***GPI is a single entity with at least \$20 Million assets and generated at least \$40 Million in revenue for at least one of its two most recent financial years. Thus, is required to submit this report annually.***

### **Requirement (a) Entities Structure, Activities and supply chain**

#### **Company Background:**

GPI was established in 1996 as an Ontario Corporation with corporation number 1199393. GPI is a manufacturer of specialty food and industrial ingredients focusing on hydrocolloid blends, vinegar-based antimicrobials and other functional ingredients. Its headquarters, production facilities, quality control and R&D functions located in Newmarket, Ontario, Canada. GPI’s corporate policies support social responsibility which include enhanced procedures to ensure that forced and child labour does not enter its supply chain and operations.

The company sources most of its raw materials from manufacturers in China. The ingredients that are sourced in China are purchased only from supplies with no connection to the Xinjiang Uyghur Autonomous Region (XUAR). Other ingredients are sourced from other part of Asia, Latin America, U.S.A. and other part of the world. GPI sells and distributes its products mostly for export around the world with a small portion in Canada

Please find supporting charts and schedules in the appendix to support the operational and supply chain activities.

### **Requirement (b) Policies and due diligence processes**

#### **Policy Statement:**

GPI is dedicated to upholding ethical standards and ensuring that no forced labor or child labor is utilized at any stage of the production of goods. We recognize the significance of adhering to legal mandates and ethical principles to protect human rights and foster responsible business conduct.

Our commitment to upholding this standard includes the following actions:

- Developed and implemented training for GPI employees to address forced labour and or child labour, including training and awareness materials..
  - Continue gathering information on worker recruitment and maintain internal controls to ensure that all workers are recruited voluntarily.
-



1220 Nicholson Road, Newmarket, ON L3Y 9C4 Canada Tel. (905) 853-8828

- Ensure effectiveness in internal due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and or child labour in the organization's activities and supply chain, as well as child protection processes.

#### **Worker Recruitment Integrity:**

In accordance with our commitment to ethical recruitment practices, GPI has implemented robust internal controls to ensure that all workers are recruited voluntarily and free from coercion or exploitation. We firmly believe in the dignity and rights of every individual, and we strive to create a workplace environment that respects and upholds these principles. This is carried out by having an independent Human Resources manager that is tasked to ensure these ethical principles are followed.

#### **Key Components of Our Recruitment Policy:**

**Transparency and Fairness:** We adhere to transparent and fair recruitment processes that provide equal opportunities to all candidates, regardless of background or circumstances. Job vacancies are openly advertised, and selection criteria are based solely on merit and qualifications.

**Informed Consent:** Prior to recruitment, candidates are provided with clear and accurate information about the terms and conditions of employment, including wages, working hours, benefits, and any applicable labour rights. Consent to employment is obtained voluntarily, without coercion or deception.

**Due Diligence:** GPI conducts thorough due diligence on recruitment agencies and other third-party service providers to ensure their adherence to ethical recruitment practices. Contracts with these entities include clauses that explicitly prohibit any form of forced labor, human trafficking, or exploitation. Internal recruitment practices include a completion of a criminal background check for each new hire, as well as a process to ensure that each candidate is qualified to perform work in the geographical region they were hired to operate in, including residency status and age.

**Non-Retaliation:** GPI prohibits retaliation against any individual who reports concerns or instances of non-compliance with our recruitment policy or who participates in related investigations. The organization encourages open communication and collaboration to address issues effectively and prevent recurrence by encouraging everyone to report any concerns directly to the HR manager.

#### **Requirement (c) – Forced labour and child labour risks**

GPI has identified a risk of forced labour in one of the suppliers of raw materials in China, located in Xinjiang Province. When USCBP enforced the UFLPA on June 21, 2022, and identified that most companies located in the Xinjiang Uyghur Autonomous Region (XUAR) are subject to UFLPA. GPI took proactive steps to mitigate the risk of forced labour in its supply chain by ceasing to purchase from the identified supplier in Xinjiang Province, even before they appeared on the UFLPA list to demonstrate commitment to ethical sourcing practices. To this date the said supplier did not appear in the United States UFLPA list of entities.

The said supplier located in XUAR sent a SMETA Corrective Action Plan Report (CAPR) Version 6.1 for an Audit dated January 25 to 26, 2021. The report was thoroughly reviewed internally to assess the effectiveness of the corrective action taken by the supplier. SEDEX Audit reference number is available





1220 Nicholson Road, Newmarket, ON L3Y 9C4 Canada Tel. (905) 853-8828

upon request to verify the authenticity of the report and ensure it corresponds to the correct supplier and timeframe.

As part of its ongoing diligence, GPI has retained an international trade law firm in the United States, Sandler Travis & Rosenberg, to continually provide updates of manufacturers suspected of force labour and/or child labour.

**Requirement (d) – Remediation measures Requirement & (e) – Remediation of loss of income**

These requirements are not applicable to GPI. In order to comply with the United States Uyghur Forced Labour Prevention Act in early 2023, GPI has conducted a thorough assessment of its activities and supply chain and the US Customs and Border Protection confirmed that GPI is in compliance with the UFLPA and there are no risk of forced labour and child labour in 2023

GPI is committed in regularly reviewing and updating the risk assessment processes by engaging with suppliers to ensure compliance with labour standards and staying informed about the industry best practices.

**Requirement (f) Training processes**

**Training Statement:**

As per GPI HR - 002, the Anti-Forced Labour and Child Protection Policy, comprehensive training sessions for sales, technical, finance, and logistics were conducted during the US CBP audit last April 2023. A more company-wide training session will be conducted prior to May 31, 2024 to ensure adherence to legal mandates and ethical principles concerning forced labor and child labor within GPI's operations and supply chains.

**Training Objectives:**

- Ensure understanding of the provisions outlined in the Anti-Forced Labour and Child Protection Policy.
- Familiarize personnel with identifying and reporting instances of forced labor or child labor.
- Emphasize the significance of non-retaliation against individuals reporting violations of the policy.
- Provide insight into legal requirements, including Bill S-211 and relevant international conventions.

**Training Details:**

Training session will be conducted in-person and online for those who are joining remotely, during our upcoming company-wide Town Hall Meeting on May 16, 2024. Each employee will obtain an electronic copy of the finalized policy document (Anti-Forced Labour and Child Protection Policy) for additional reference, as well as an audio recording of the training session which will be hosted during the upcoming Town Hall Meeting.

**Requirement (g) – Assessing effectiveness**

---



1220 Nicholson Road, Newmarket, ON L3Y 9C4 Canada Tel. (905) 853-8828

GPI has a system in place that requires all suppliers to send a No Forced/Child labour statement/policy before engaging in standard business practice (available upon request).

GPI highly recommends suppliers to join SEDEX (Supplier Ethical Data Exchange) program. SEDEX is an online membership/platform that allows users to gain supply chain visibility towards their suppliers, as well as to manage and assess supply chain risk. SEDEX data include information on labour and sustainable business practices. This may include SMETA audits and reporting on individual suppliers. As part of the initiative in monitoring our suppliers, Affidavit of origin from the Distributor and Manufacturer stating that Force labour and child labour are not employed in any stage of the mining, production, or manufacture of the merchandise or of any component thereof is required as part of the internal processes.

In addition, GPI established a clear policy against forced and child labour. These policies are communicated to all stakeholders including suppliers, distributors, and employees. GPI regularly conducts a risk assessment of the entire supply chain to identify potential areas where forced and child labour may exist. GPI has implemented due diligence procedures for suppliers including audits, assessments, and regular monitoring to ensure compliance with labour standards. Regular monitoring and auditing both internal operations and the supply chain to ensure compliance with labour standards. Regular review and update policies, procedures and practices based on new information and changes in the operating environment. Continues improvement ensures that efforts to combat forced and child labour will remain effective overtime.

In accordance with the requirements of the Act, and in particular section 11 thereof, on behalf of the Board of Directors for GPI, 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."

**GUM PRODUCTS INTERNATIONAL INC.**



Full name: Kenneth T. Tan

Title: President & CEO

Dated: May 2024

*I have authority to bind Corporation.*

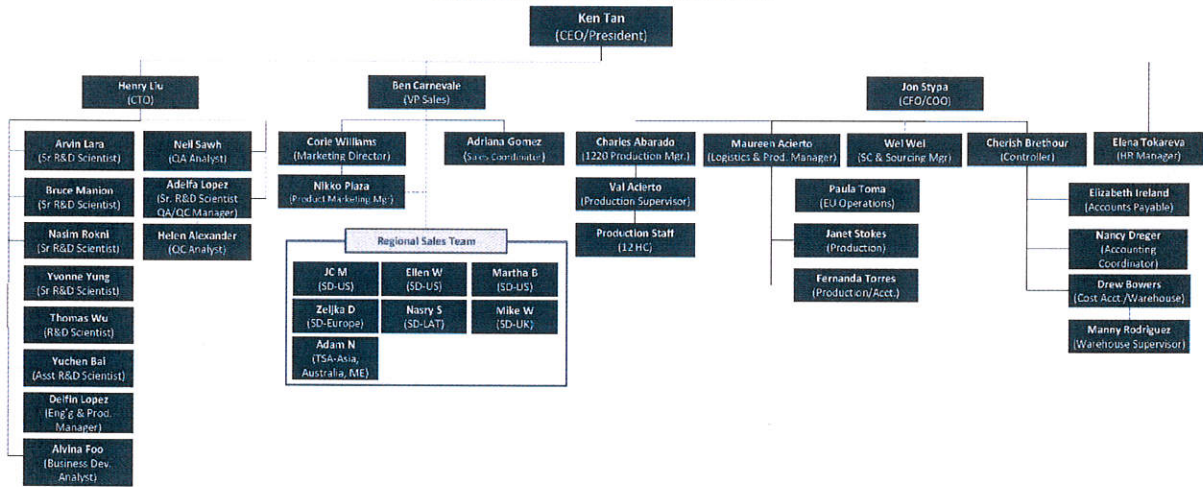


1220 Nicholson Road, Newmarket, ON L3Y 9C4 Canada Tel. (905) 853-8828

**Appendix A: Organizational Chart**

**GPI | Organizational Review**

**Organizational Chart – April 3, 2024**



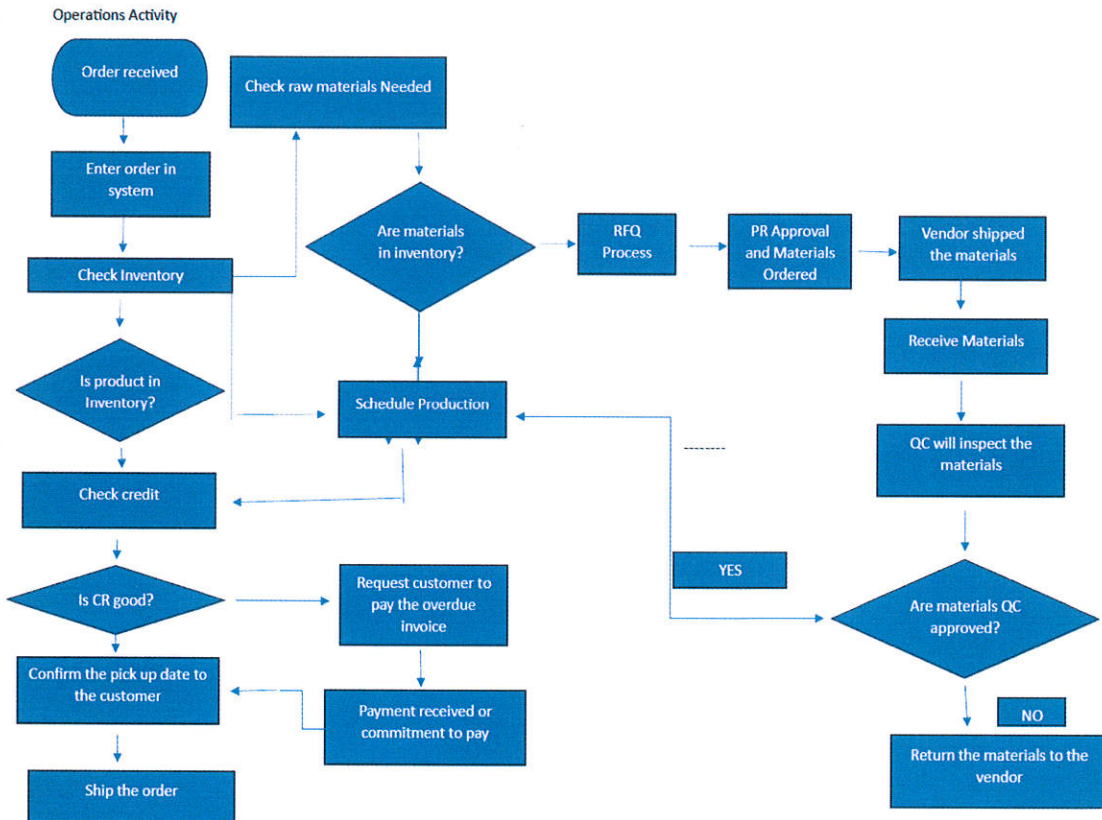
Confidential





1220 Nicholson Road, Newmarket, ON L3Y 9C4 Canada Tel. (905) 853-8828

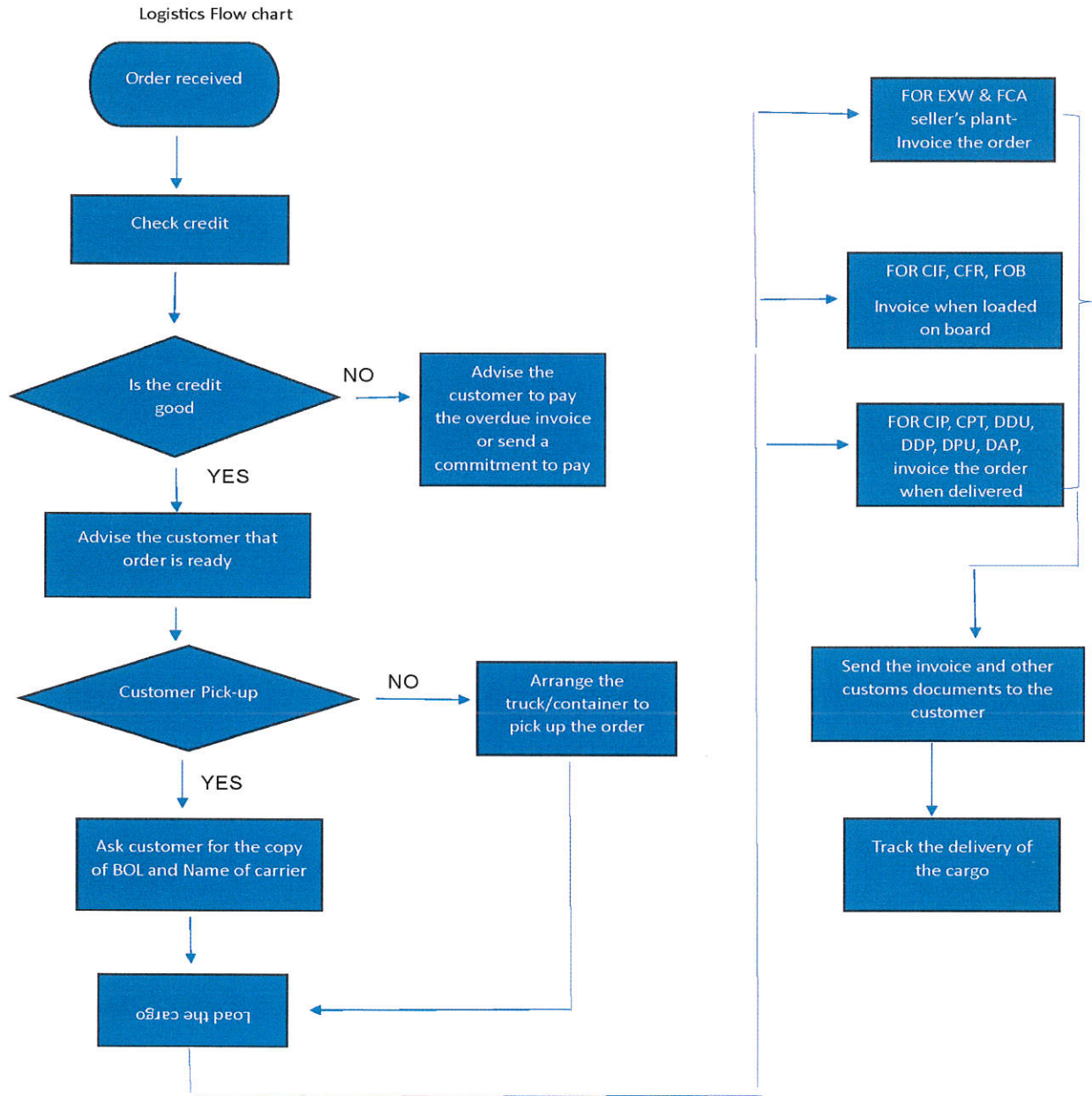
### Appendix B: Operations Activity





1220 Nicholson Road, Newmarket, ON L3Y 9C4 Canada Tel. (905) 853-8828

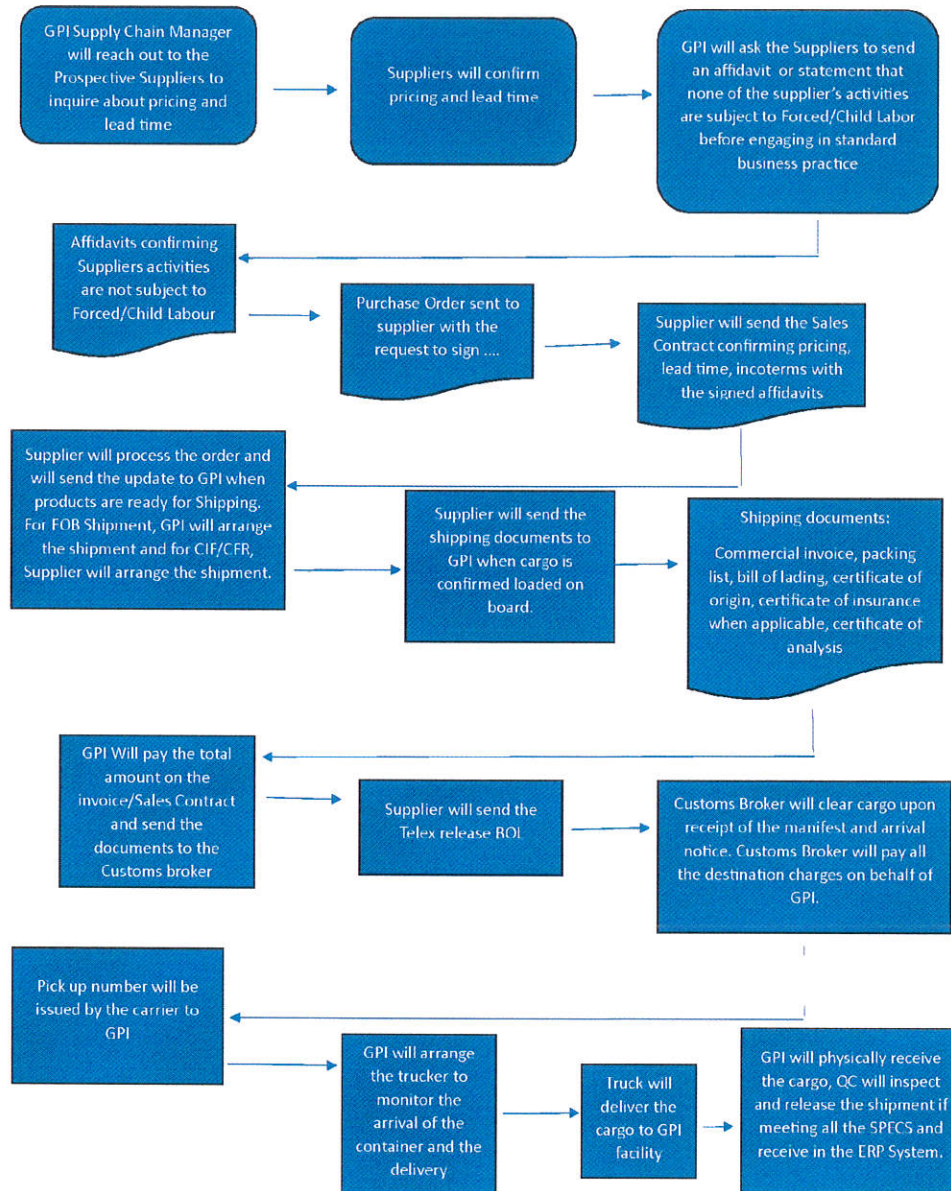
### Appendix C: Logistics Mapping





1220 Nicholson Road, Newmarket, ON L3Y 9C4 Canada Tel. (905) 853-8828

### Appendix D: Supply Chain Process







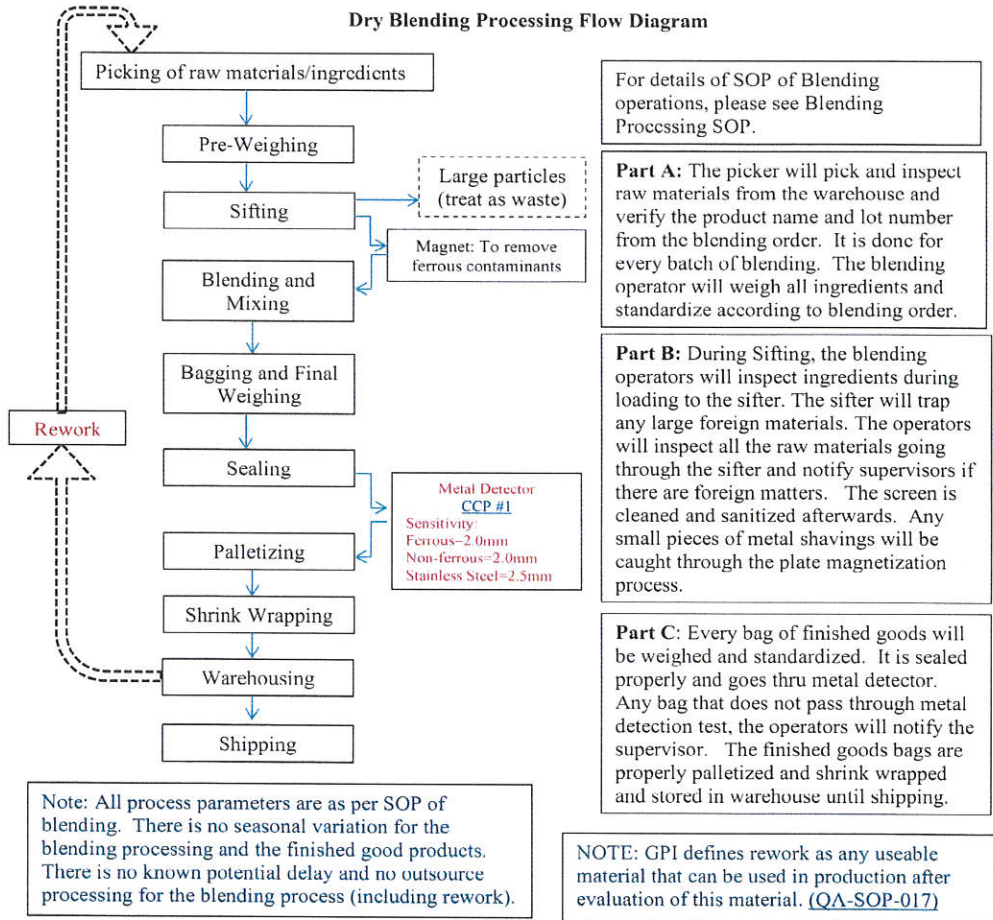
1220 Nicholson Road, Newmarket, ON L3Y 9C4 Canada Tel. (905) 853-8828

**Appendix E: BRC Control Documentation/ Process Flow Diagram for Blending Operations (Production)**



1255 Journey's End Circle, Newmarket, ON L3Y 8T7 Canada Tel: (905) 853 – 8828 Fax: (905) 853 – 8886

Prepared by: Monica Lam	<b>BRC Control Documents</b> <b>Process Flow Diagram – Codex</b> <b>Alimentarius Step 4</b> <b>Blending Operation</b>	Revised by: Veronica Knapp Reviewed by: Neil Sawh
Effective Date: March 30, 2011		Rev. No. 12 October 30, 2019
Reference No.: FD-B02		Revision Date: October 30, 2019 Review Date: January 3, 2024
Approved by: Henry Liu, Technical Director		Technical Department



Verified by: Charles Abarado, Blending Manager Neil Sawh, Quality Assurance Analyst	Date of Verification: January 3, 2024
Issued by: Neil Sawh, Quality Assurance Analyst	Date Issued: January 3, 2024



1220 Nicholson Road, Newmarket, ON L3Y 9C4 Canada Tel. (905) 853-8828

### Appendix F : Supply Chain Mapping

