



Ganong Bros., Limited

# Modern Slavery Act Report

Financial year ending March 31, 2024

## 1. Introduction

Canada's new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") requires that entities on or before May 31st of each year, report to the Minister on the steps the entity has taken during its previous financial year 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 by the entity or of goods imported into Canada by the entity.

This report is produced by Ganong Bros., Limited ("**Ganong**" or the "**Company**" or "**our**" or "**we**") for the financial year ending March 31, 2024, and constitutes the first report by the Company pursuant to the *Act*.

Ganong's vision and mission is to "*inspire life's sweetest moments*" and continue the long family tradition of creating high quality confections. Among our corporate values are safety, quality, integrity, and heritage, and we consider the respect of human rights a core value that is represented in each of these stated values.

## 2. Structure, activities and supply chains

Ganong Bros., Limited is a private company incorporated under the laws of the province of New Brunswick. The business was founded by James and Gilbert Ganong in 1873. Our principal business activities are the manufacture and distribution of chocolate and confectionery products. The Company is headquartered in St. Stephen, NB where all our products are manufactured.

To manufacture our products, Ganong's supply chain consists of approximately 90 direct ingredient and packaging suppliers, all of which are located in North America. We also have approximately 300 other direct suppliers providing services, equipment, parts, and other supplies required to operate a manufacturing facility. Substantially all of these suppliers are also located in North America.

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### 3. Policies and due diligence processes

At Ganong, we believe in the importance of upholding human rights and are dedicated to maintaining these principles across all facets of our operations. In our direct operations, we adhere to all provincial and federal laws regarding child labour, forced labour, and employment standards. Through our supplier approval process and supplier code of conduct we also establish a common understanding of those expectations from our suppliers.

As part of our commitment to ensuring a safe, fair, and ethical work environment, we have the following policies in place:

- **Harassment and Violence Policy:** We are committed to a healthy, harassment-free, and violence-free environment for all employees. This policy is intended to prevent and respond to workplace harassment and violence of any type and effectively address any incident that may occur.
- **Respectful Workplace Policy:** We are committed to providing employees with a positive and professional work environment, free from physical or psychological bullying, harassment, or violence in any form.
- **Open Door Policy:** Our Open Door Policy reflects our commitment to transparent and flexible communication between managers and team members.
- **Equal Employment Opportunity Policy:** We are committed to the principles of equal employment opportunity for all applicants and employees. All employment decisions are based on business needs, job requirements, and individual qualifications without regard to age, race, religion, color, sex, national origin, disability, or sexual orientation.
- **Hiring and Recruitment Policy:** Our hiring and recruitment policy defines the process for adequately assessing and selecting external and internal candidates. Our policy is to find candidates who meet the qualifications of the open employment position. Ganong is committed to an equal opportunity hiring process.

Ganong is a proud member of the Supplier Ethical Data Exchange (“**SEDEX**”) and participates in SEDEX Members Ethical Trade Audits (“**SMETA**”). SMETA is governed by the standard of Ethical Trading Initiative (“**ETI**”) Base Code and includes labour standards, health and safety, environment, and business ethics. SMETA is used by businesses to understand and make improvements to working conditions and environmental performance in their business and supply chain which aligns with our policies that are designed to ensure a safe, fair, and ethical work environment. As part of the SMETA audit, the auditor verifies through staff interviews and payroll and personnel records that:

- The workplace is a safe and healthy place to work.

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- Employees are paid the correct wages for the hours worked and the work they do.
- All workers, regardless of their sex, ethnic group, or religion, are free from harassment at work and are treated equally and fairly in hiring, training, promotion, and retention.
- The amount of overtime worked is monitored, and employees can choose whether to work overtime.
- There are no children or young workers employed.

As part of our Safe Quality Foods (“SQF”) certification and Hazard Analysis Critical Control Point management system we maintain an approved supplier listing, supplier approved manufacturing locations, copies of quality certifications, product certificates of analyses, and supplier evaluations.

We request that suppliers agree to our Supplier Code of Conduct which is intended to establish a common understanding of expectations and includes the following items that address child labour and forced labour:

- Ethics
  - Compliance with the law
  - Anti-bribery and corruption
  - Conflict of interest
  - Privacy
- Labor Standards (based on ETI)
  - Child labour
  - Forced labour
  - Diversity
  - Working hours, wages, and benefits

As part of our supplier approval process, suppliers are requested to provide a copy of their third-party Ethical Audit Certificate, Human Resource Policies, including their Code of Conduct and Violence and Harassment policies, or documentation submitted on company letterhead confirming their commitment to support Labour Standards, Health and Safety, Environment, and Business Ethics.

#### **4. Risk of Modern Slavery and our Management of Risk**

The Company is headquartered in St. Stephen, NB where all our products are manufactured, and substantially all our employees are located. All our direct ingredient and packaging suppliers are located in North America. Accordingly, we believe the risk of modern slavery is low in our operations and direct supply chain. However, we know that our direct suppliers source materials from other areas of the world. Accordingly, we understand that overall, our supply chain has the potential to cause, contribute or be directly linked to adverse modern slavery risks and impacts.

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Based on sources such as the Responsible Sourcing Tool<sup>1</sup> and the U.S. Department of Labour<sup>2</sup> sourcing of raw materials by our direct suppliers may have a higher risk of modern slavery based on geographic origin or specific products such as nuts, cocoa, and sugar.

With respect to supplier management, in addition to outlining our expectations through our Supplier Code of Conduct we have started to develop and implement a risk-based assessment using risk factors such as (1) value of spend, (2), volume of supply, (3) geographic origin (4) indirect supply of services, and (5) inherent risk with the product or service. This will help us increase our risk knowledge and awareness, better understand our indirect supply chain, and prioritize our efforts to address modern slavery risks and impacts.

Furthermore, in respect to management of risk we have identified opportunities to further enhance our due diligence and supplier approval process to address modern slavery.

## **5. Remediation Measures**

Our Human Resources Policies sets forth a reporting procedure that provides for an immediate, thorough and objective investigation of any reported instances of prohibited conduct and assures protection against retaliation for individuals who report allegations of prohibited conduct.

In our financial year ending March 31, 2024, Ganong did not discover any instances of modern slavery in our supply chain that required remediation nor any loss of income to families because of any measures taken to eliminate the use of modern slavery.

## **6. Training**

Acknowledging and complying with Ganong's Human Resources Policies is a condition of employment at Ganong. At Ganong, we believe that continuous education and awareness are vital to maintaining an ethical and responsible work environment. As part of our commitment to upholding the highest standards of integrity and to address modern slavery risks we intend to update our annual training calendar to raise more awareness of child labour and forced labour risks and to develop more in depth training for Senior Management and employees making purchase decisions.

## **7. Assessing Effectiveness**

Through our employment policies, our Supplier Code of Conduct and supplier approval process, our participation in SMETA, and our SQF certification, during the financial year we had many processes in place to help reduce the risk of modern slavery in our supply chain. Participation in SMETA is a measurement of effectiveness, however, we have identified opportunities to improve the actions taken to further reduce and prevent the risks of modern slavery and we are

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<sup>1</sup> <https://www.responsiblesourcingtool.org>

<sup>2</sup> <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>



committed to identifying other key criteria and methods to help us assess the effectiveness of our actions to reduce modern slavery in our supply chain.

The following summarizes the actions we have taken, or actions we have identified as important, and the current progress of each during our financial year.

<b>Our Action</b>	<b>Progress</b>
Mapping Supply Chains	Commenced and ongoing
Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains	Commenced and ongoing
Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily	Complete
Developing and implementing 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 chains	Commenced and ongoing
Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains	Commenced and ongoing
Developing and implementing child protection policies and processes	Complete
Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists	Commenced and ongoing
Auditing suppliers	Commenced and ongoing
Developing and implementing grievance mechanisms	Complete
Developing and implementing training and awareness materials on forced labour and/or child labour	Commenced and ongoing
Engaging with supply chain partners on the issue of addressing forced labour and/or child labour	Commenced and ongoing
Developing and implementing training and awareness materials on forced labour and/or child labour	Commenced and ongoing
Embedding responsible business conduct into policies and management systems	Complete



## 8. Approval and Attestation

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Ganong Bros., Limited.

In accordance with the requirements of the Act, I, the undersigned, attest that I have reviewed the information contained in this report for the financial year ending March 31, 2024. 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 purposes of the Act.

I have the authority to bind Ganong Bros., Limited

Per: 

Name: Bryana Ganong  
Title: President and CEO  
Date: May 28, 2024