

FIGHTING AGAINST FORCED  
LABOUR AND CHILD LABOUR IN  
SUPPLY CHAINS ACT, BILL S-211

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

**A Report to the Minister of Public Safety**

Ganz

### **Executive Summary**

Ganz continues to update, maintain, and promulgate a series of core policies with respect to the importation of gift products, collectibles, seasonal gifts, home decor products and plush toys. Specifically, Ganz demands vendors comply with the Code of Conduct for Ganz Vendors covering child labour, involuntary labour, coercion and harassment, non-discrimination, health and safety, compensation, and protection of the environment. Significant improvements during 2023 include revision of the onboarding process for new vendors and reactivation of existing vendors. Vendors must attest that they are prohibited from using any production facilities, use or source any materials or components located in the Xinjiang Uyghur Autonomous Region (XUAR) of China. Vendors must agree to the prohibition of forced labour or child labour. Ganz encourages vendors and factories to participate in programs such as amfori Business Social Compliance Initiative (BSCI) and Sedex Members Ethical Trade Audit (SMETA).

### **FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT**

This is the inaugural report required and specified by the Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023, c. 9). For the purposes of the Act, Ganz is considered an entity under section 2, Definitions and therefore obligated to report. This report is the original report. This annual report to the Minister details the steps Ganz has taken during its 2023 financial reporting calendar year, i.e. January 1 to December 31, to prevent and reduce the risk that forced labour or child labour is used in the production of goods. This report is submitted for Ganz, a partnership of two Ontario corporations.

#### **Subsection 11(1), Steps Taken to Prevent and Reduce Risks of Forced Labour and Child Labour**

In 2023 Ganz reviewed, revised, and improved its vendor onboarding and reactivation process. This is the process of collecting necessary information and documents from prospective vendors used for procurement to set them up or reactivate them as approved vendors. The improvements include attestation by the vendor and all subcontractors that they are prohibited from using forced labour or child labour in the production of Ganz items. In addition to the prohibition of forced labour or child labour, vendors and their subcontractors are prohibited from using labour, materials, components, or facilities sourced or located in the Xinjiang Uyghur Autonomous Region (XUAR) of China. Vendors must also maintain adequate and accurate records tracing the origin of their sourcing materials, components, or process.

During the vendor onboarding process, copies of vendors' social audits and relevant accreditations are requested. These documents are reviewed and evaluated prior to approval.

**Subsection 11(3), Supplementary Information,**

**Structure, Activities and Supply Chains**

Ganz is a partnership of two OBCA corporations, with headquarters in Woodbridge, Ontario.

Ganz is an importer, wholesaler and distributor of gift products, collectibles, seasonal gifts, home decor products and plush toys. Ganz products are imported to and warehoused from facilities based in Woodbridge, Ontario Canada.

Based on consumer trends and customer demands, Ganz product developers and designers create items based on a variety of concepts, attributes, function, and category. When the design is complete and the item is approved, the competent and capable vendor is selected from an approved list. The vendor identifies the materials, components, and the manufacturing process to produce the items. Once approved, authorized Purchase Orders are issued. In many cases the trusted vendors and factories have worked with Ganz for years.

Vendors are responsible for identifying and sourcing the required components and materials for production. Depending on order quantity, materials and components may be sourced from dedicated component runs and available materials at the factories. All materials and components are subject to Ganz standards and must meet rigorous requirements.

**Policies and Due Diligence Processes**

Ganz maintains a comprehensive series of policies and procedures with respect to the Ganz vendors' responsibilities and Ganz items. These policies are updated as required and distributed to the vendors. The policies and procedures address product safety and liability, legislative requirements, and vendor responsibilities. Included in the Ganz policies is the Code of Conduct for Ganz Vendors.

The Code of Conduct for Ganz Vendors sets forth requirements with respect to labour standards and working conditions for manufacturers, facilities, subsidiaries, divisions, agents, and subcontractors doing business with or for Ganz. The Code of Conduct for Ganz Vendors prohibits vendors from using child labour, and involuntary labour including forced labour, prison, bonded, indentured or otherwise. The remaining elements of the Code of Conduct for Ganz Vendors address coercion and harassment, non-discrimination, health and safety, compensation, and protection of the environment.

In 2023 Ganz improved its vendor onboarding and reactivation process. This is the process of collecting necessary information and documents from vendors used for procurement to set them up or reactivate them as approved vendors. The improvements include requesting the vendor provide copies of all current factory and vendor social audits for review and assessment, in addition to any other relevant accreditations, e.g. ISO 9000.

The onboarding process demands that vendors are prohibited from using forced labour and child labour and any labour, materials, components, or facilities located in the Xinjiang Uyghur Autonomous Region (XUAR) of China. Vendors must state the actual factory name, address, city, and postal code.

Ganz has always demanded that vendors maintain adequate and accurate records of production and materials. This requirement has been clarified to demand that vendors maintain adequate and accurate records tracing the origin of their sourcing materials, components, or processes.

Vendors are encouraged to participate in internationally recognized programs such as amfori Business Social Compliance Initiative (BSCI) and Sedex Members Ethical Trade Audit (SMETA). Where available copies of audit reports are provided, reviewed, and evaluated by Ganz before vendor activation or reactivation.

Ganz has maintained a long history with an ensemble of trusted vendors. Ganz has a frequent presence with vendors and factories owing to factory inspections, factory tours, on-site final goods inspection, etc.

Ganz maintains a series of Ganz employee internal policies and procedures including:

- equal opportunity and non-discrimination,
- accessibility for people with disabilities,
- freedom from harassment,
- health and safety and
- incident reporting.

#### **Business Parts/Supply Chains, Risk of Forced Labour or Child Labour**

The aspects of the business that potentially have a risk of forced labour or child labour have been evaluated. In the creation and procurement of items, there is a risk of forced labour or child labour based on the location of vendors, production and assembly facilities and the source of raw materials and components. However, based on the commodities, categories and the Ganz material and component requirements, the risk of forced and child labour are minimized. Aspects of the business that present low risk of forced labour or child labour include freight forwarding, logistics, warehousing, and distribution.

Ganz manages supply chain risks through its trusted vendors, the Code of Conduct for Ganz Vendors and frequent presence in the factories.

#### **Measures to Remediate any Forced Labour or Child Labour**

Ganz has not identified any incidence of forced labour or child labour and therefore no remediation measures have been taken.

**Measures Taken to Remediate the Loss of Income**

Ganz has not identified any incidence of forced labour or child labour and therefore there have been no measures taken to remediate loss of income.

**Training Provided to Employees on Forced Labour and Child Labour**

During 2023, Ganz introduced the prohibition of sourcing from the XUAR region of China in the vendor onboarding process. Affected staff were counseled on the potential impact of cotton sourcing from this region to assist in their product development activities.

**Assesses its Effectiveness in the Prohibition of Forced Labour and Child Labour**

During 2023, several vendors were not approved based on incomplete or unacceptable response to the Ganz vendor onboarding process. Vendors that are not willing to agree and fully comply with the Ganz requirements (which include prohibition against using forced labour and child labour) will not be approved. In this way Ganz believes that the current process is adequate.

**Approval and Attestation**

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 entity. 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.

Full name: Sonny Ganz

Title: Executive Vice President

Date: May 28, 2024

I have the authority to bind Ganz

Signature

