



Submit a report

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David Jian 2024.5.30
Director of Compliance
Horizon Group USA

1. Online questionnaire

Entities and government institutions must ensure that the information provided in the questionnaire is consistent with the information provided in their report(s).

Entities and government institutions will be asked to confirm that they have read and understand the information in the data management disclaimer and privacy notice statement included at the beginning of the questionnaire. Entities and government institutions will also be asked to provide the name, title and email address of the person authorized to fill out the questionnaire. Public Safety Canada may use the contact information provided should it require additional details regarding the submission.

The questionnaire may be used as a resource for the report. The questions found within the questionnaire can be viewed at any time without launching the questionnaire. Entities and government institutions may easily refer to the information as they prepare their report:

▼ View questions

This list can support entities in preparing for their submission. Once ready, entities can submit a questionnaire through the online form.

Identifying information

Questions marked with an asterisk (*) are mandatory.

1. *This report is for which of the following? (Required)

- Entity (√)
- Government institution

2. *Legal name of reporting entity or government institution (Required) Horizon Group USA Inc.

3. *Financial reporting year (Required) 2023

4. *Is this a revised version of a report already submitted this reporting year? (Required)

- Yes
- No(✓)

4.1 *If yes, identify the date the original report was submitted. (Required) N/A

4.2 *Describe the changes made to the original report, including by listing the questions or sections that were revised (1,500 character limit). (Required) N/A

5. For entities only: Business number(s) (if applicable):
811369073RM0001

6. For entities only: *Is this a joint report? (Required)
Yes

- No(✓)

6.1 *If yes, identify the legal name of each entity covered by this report. (Required) N/A

6.2 Identify the business number(s) of each entity covered by this report (if applicable). N/A

7. For entities only: *Is the entity also subject to reporting requirements under supply chain legislation in another jurisdiction? (Required)

- Yes
- No(✓)

7.1 *If yes, indicate the applicable law(s). Select all that apply.(Required) N/A

- The United Kingdom's *Modern Slavery Act 2015*
- Australia's *Modern Slavery Act 2018*
- California's *Transparency in Supply Chains Act*
- Other, please specify:

8. For entities only: *Which of the following categorizations applies to the entity? Select all that apply. (Required)

- Listed on a stock exchange in Canada
- Canadian business presence (select all that apply):
 - Has a place of business in Canada
 - Does business in Canada Has assets in Canada
- Meets size-related thresholds (select all that apply):
 - Has at least \$20 million in assets for at least one of its two most recent financial years
 - Has generated at least \$40 million in revenue for at least one of its two most recent financial years (√)
 - Employs an average of at least 250 employees for at least one of its two most recent financial years (√)

9. For entities only: *Which of the following sectors or industries does the entity operate in? Select all that apply. (Required)

- Agriculture, forestry, fishing and hunting
- Mining, quarrying, and oil and gas extraction
- Utilities
- Construction
- Manufacturing
- Wholesale trade (√)
- Retail trade (√)
- Transportation and warehousing (√)
- Information and cultural industries
- Finance and insurance
- Real estate and rental and leasing
- Professional, scientific and technical services
- Management of companies and enterprises
- Administrative and support, waste management and remediation services
- Educational services

- Health care and social assistance
- Arts, entertainment and recreation
- Accommodation and food services
- Other services (except public administration)
- Public administration
- Other, please specify:

10. For entities only: *In which country is the entity headquartered or principally located? (Required) USA

10.1 If in Canada: *In which province or territory is the entity headquartered or principally located? (Required) N/A

11. For government institutions only: *Is this a report for a federal Crown corporation or a subsidiary of a federal Crown corporation? (Required)

- Yes
- No (✓)

11.1 *If yes, which of the following sectors or industries does the Crown corporation or subsidiary operate in? Select all that apply. (Required) N/A

- Agriculture, forestry, fishing and hunting
- Mining, quarrying, and oil and gas extraction
- Utilities
- Construction
- Manufacturing
- Wholesale trade
- Retail trade
- Transportation and warehousing
- Information and cultural industries
- Finance and insurance
- Real estate and rental and leasing
- Professional, scientific and technical services
- Management of companies and enterprises
- Administrative and support, waste management and remediation services
- Educational services
- Health care and social assistance
- Arts, entertainment and recreation

- Accommodation and food services
- Other services (except public administration)
- Public administration
- Other, please specify:

11.2 *If yes, in which province or territory is the Crown corporation or subsidiary headquartered or principally located? (Required) N/A

Annual Report

Reporting for entities

1. *What steps has the entity taken in the 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? Select all that apply. (Required)

- Mapping activities (√)
- Mapping supply chains (√)
- Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains (√)
- Contracting an external assessment of risks of forced labour and/or child labour in the organization's activities and supply chains (√)
- Developing and implementing an action plan for addressing forced labour and/or child labour (√)
- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily (√)
- Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour (√)
- 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 (√)
- Carrying out a prioritization exercise to focus due diligence efforts on the most severe risks of forced and child labour (√)
- 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 (√)
- Developing and implementing child protection policies and processes (√)
- Developing and implementing anti-forced labour and/or -child labour contractual clauses (√)

- Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists(√)
- Auditing suppliers(√)
- Monitoring suppliers(√)
- Enacting measures to provide for, or cooperate in, remediation of forced labour and/or child labour(√)
- Developing and implementing grievance mechanisms (√)
- Developing and implementing training and awareness materials on forced labour and/or child labour (√)
- Developing and implementing procedures to track performance in addressing forced labour and/or child labour (√)
- Engaging with supply chain partners on the issue of addressing forced labour and/or child labour(√)
- Engaging with civil society groups, experts and other stakeholders on the issue of addressing forced labour and/or child labour (√)
- Engaging directly with workers and families potentially affected by forced labour and/or child labour to assess and address risks(√)
- Information not available for this reporting period
- Other, please specify:

2. Please provide additional information describing the steps taken (if applicable) (1,500 character limit). For details, please see the attachment of 2.

3.*Which of the following accurately describes the entity's structure? (Required)

- Corporation(√)
- Trust
- Partnership
- Other unincorporated organization

4.*Which of the following accurately describes the entity's activities? Select all that apply. (Required)

- Producing goods (including manufacturing, extracting, growing and processing)
 - in Canada
 - outside Canada
- Selling goods
 - in Canada (√)
 - outside Canada(√)
- Distributing goods
 - in Canada

- o outside Canada (✓)
- Importing into Canada goods produced outside Canada (✓)
- Controlling an entity engaged in producing goods in Canada or outside Canada, or importing into Canada goods produced outside Canada

5. Please provide additional information on the entity's structure, activities and supply chains (1,500 character limit).

HGU leadership is based in US & China. We manage the supply chain in China, Vietnam and India. All of them are approved based on highest standard of social compliance standard.

6.* Does the entity currently have policies and due diligence processes in place related to forced labour and/or child labour? (Required)

.Yes (✓)

.No

6.1 *If yes, which of the following elements of the due diligence process has the entity implemented in relation to forced labour and/or child labour? Select all that apply. (Required)

- Embedding responsible business conduct into policies and management systems (✓)
- Identifying and assessing adverse impacts in operations, supply chains and business relationships (✓)
- Ceasing, preventing or mitigating adverse impacts
- Tracking implementation and results (✓)
- Communicating how impacts are addressed (✓)
- Providing for or cooperating in remediation when appropriate

7. Please provide additional information on the entity's policies and due diligence processes in relation to forced labour and child labour (if applicable) (1,500 character limit). For details, please see the attachment of 7.

8. *Has the entity identified parts of its activities and supply chains that carry a risk of forced labour or child labour being used? (Required)

- Yes, we have identified risks to the best of our knowledge and will continue to strive to identify emerging risks. (✓)
- Yes, we have started the process of identifying risks, but there are still gaps in our assessments.
- No, we have not started the process of identifying risks.

8.1 *If yes, has the entity identified forced labour or child labour risks related to any of the following aspects of its activities and supply chains? Select all that apply. (Required)

- The sector or industry it operates in(√)
- The types of products it produces, purchases or distributes (√)
- The locations of its activities, operations or factories (√)
- The types of products it sources(√)
- The raw materials or commodities used in its supply chains (√)
- Tier one (direct) suppliers (√)
- Tier two suppliers (√)
- Tier three suppliers
- Suppliers further down the supply chain than tier three
- The use of outsourced, contracted or subcontracted labour (√)
- The use of migrant labour
- The use of forced labour
- The use of child labour
- None of the above
- Other, please specify

9. *Has the entity identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries? Select all that apply. (Required)

- Agriculture, forestry, fishing and hunting
- Mining, quarrying, and oil and gas extraction
- Utilities
- Construction
- Manufacturing (√)
- Wholesale trade(√)
- Retail trade(√)
- Transportation and warehousing(√)
- Information and cultural industries
- Finance and insurance
- Real estate and rental and leasing
- Professional, scientific and technical services
- Management of companies and enterprises
- Administrative and support, waste management and remediation services
- Educational services
- Health care and social assistance
- Arts, entertainment and recreation
- Accommodation and food services

- Other services (except public administration)
- Public administration
- None of the above
- Other, please specify

10. Please provide additional information on the parts of the entity's activities and supply chains that carry a risk of forced labour or child labour being used, as well as the steps that the entity has taken to assess and manage that risk (if applicable) (1,500 character limit). For details, please see the attachment of 10.

11. *Has the entity taken any measures to remediate any forced labour or child labour in its activities and supply chains? (Required)

- Yes, we have taken remediation measures and will continue to identify and address any gaps in our response. (✓)
- Yes, we have taken some remediation measures, but there are gaps in our response that still need to be addressed.
- No, we have not taken any remediation measures.
- Not applicable, we have not identified any forced labour or child labour in our activities and supply chains

11.1 *If yes, which remediation measures has the entity taken? Select all that apply. (Required)

- Actions to support victims of forced labour or child labour and/or their families, such as workforce reintegration and psychosocial support (✓)
- Compensation for victims of forced labour or child labour and/or their families (✓)
- Actions to prevent forced labour or child labour and associated harms from reoccurring (✓)
- Grievance mechanisms (✓)
- Formal apologies (✓)
- Other, please specify.

12. Please provide additional information on any measures the entity has taken to remediate any forced labour or child labour (if applicable) (1,500 character limit). For details, please see the attachment of 12.

13. *Has the entity taken any measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains? (Required)

- Yes, we have taken substantial remediation measures and will continue to identify and address any gaps in our response.
- Yes, we have taken some remediation measures, but there are gaps in our response that still need to be addressed.
- No, we have not taken any remediation measures.
- Not applicable, we have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains. (√)

14. Please provide additional information on any measures the entity has taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains (if applicable) (1,500 character limit). N/A

15. *Does the entity currently provide training to employees on forced labour and/or child labour? (Required)

- Yes (√)
- No

15.1 *If yes, is the training mandatory? (Required)

- Yes, the training is mandatory for all employees. (√)
- Yes, the training is mandatory for employees making contracting or purchasing decisions. Yes, the training is mandatory for some employees.
- No, the training is voluntary.

16. Please provide additional information on the training the entity provides to employees on forced labour and child labour (if applicable). (1,500 character limit).For details, please see the attachment of 16.

17. *Does the entity currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains? (Required)

- Yes (✓)
- No

17.1 *If yes, what method does the entity use to assess its effectiveness? Select all that apply. (Required)

- Setting up a regular review or audit of the organization's policies and procedures related to forced labour and child labour (✓)
- Tracking relevant performance indicators, such as levels of employee awareness, numbers of cases reported and solved through grievance mechanisms and numbers of contracts with anti-forced labour and -child labour clauses (✓)
- Partnering with an external organization to conduct an independent review or audit of the organization's actions (✓)
- Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators (✓)
- Other, please specify.

18. Please provide additional information on how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains (if applicable). (1,500 character limit).For details, please see the attachment of 18.

- Mapping activities

16. Please provide additional information on the training the entity provides to employees on forced labour and child labour (if applicable). (1,500 character limit).

17. *Does the entity currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains? (Required)

- Yes (✓)
- No

17.1 *If yes, what method does the entity use to assess its effectiveness? Select all that apply. (Required)

- Setting up a regular review or audit of the organization's policies and procedures related to forced labour and child labour (✓)
- Tracking relevant performance indicators, such as levels of employee awareness, numbers of cases reported and solved through grievance mechanisms and numbers of contracts with anti-forced labour and -child labour clauses (✓)
- Partnering with an external organization to conduct an independent review or audit of the organization's actions (✓)
- Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators (✓)
- Other, please specify.

18. Please provide additional information on how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains (if applicable). (1,500 character limit).

Dana Dion 2024.5.30
Director of compliance
Horizon Group USA

Attachment

2. Please provide additional information describing the steps taken (if applicable) (1,500 character limit).

Horizon Group USA Inc is mapping its activities and mapping its supply chains of Walmart including WM Canada market through using the internal/external program (**BV clarity**) to prevent and reduce the risks that forced labor or child labor is used in the whole supply chain of goods from overseas imported into Canada. We engaged with Sphera/Supply shift on the issues of addressing forced labour and/or child labour.

Also, our company required all of our suppliers to conduct factory daily internal audit with checklist to identify and report any critical issue including the forced labor and child labor. For example, the factory HR/auditor is required to use the actual ID card to verify the age of workers to meet the law requirement of minimum 16 years old especially for the young face.

Annually, our company appointed the third auditing firm (**BV/SGS/UL/Elevate/ITS**) to conduct unannounced social compliance audits (**Sedex/BSCI/IETP**) to our suppliers and identifying if there is any critical issue including the forced labor and child labor and all the suppliers need to complete the corrective action within agreed timeframe.

Attachment

7. Please provide additional information on the entity's policies and due diligence processes in relation to forced labour and child labour (if applicable) (1,500 character limit).

Our company has established the no forced/child labor policy and put it into practice since 2010. We prohibit the use of forced labor and child labor in the whole supply chain and prohibit to purchase products from any Tier 2 or 3 suppliers made in whole or in parts with forced labor and child labor. They have to sign agreement to abide by this policy. If any supplier violates this policy, it will result in loss of its business with our company and it will be fined for violations based on HGU master agreement. In order to monitor the implementation status, we conducted onsite/virtual audit monthly to our suppliers and the suppliers need to complete the CAP according to the findings from audit report. The factory should thoroughly analyze the root cause of non-compliance findings in order to fundamentally solve the issue and avoid the recurrence of the same issue. After the improvement measure is determined, the factory shall designate the person in charge of rectification for each issue and set a completion date. The

Attachment

promised closure time of the non-compliance issue should not exceed 2 weeks at most, among which critical issues need to be corrected immediately.

10. Please provide additional information on the parts of the entity's activities and supply chains that carry a risk of forced labour or child labour being used, as well as the steps that the entity has taken to assess and manage that risk (if applicable)(1,500 character limit).

Our company will regularly check and collect laws and regulations related to forced labor and child labor globally. Then we update our own code of conduct based on these laws and regulations.

At the same time, we organized and provided annual and quarterly ethics training on the policy of forced labor and child labor to our suppliers for them to implement these procedures and require the suppliers to conduct their own internal training. At this stage, we required all of our suppliers to sign the ethical code of conduct agreement with our company yearly, and the suppliers will sign the code of conduct agreement with their own Tier 2 suppliers, which also require Tier 2 suppliers to

Attachment

update their own factory regulations and ethical behavior standards on no forced/child labor.

Furthermore, we conducted assessment and evaluation for our Tier 1 suppliers, four times a year, and we also require our Tier 1 suppliers to conduct such audit assessment and evaluation for their Tier 2 suppliers at least once a year.

12. Please provide additional information on any measures the entity has taken to remediate any forced labour or child labour (if applicable) (1,500 character limit).

Immediate remedies taken for child labour are regulated as follows: In cases where child labour is found, the child must be escorted to leave the factory and taken to hospital for medical examination, the parents and guardians shall be informed immediately, the remuneration earned by the child while working in the factory shall be paid to the child, the safe return of the child and the cost of transportation back to home shall be paid, and the factory must provide financial support to cover the child's school fees and living expenses. If the child wishes, the factory shall provide the child with non-hazardous

Attachment

employment opportunities when the child reaches the legal minimum working age.

Long-term preventive remediation measures include: (1) To ensure that all stakeholders have a clear understanding of the company's policies and procedures relating to forced and child labor. Stakeholders include top management, middle management, all employees as well as workers, job seekers, buyers including brands and retailers, and other business partners. (2) A responsible team should be established that is fully empowered to report, monitor and control forced and child labor prevention and child remediation processes within the company and subcontractors/sub-suppliers. (3) In order to prevent the misuse of child labor and the occurrence of forced labor, recruitment management procedures and employee age verification procedures should be established and implemented. (4) Suppliers should be fully assessed to determine the level of risk of child labour.

16. Please provide additional information on the training the entity provides to employees on forced labour and child labour (if applicable). (1,500 character limit).

Our company provide the regular training to all of our

Attachment

suppliers to improve their own capacity to prevent, identify and remedy forced labor and child labor particularly in the following areas:

- (1) Respect the rights of worker and children, understand the definition of forced labor and child labor and relevant legal requirements
- (2) Identify and identify gaps in forced labor and child labor prevention, risk inspection, etc. Provide all the employees "work permit" or " uniforms". It helps to easily identify the difference between the internal staff and external visitors.
- (3) Establish forced labor and child labor risk management mechanism and child labor prevention system
- (4) Remind all employees that the minimum age of employees in China is 16 years and above. The suppliers need to have strict personnel management systems to identify underage employees whether directly or indirectly recruited.
- (5) Conduct age audit from time to time, especially during peak employment period and summer vacation.
- (6) Understand the remediation process and measures, and the role of the factory in the remediation process.

Attachment

18. Please provide additional information on how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains (if applicable). (1,500 character limit).

In the year of 2023, our company has conducted 146 external 3rd Party Audits on all of our current suppliers in China and India. To ensure all of the auditing findings of our suppliers are immediately communicated to the appropriate stakeholders, we have established the audit and CAP procedure to ensure all levels of non-conformance are addressed in a systematic method. The timely Corrective Action Plan is used to determine the effectiveness of implementation to prevent reoccurrence of the critical problem. The suppliers should thoroughly analyze the root cause of non-compliance findings in order to fundamentally solve the issue and avoid the recurrence of the same issue. The CAP improvement tools mainly include: (1) Use "5WHY analysis method" to make root cause analysis. (2) Use SMART principles (specific, measurable, achievable, relevant, time bound) to develop an effective improvement plan. (3) Use the PDCA cycle

Attachment

(plan, do, check, act) for continuous improvement.

If the supplier fails to complete CAP measures or the same critical issue reoccur in follow up audits, it will result in a suspension or stop of business with our company.

In addition, we reserve the right to conduct an unannounced audit at any time for any reason on any of our suppliers. If the supplier does not accommodate the unannounced audit, it will be placed in a probationary status, which may include termination.