

IG Design Group Americas, Inc.

Joint Report to the Canadian Minister of Public Safety and Emergency Preparedness

under the

Fighting Against Forced Labor and Child Labor in Supply Chains Act

May 31, 2024

This joint report is submitted by IG Design Group Americas, Inc. (“DGA”), on behalf of itself and its subsidiaries identified herein (collectively with DGA, “we,” “us,” “our,” or the “Company”), as required under section 11 of the Fighting Against Forced Labor and Child Labor in Supply Chains Act (the “Act”). This report addresses the steps the Company has taken during its financial year ended March 31, 2024 to prevent and reduce the risk that forced labor or child labor is used at any step of the production of goods in Canada or elsewhere by the Company or of goods imported into Canada by the Company.

This report provides information in respect of the Company as to the following topics:

- (A) its structure, activities and supply chains;
- (B) its policies and its due diligence processes in relation to forced labor and child labor;
- (C) the parts of its business and supply chains that carry a risk of forced labor or child labor being used and the steps it has taken to assess and manage that risk;
- (D) any measures taken to remediate any forced labor or child labor;
- (E) any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labor or child labor in its activities and supply chains;
- (F) the training provided to employees on forced labor and child labor; and
- (G) how the entity assesses its effectiveness in ensuring that forced labor and child labor are not being used in its business and supply chains.

(A) Structure, Activities and Supply Chains

DGA is a Georgia corporation, headquartered in Atlanta, Georgia. DGA is a wholly-owned subsidiary of IG Design Group PLC, a public company registered in England and Wales whose shares trade on the Alternative Investment Market of the London Stock Exchange (the “Group”).

We design, manufacture, source and distribute a broad variety of branded and private label consumer products in the seasonal, stationery, gift, craft, and toy categories. We sell our products online and in store throughout North and South America, Europe and as far as Australia. We partner with many of the world’s best retailers and focus our teams and business to support our customer partnerships.

Our product lines fall under four groupings: (i) Creative Play and Toy, which includes toys, games, arts & craft kits, novelties, and outdoor activities for the mass market and value channels, (ii) Seasonal, which includes paper, décor, and impulse products, including trim-a-package, trim-a-home, trim-a-tree, stationery, greeting cards, gifts, accessories, and more for the mass market, value, club, drug, and grocery

channels, (iii) Upscale and Specialty Sales, which includes calendars, dated products, journals, notebooks, stationery, greeting cards, trim-a-package products, accessories, and gifts for the specialty market, and (iv) Craft, which includes sewing patterns, ribbon, trim, buttons, fusible bead kits, as well as needle arts, and general craft kits for major retailers and craft chains.

A portion of the goods that we market and sell are produced in U.S. manufacturing facilities that we operate. These self-produced goods include ribbons and bows made of plastics, narrow woven decorative ribbons, and gift wrap. For products that we do not self-produce, our supply chains are diverse, and include both U.S.-based and international suppliers. Our international suppliers are primarily located in China and other parts of Asia.

This joint report is filed by DGA on behalf of itself and each of the following DGA subsidiaries: Berwick Offray LLC, Paper Magic Group, LLC (f/k/a Paper Magic Group, Inc.), Lion Ribbon Company, LLC, C.R. Gibson LLC, Impact Innovations, Inc., The Lang Companies, Inc., The McCall Pattern Company, Inc., and Simplicity Creative Corp. Each of these companies is wholly owned by DGA, either directly or indirectly.

While our entities included in this report have no places of business in Canada and have no employees in Canada, they may be deemed to have reporting obligations under the Act because each: (i) owns assets located in Canada, such as goods held by distributors and/or retailers as bailees or consignees, and (ii) serves as a non-resident importer of record for goods imported into Canada.

(B) Policies and Due Diligence Processes in Relation to Forced Labor and Child Labor

We view forced labor and child labor as serious human rights violations, and we are committed to ensuring that our business and supply chains are free from any form of forced labor and child labor. These views are embodied in the Group's Code of Business Conduct, which applies to us and our operations, as follows:

a. Human Rights:

- i. Human rights are fundamental principles which allow an individual to lead a dignified and independent life, free from abuse and violations.
- ii. We will not tolerate, nor will we condone, abuse of human rights within any part of our business or supply chains, and we will take seriously any allegations that human rights are not properly respected.
- iii. All employees are employed of their own free will, are paid at least the minimum wage and are legally allowed to work.

b. Ethical Sourcing and Environment:

- i. Design Group is committed to engaging with our suppliers fairly and lawfully and source responsibly. We work closely with our suppliers to ensure they respect human rights, promote decent working conditions and improve sustainability across our supply base.
- ii. Environmental issues are taken very seriously given the nature of our business. As a Group we ensure that we are fully compliant with all legal environmental requirements. We encourage all parts of the business to look to reduce our impact on the environment and ensure that we are upholding high safety standards.

Section (C) below addresses our due diligence processes intended to promote ethical sourcing and labor practices throughout our supply chains.

(C) Parts of the Business and Supply Chains that Carry a Risk of Forced Labor or Child Labor being Used and Steps Taken to Assess and Manage that Risk

Given the widespread scale of our supply chain and acknowledging that modern slavery risks can exist at any level within it, we have adopted a risk-based approach to our activities. We strive to address these risks and maintain the highest standards of integrity, ethics, and social responsibility. We do this by:

- a. Ensuring that the sites owned or controlled by us have strict policies and procedures in terms of hiring workers, adherence to the relevant employment laws and facilitating whistleblowing hotlines/mobile reporting.
- b. Including human rights and ethical trading provisions in our policies to foster a culture of awareness and understanding among our employees, enabling them to recognize the signs of modern slavery and report any concerns they may have.
- c. Identifying and onboarding new suppliers in accordance with our due diligence policies and procedures. Depending on the profile of the supplier this may also include site visits, ethical audits and a review of the suppliers' policies and procedures to ensure that they align with the high standards of compliance which we expect from our suppliers.
- d. Requiring suppliers to comply with applicable laws and regulations, in addition to our policies and processes. These include those related to forced labor and child labor. Such compliance encompasses local laws and regulations and also the requirements of the end customer. We engage in ongoing dialogue with suppliers to ensure their understanding and compliance.
- e. Implementing monitoring mechanisms and reporting procedures. Depending on the profile of the supplier, these processes may include site visits, audits (undertaken by us or our customers), risk assessments, and periodic reviews of our policies and procedures.

(D) Measures Taken to Remediate any Forced Labor or Child Labor

Our practice is to investigate thoroughly any allegations or suspicions of forced labor or child labor involving facilities that we operate or facilities in our supply chain. Taking into consideration the outcome of any such investigation, we take such corrective actions as we deem to be appropriate under the circumstances. The objective of such corrective actions is to eliminate forced labor and child labor from our supply chain. During our fiscal year ended March 31, 2024, after receiving a report and investigating it, we engaged with a supplier to undertake corrective actions to address certain practices that may be considered indicia of forced labor. These corrective actions included ensuring that it reimbursed its migrant workers for recruitment fees that had been previously paid by such workers and to adhere to a zero-recruitment fee policy going forward.

(E) Measures Taken to Remediate the Loss of Income to the Most Vulnerable Families that Results from any Measure Taken to Eliminate the Use of Forced Labor or Child Labor in the Business' Activities and Supply Chains

In determining what corrective actions to take to eliminate the use of forced labor or child labor, we may take into account the financial consequences of those measures on the most vulnerable families.

Depending on the circumstances, we may structure our corrective actions in a manner that is intended to mitigate the loss of income to the most vulnerable families. As discussed in Section (D) above, during our fiscal year ended March 31, 2024, we engaged with a supplier to ensure that it reimbursed its migrant workers for recruitment fees that had been previously paid by such workers. We view the reimbursement as remediation for the loss of income to vulnerable families.

(F) The Training Provided to Employees on Forced Labor and Child Labor

At the start of employment, we train new employees on our policies, including our Code of Business Conduct, our Whistleblowing Policy, and the contents of our employee handbook. The Code of Business Conduct provides that “[w]e will not tolerate, nor will we condone, abuse of human rights within any part of our business or supply chains, and we will take seriously any allegations that human rights are not properly respected.” Our Whistleblowing Policy is intended to foster a culture of openness and accountability, where our staff are encouraged and enabled to raise concerns about illegal or unethical conduct, inclusive of any suspected non-compliance with our Code of Business Conduct. Our employee handbook reinforces our commitment to human rights, providing that we “do not tolerate or condone abuse of human rights including but not limited to child labor, forced labor or human trafficking within any part of our business or supply chains.”

We provide refresher training to our employees on our policies, including the Code of Business Conduct and the Whistleblowing Policy, on an annual basis. On an annual basis, employees are required to report that they remain in compliance with the Code of Business Conduct or, if applicable, to report any non-compliance to us.

Additionally, we provide separate compliance and quality training to our Asia-based sourcing team and a portion of our supplier base on an annual basis, and this training includes a segment that addresses forced labor and child labor.

(G) How the Business Assesses its Effectiveness in Ensuring that Forced Labor and Child Labor are not Being Used in its Business and Supply Chains

We participate with our sister Group companies in the Group’s “Operating Board” and “Forums”. The latter are comprised of senior leaders and technical experts from across the Group businesses units as well as some Operating Board members. Their scope and priorities are determined by the Operating Board. Among other things, the Manufacturing and Finished Goods Sourcing Forums review and assess the effectiveness and efficiency of the Group’s supply chain practices and allow for the identification and sharing of best practices. Among the topics considered are due diligence, monitoring and reporting practices that are intended to ensure that forced labor and child labor are not present in the supply chain of Group companies. We are now working with our sister companies to develop a system that will allow for the sharing of supplier information, which we expect to enhance our ability to identify and address risks in the supply chain associated with forced labor and child labor.

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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 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.

IG Design Group Americas, Inc.

By: 

Erik Sjogren, CEO*

*I have authority to bind IG Design Group Americas, Inc.