

*MJ Holding Company Canada ULC Report*

*Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act")*

*2023 Report*

**Entity Structure, Supply Chain and Activities**

MJ Holding Canada is a distributor that service the Country of Canada with imported goods sourced from the United States. We utilize warehousing and transportation to manage the goods we import into the country. There is the occasion where the imported goods are shipped back to the United States for distribution to other retail customers.

As a distributor of collectables, our focus is on trading cards (baseball, football, hockey, etc.) and gaming cards (Pokémon, Magic, etc.) with our primary customers being mass retailers, including Walmart. The cards are purchased from manufacturers like Panini, Topps, Upper Deck, and Pokémon where we receive pallet quantities of the cards to be shipped direct to a store via small parcel carriers in quantities that are merchandised at store level by our contracted 3rd party merchandising companies.

The cards are primarily printed in the United States by multiple printers with specialized printing, collation, and packaging line equipment. As the print runs are completed for a specific release, they are typically shipped directly from the printer to our distribution center.

As a wholesaler that distributes our collectibles to Walmart, we have been in compliance with Walmart's vendor agreement since 3/7/2007, whereby we have committed to following the Walmart standards for compensation, hours of labor, forced labor, child labor, discrimination/human rights, workplace environment and the environment. Each of these ethical sourcing elements have been the basis of our policies and procedures to ensure our business relationship will flourish in a manner that supports our code of conduct and that of the Country of Canada.

**Policies and Due Diligence Processes**

We have enacted a Supplier Code of Conduct which acts as the foundation of our Policies to support the aims of the Act. This Code applies to all vendors and suppliers who provide goods and services to MJ Holding, whether directly or indirectly. Suppliers are obligated and expected to conduct their business in accordance with this Code. Also, our suppliers are responsible for holding their respective suppliers tier 2 and tier 3, vendors, contracts, agents, brokers, or other similar parties to the standards described in this Code.

As our suppliers look to expand the tier 2 supplier base by adding additional capacity and exploring new capabilities, our quality inspection processes for in-bound finished goods requires interaction with the tier 2 suppliers (printers in our case) to resolve quality issues discovered at receipt of the finished goods in our facility. These inspection processes often lead to printer site visits for collaborative meetings, inspection of processes and interaction with plant personnel which affords us the opportunity to assess any risks that may exist. Our interaction with the tier 2 suppliers is our method of ensuring compliance in our vertical supply chains which leads to effective managements systems within our business.

The tier 3 suppliers are typically paper mills, ink manufacturers and adhesive manufacturers that are associated with large conglomerate corporations which utilize continuous batch processing as their core manufacturing competencies. Their batch processes typically lend themselves to a more capital-intensive business model with less of a need for manual labor.

### **Risk Areas with Mitigation**

The nature of our product, the sources that produce the goods we distribute, and printing location naturally minimizes the risks associated with forced labour or child labour. We as an organization have a “zero tolerance” perspective on this risk area. Suppliers are required to monitor the compliance of their operations, as well as the operations of Supplier Parties. MJ Holding will, to the best of our ability, verify the degree of compliance with the Act (where applicable) and our Supplier Code of Conduct by Suppliers through evaluations, audits, inspections, facility visits and similar methods, as and when determined to be required by MJ Holding. Suppliers and Supplier Parties are expected to cooperate with MJ Holding’s efforts to verify compliance, including providing access to facilities for the purpose of monitoring compliance with the Supplier Code of Conduct.

MJ Holding may request reasonable supporting documentation from both Suppliers and Supplier Parties to verify their compliance with the Act and the Supplier Code of Conduct, and Suppliers and Supplier Parties are requiring to provide same upon request.

### **Remediation Measures**

As an organization, we have not discovered any violations to our policy and therefore have not taken any measures to remediate forced labour, child labour, or loss of income to vulnerable families due to activities in our supply chain.

We continue to evaluate supply chain activities with the intent of continuous monitoring to strive to identify emerging risks as shifts occur in supply sources.

### **Training**

Our employee handbook contains a section on core values and standards of business conduct. Embedded in this section of the handbook is the defined standards we expect from each MJH associate which includes ethical conduct and the compliance with laws and regulations. All new hire employees are required to acknowledge receipt of the document.

Annually, we require all associates to read and acknowledge receipt of our code of conduct, to ensure the organization keeps an awareness to our commitment to the fight against child labour and forced labour throughout the world.

Our policy supports awareness training for the organization and those who interact with the tier 1 and tier 2 suppliers. As tier 1 suppliers expand capacity to new printers (tier 2), we review their core processes to ensure there are no significant differences that would warrant further reviews to ensure compliance with our supplier code of conduct.

### **Effectiveness Assessments**

Annual reviews of our policies and management practices support policy updates when necessary to conform to any amendments made to the Act or other applicable law. In addition to our annual reviews, we utilize feedback from supplier visits as another mechanism to obtain insights into the need for any policy updates. After site visits are concluded, a debrief session is conducted to link the learnings from the visit to our business and management processes, thus enabling us to maintain the relevance of our policies, training, and to permeate the learnings throughout the functional areas responsible to keeping us in compliance with our customer agreements and the laws of the countries for which we operate. We use these debrief sessions as a check point to audit the policies and procedures related to our ethical sourcing desires which are embedded in our Supplier Code of Conduct.

### **Prevention and Risk Reduction Steps**

As the trading card segment of the collectibles category is very specialized from a printing perspective, the introduction of new printers with printing capacities to service the Tier 1 suppliers is very limited due to the specialized nature of the materials used and the equipment required to meet product standards. We continue to monitor the Tier 2 suppliers (printers) as new printers are being introduced to increase capacity. During the 2023 reporting year, our interactions with the existing tier 2 suppliers revealed no changes in their supply chain as well as their methods of printing.

### **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.

DATED the *28<sup>th</sup>* day of May, 2024

A handwritten signature in black ink, appearing to read "Matthew Bayer".

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**Matthew Bayer**

President

I have the authority to bind MJ Holding  
Company Canada ULC