

May 7th, 2024

Report: Bill S-211; Commitment to Fighting Forced Labour and Child Labour in Supply Chain

Reporting Fiscal Year: 2024

This statement is made pursuant to Bill S-211, an act initiated to fight against forced labour and child labour in supply chains. This statement outlines the approach and initiatives taken by The Shandex Group to identify and address the risks in its business operations during the financial year commencing April 1, 2023, and ending March 31, 2024.

The Shandex Group is committed to upholding human rights and to managing a supply chain that is free from forced labour and child labour.

Company Structure

The Shandex Group was established in December of 1987 with its head office located in Pickering, Ontario. Shandex is a distribution and transportation company that handles and sells consumer packaged goods within the Canadian marketplace. Shandex Truck Inc. was established in 1996. With a fleet consisting of 60+ trucks, Shandex Truck hauls freight within Canada and the United States of America.

Supply Chain

The Shandex Group currently purchases finished consumer products from England Italy, India, Chile, and the United States. Most products being purchased by Shandex originate from the United States.

Risks in Supply Chain

The Shandex Group respects all human rights and acknowledges that there could be risk throughout any supply chain. Shandex has a zero-tolerance policy for companies who have been found to conduct business using forced labour and/or child labour.

Actions Taken

The Shandex Group follows the Canadian Retail Customer Code of Conduct. A major component of this Code is that it works to ensure that no forced labour or child labour exists in our supply chain by making it a requirement for mandatory Third-Party *Social Compliance* audits of our suppliers' facilities. These audits ensure that at each company, workers are paid properly for the work that they perform. They also confirm that the labour is safe and voluntary and not being forced or exploited and that each company complies with policies against child labour, amongst other things.

If at any time, one of our supply partners fails to meet fundamental human rights standards during an audit, we would terminate business with them in compliance with our zero-tolerance policy. These Third-Party Social Compliance audits are performed annually, and results are reviewed and maintained by our internal Quality and Regulatory team.

Training

The Shandex Group is in the process of initiating annual training to identify risks in our supply chain for all staff. This will be executed through our validated Quality Management and SOP Training system, ZenQMS.

Shandex is also bolstering our supply agreements to include a section that specifies our code of conduct and Bill S-211 policy to ensure all suppliers are aware of and complying with Canadian standards to mitigate any possible risks of forced labour and child labour.

In accordance with the requirements of the Act, 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.

Sincerely,



Jennifer Shannon

CEO

Shandex Sales Group Limited

Jennifer.Shannon@shandex.com

905-420-7407 ext 116

Statement of Commitment Memo (*Fighting Against Forced Labour and Child Labour in Supply Chains Act*)

From: Jennifer Shannon
Date: May 9th, 2024

Re: Commitment to Fighting Forced Labour and Child Labour in Our Supply Chain

Shandex Sales Group is committed to fighting against forced labour and child labour in our supply chains as well as in every aspect of our business and community. To meet this commitment, the company continually monitors its structure, activities, and supply chains to assess and reduce risks associated with forced labour and child labour. When an activity is found to have the potential for such risks, measures are taken to monitor or remediate the problem and, where applicable, to assist with the recovery of loss of income for individuals affected by the elimination of forced labour or child labour.

To further support this commitment, Shandex Sales Group has implemented a 'Prevention of Forced Labour and Child Labour Policy' to establish a framework for managing related processes. Employees who may be exposed to instances of forced labour or child labour in supply chains receive mandated training on our SOP #HS-CORP-076 to inform them about the harm forced labour and child labour can cause, as well as provide the information and guidance necessary to notice or determine whether forced labour or child labour is used at any point in a supply chain.

Shandex Sales Group also meets all legislative requirements related to reporting on the supply chain areas that carry risks of forced labour and child labour being used, and the steps we have taken to prevent and reduce such risks.

Establishing supply chains free from forced labour and child labour is a shared effort, and we are committed to working with the necessary parties to make it a reality. For more detailed information on associated policies, plans, and training programs, please contact Alexandra Blyth; Alexandra.Blyth@shandex.com.

In accordance with the requirements of the Act, 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.

If you have any questions, please do not hesitate to contact me.



Jennifer Shannon
CEO
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