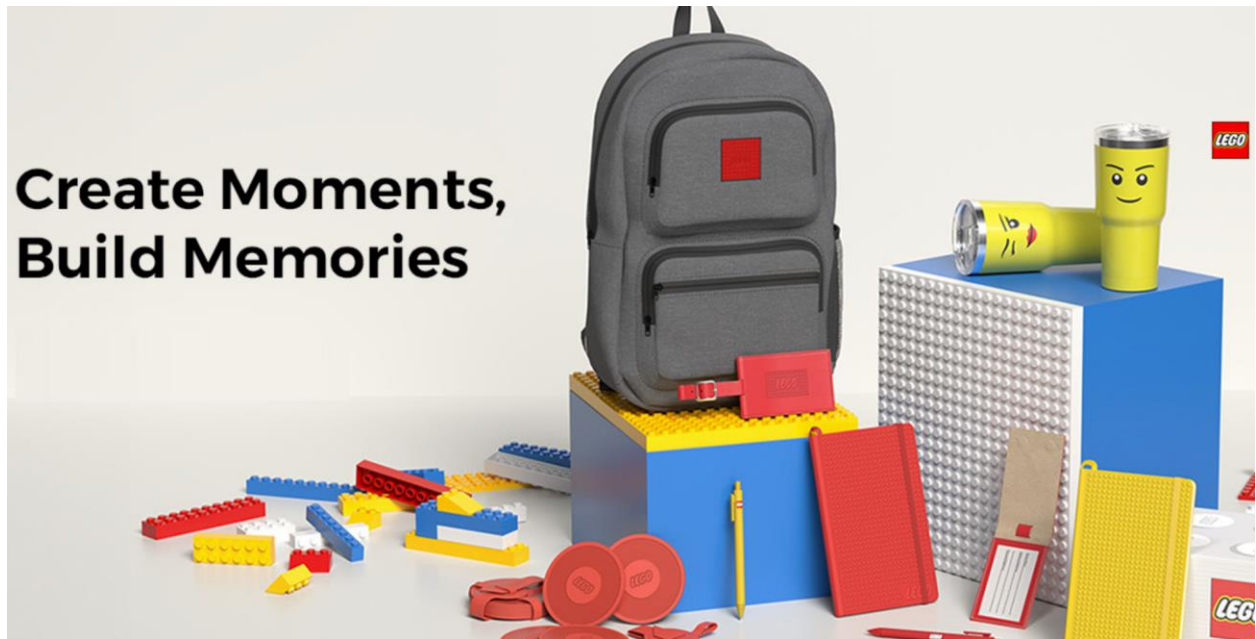


May 31, 2024



2024 REPORT ON BILL S-211, AN ACT TO ENACT THE  
FIGHTING AGAINST FORCED LABOUR AND CHILD  
LABOUR IN SUPPLY CHAINS ACT AND TO AMEND THE  
CUSTOMS TARIFF

Spector & Co Inc.

5700 rue Kieran

Montreal, QC

H4S 2B5

For Fiscal year 2023

Quebec Business Number: 1173519589

# Report under the Fighting against Forced Labour and Child Labour in Supply Chains Act (Canada)

## Introduction

Spector & Co Inc. a Montreal Company hereto referred to as Spector.

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) requires that businesses state actions they have taken during the fiscal year to prevent and reduce the risk of forced labour or child labour within their operations and supply chain.

This report is for Spector & Co Inc. (“Spector” or “Company”). This report refers to the 2023 fiscal year end, being December 31, 2023, and describes the steps taken by the Company in 2023. This Report constitutes the first report prepared by the Corporation pursuant to Canada’s new Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Spector considers the respect of human rights to be a fundamental corporate responsibility and a value governing all our activities. We place the highest importance on respecting human rights while conducting our business activities everywhere we operate. We expect the same of our business partners and suppliers (as well as their contractors, agents, subcontractors, sub-agents and labour agencies) to uphold these same principles within their operations and adhere to applicable human rights and employment standards laws.

## Structure, Activities and Supply Chains

### *Structure*

Spector is a Canadian Corporation with our Head Office, Production and Warehouse facility located in Montreal Quebec and a Production / Warehouse facility located in Las Vegas Nevada, with annual sales of approximately \$60m CAD and employing approximately 250 people.

Spector & Co. Inc. is incorporated under the Canada Business Corporation Act. The head office is located at 5700 rue Kieran, Montreal, Quebec, H4S 2B5.

### *Activities*

Founded in 1950, Spector has established itself as a progressive supplier of premium gifts and promotional products and has built a reputation for innovative product development and decoration, exceptional product quality, and outstanding customer service. Headquartered in Montreal, Canada, and with offices in Dongguan, China, and a newly opened facility in Las Vegas, Spector employs 250 people worldwide. The company is a leading

designer and manufacturer of promotional merchandise for business such as writing instruments and journals, Ashbury bags, Scribl custom books, Ora drinkware, luggage and accessories, tech, travel, fitness, and home goods selling to the North American market. Spector is C-TPAT certified, FSC certified, SMETA 4 Pillar audited and sells through authorized distributors.

### ***Supply Chains and Assessment of Parts that Carry a Risk of Forced Labour or Child Labour***

Spector is a Canadian Entity who imports items to decorate at our MTL & Las Vegas Facilities. We purchase semi-finished goods from Asia & European suppliers, import them into one of our two facilities. We decorate the goods at one of the facilities and do stock / item transfers between the two facilities depending on business needs. We have a line of journals that we produce in MTL using domestically sourced papers.

In 2023 we have updated our supply chain mapping to go to level 2 & 3 suppliers to provide additional transparency in our supply chain. For 2023 our Asia operations are deemed to have a low to medium security risk once all factors are taken into consideration. As described below, we believe that such risk is well managed by means of a series of initiatives, as we take such risks seriously.

## **Policies and Due Diligence processes in relations with Forced Labour and Child Labour**

Spector has several practices in place to manage risks of child labour and forced labour in its supply chains, that we describe below. All corporate policies are reviewed and updated if necessary, at least annually to ensure they encompass the newest requirements / best practices.

### ***Vendor Agreement which includes our Code of Conduct***

All suppliers are required to sign our Vendor Agreement which includes our Code of Conduct and specifically forbids the use of Forced / Child labour.

### ***Site audits***

On top of our Auditor visiting suppliers in 2023, our VP of Compliance & Asia Operations conducted in person visits and reviewed the policies with many of our suppliers in Asia. Spector has a robust system to track our supply chain. We have a Licensed Internal Auditor that goes through all our Tier 1 suppliers on a 2 year cycle to ensure all suppliers are following our Code of Conduct, Social Accountability Clauses and our Vendor Agreement to ensure there is no Forced / Child labour in our supply chain.

Many of our factories also have BSCI & SMETA audits conducted by 3<sup>rd</sup> parties which are shared and reviewed by our Asia and Compliance teams. During the audit our Integrity document is signed and left for the factory staff

which outlines our policy and provides our integrity email address and telephone numbers for people to make a complaint. These are monitored by our compliance department.

Spector completes an annual scorecard for all suppliers which includes safety, security and Spector's code of conduct along with performance / communication requirements.

### *Compliance to Policies*

As a supplier to many large international brands we must comply with their policies on forced / child labour and remediation if found. The industry policy for child labour is to return the labourer to their local village if required and ensure that they are enrolled and attending school upon their return and monitored by a 3<sup>rd</sup> party. Expenses for this are to be borne between the supplier and Spector to mitigate any requirements on the family / child. For forced labor we cut off all operations with the supplier immediately and report them to the proper authorities.

As part of our Partner's In Protection and CTPAT policies we must do annual verifications / assessments of the security risks of our supply chain including forced / child labour and score our risk by reviewing our audits, in person visits, review of government websites / policies for countries / local governments, review industry / partner findings and do internet research to assess the security risk within our supply chain. All products and suppliers are reviewed by the China Team, Our Auditor and the Compliance Department to ensure they comply to Spector's requirements & Policies.

## Remediation and Assessing Effectiveness

Throughout our various interactions and due diligence process, we have never encountered issues suggesting the existence of child or forced labour. As a result, there have been no occurrences requiring taking any measures to remediate any forced labour or child labour. As such, we have not 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 supply chain related activities.

Spector has in place a number of measures to prevent and reduce the risk that forced labour or child labour is used in our activities and supply chains. While we have not yet taken any actions to assess the effectiveness of those actions, Spector intends to assess its effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains in the near future.

## Training

All employees must complete mandatory annual training with regards to Spector's Policy on Corporate Social Responsibility which includes Bribery, Way of doing business and our Code of Conduct and clauses that forbid Forced / Child labour. Employees must watch a video outlining our policies then completed a 25 questions to show understanding of the subject matter. Responses are reviewed annually and updates / changes made to the training are done to ensure better comprehension when needed.

## 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. 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.

I have the authority to bind Spector & Co Inc.

Per:  \_\_\_\_\_

Full Name: **Robert Spector**  
Title: **President**  
Director of Spector & Co Inc.  
Date: May 31 2024