

# Travelway Group International Inc.

## Forced Labor and Child Labor Statement

### Background

**Table 1. Travelway Group International Inc. Company Profile**

<b>Reporting entity's legal name</b>	Travelway Group International Inc.
<b>Financial reporting year</b>	This report covers FY23/24
<b>Identification of a revised report</b>	This is Travelway Group International Inc's first report on Bill S-211
<b>Identification of a joint report, if applicable</b>	This report is not part of a joint report
<b>Identification of reporting obligations in other jurisdictions</b>	Travelway Group International Inc. does not have reporting obligations in other jurisdictions
<b>Entity categorization according to the Act</b>	For the purposes of the Act, Travelway meets the entity definition by having a business in Canada, doing business in Canada and meeting all three threshold criteria for revenue, assets and employees. Travelway is incorporated federally under the Canadian Co-operatives Act and is obligated to submit a report to the Minister of Public Safety and provide a public report in response to the Supply Chains Act by May 31, 2024.
<b>Sector/industry</b>	Distribution, Fashion accessories, Home
<b>Location</b>	4600 Chem. du Bois-Franc, Saint-Laurent, QC H4S 1A7

### Structure, Activities and Supply Chain

For over 50 years Travelway Group International Inc. (Travelway) has been a global leader in the design, manufacturing, distribution, licensing and sales of luggage, backpacks, sports equipment bags, lunch bags, travel and business accessories, and reusable shopping bags. Travelway is headquartered in Montreal, QC, with an additional sales office in Toronto, ON. To service its customers, Travelway works with Representative Offices in Hong Kong, Shanghai, Quanzhou and Guangzhou. Travelway's mandate and expertise lay in design, sales and marketing, while it relies on its Representative Offices to manage sourcing, manufacturing and quality control. Both Travelway and its Representative Offices are committed to ethical sourcing, manufacturing and distribution of goods, and enforce independent measures to ensure compliance with all of their local partners. The goods ultimately produced through Travelway's supply chain are currently sold to customers on five continents, all of whom also have strict requirements against child and forced labor in their supply chains.

Travelway has mapped their supply chain activities to identify product shipping location and country of origin. Results of supply chain mapping activities are shown below.

#### Suppliers:

Through its Representative Offices, Travelway maintains strong and long-standing relationships with its suppliers, many of whom it has worked with for several years. The majority of Travelway's suppliers and local partners are located in Asia (China, Cambodia and Vietnam). This consistent

and loyal supplier base provides stability and reliability in the supply chain. Moreover, Travelway exclusively partners with certified suppliers, ensuring that the materials and components used in its products are ethically sourced and meet high-quality standards.

### **Manufacturing:**

Travelway operates in the luggage and bags industry, focusing primarily on sales and design. The manufacturing process involves assembling various components to create luggage, bags, and related items. Travelway's Representative Offices in China work with local partners to produce these products, and they focus primarily on the manufacturing process and quality control. Together, Travelway and its Representative Offices manage the entire supply chain, ensuring adherence to compliance measures as well as customer specifications, standards, and timelines. Social compliance is evaluated primarily by certified external third party firms, as well as an internal team of trained staff members.

### **Transportation and Warehousing:**

Various modes of transportation are used to move Travelway's products from manufacturing facilities to distribution centers and from distribution centers to retailers or customers. Finished goods are typically exported via ocean freight after production. This segment of the supply chain (local transportation from manufacturing sites to port) is coordinated by Travelway's Representative Offices. Most of Travelway's goods are then shipped by ocean freight to North American ports near Travelway's warehouses or third party-logistics (3PL) facilities. A smaller fraction of goods produced in Asia is shipped by ocean freight to customers outside North America. Travelway takes possession of goods only once on board shipping vessels (freight on board) from China, or other countries of origin. Travelway's warehouses and 3PLs serve as hubs for storing inventory before being dispatched to retailers' facilities. From there, goods are transported by rail or truck to customer warehouses. This transportation segment is coordinated by Travelway or by the customer, depending on the sales arrangement.

### **Customers:**

Travelway's end customers include major retailers across and beyond North America, encompassing a diverse range of stores spanning various sectors. These customers include large-scale retail chains known for offering a wide array of products to consumers. They also include prominent department stores, specialized mid-tier sector-specific chains, and prominent discount retailers recognized for their extensive market reach and diverse customer base. By supplying this diverse set of retailers, Travelway's products are accessible to a broad spectrum of consumers, enhancing its market presence and driving sales across different regions.

## **Policies and Due Diligence Processes in Relation to Forced Labor and Child Labor**

Travelway requires all of its supply chain partners to sign and adhere to its supplier manual on business ethics and social compliance. Among other provisions, this manual states the following:

**Table 2. Travelway's Child Labor and Forced and Bonded Labor Provisions**

<b>Provision</b>	<b>Travelway Policy</b>
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<b>Child Labor</b>	Business partners must not employ children who are less than 16 years old, or less than the age for completing compulsory education in the country of manufacture where such age is higher than 16.
<b>Forced and Bonded Labor</b>	Business partners must not use forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise. No employee may be compelled to work through force or intimidation of any form, or as a means of political coercion or as punishment for holding or expressing political views.

Additionally, Travelway’s set of Representative Offices has its own policies on child and forced labor to which it requires all of its local partners to sign and adhere:

**Table 3. Representative Offices’ Child Labor Policy and Supporting Standards**

<b>Child Labor Provision</b>	
<b>Policy</b>	Suppliers must not engage in or support the use of child labor. This applies to workers directly employed by the Supplier or any third party providing raw materials, components, labor or services to the Supplier. Suppliers must comply with the minimum employment age limit defined by national law or by International Labor Organization (ILO) conventions, whichever is higher. Suppliers must also be able to verify the age of all workers to ensure compliance. Furthermore, young workers (under the age of 18 but above minimum working age) must not undertake work which is hazardous or unsafe to their physical and mental health.
<b>Supporting Standards</b>	<ol style="list-style-type: none"> <li>1. Factories must not engage in or support the use of child labor. This applies to workers directly employed by the factory or any third party providing raw materials, components, labor or services to the factory. Factories must have a written policy to this effect, which shall be effectively communicated to all workers.</li> <li>2. Factories must comply with all applicable laws governing minimum working age:</li> <li>3. Factories must comply with all laws and regulations applicable to young workers (under the age of 18 but above minimum working age). This includes the number of overtime hours, hazardous and/or night work, annual medical checkups, apprentice or vocational training, and taking all necessary precautions to ensure young workers are protected from working conditions likely to endanger their health, safety or welfare.</li> <li>4. Required documentation must be maintained for young workers, as required by law, including registration, school completion certificates, doctor certificates, and permission from parents.</li> <li>5. Where required by law, factories must pay any expenses associated with registering young workers (above minimum working age) with the local authorities.</li> <li>6. A system must be in place for identifying work stations and operations that are inappropriate for young workers.</li> <li>7. No children are allowed in any work areas (including production, merchandising and offices) of a factory, even if they are not working.</li> <li>8. Hiring procedures must be in place to verify proof of age documentation prior to a worker’s start date.</li> </ol>

	<p>9. To verify age and thereby compliance with legal age limitations, proof of age documentation must be maintained in personnel files for all workers in the form of birth certificates, government identification cards, or other official documents.</p> <p>10. In the event child labor is discovered, factories must establish and implement appropriate remediation for such workers (e.g. a program enabling children and under age workers to return to quality education) and introduce effective systems to prevent the use of child labor in the future.</p>
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**Table 4. Representative Offices’ Forced and Bonded Labor Policy and Supporting Standards**

Forced and Bonded Labor Provision	
<b>Policy</b>	Suppliers must not engage in or support the use of any type of forced labor, bonded labor or indentured labor. This applies to workers directly employed by the Supplier or any third party providing raw materials, components, labor or services to the Supplier. Further, Suppliers shall respect the freedom of movement of their workers and not restrict their movement by controlling identity papers, holding money deposits or taking any other action to prevent workers from terminating their employment.
<b>Supporting Standards (abridged)</b>	<p>1. Factories must not engage in or support the use of forced labor, bonded labor, or indentured labor. This applies to workers directly employed by the factory or any third party providing raw materials, components, labor or services to the factory. Factories must have a written policy to this effect, which shall be effectively communicated to all workers.</p> <p>3. Workers must not be forced to work against their will, ability, or in a manner outside the provisions of their labor contract, where applicable.</p> <p>6. Workers shall not be coerced by personnel of the factory, including supervisors and security personnel.</p> <p>9. Workers must be able to end their employment, as outlined in legally compliant contracts. Factories must pay all wages fully and promptly and not employ other tactics to prevent workers from leaving at will, such as withholding salary as a “year-end bonus” or charging a penalty when workers terminate their contract.</p> <p>10. Workers must not be bound to employment as a condition of fulfilling terms of a debt to the factory or a third party. Personal loans to workers or job seekers are prohibited under circumstances where repayment terms could be construed as debt bondage or forced labor.</p>

## Parts of Business and Supply Chain that Carries a Risk of Forced Labor or Child Labor Being Used and Steps Taken to Assess and Manage that Risk

**The parts of Travelway’s business and supply chain that carry a risk of forced labor or child labor being used include:**

Using two separate indices, Walk Free’s Global Slavery Index and the US Department of Labor’s List of Goods Produced by Child Labor or Forced Labor, Travelway has conducted an initial risk assessment of the category of goods it sells and the identified inherent risks of forced and/or child labor. Key suppliers of Travelway are located in China, Cambodia and Vietnam. Using the same indices to assess supply chain risk, China, Cambodia and Vietnam have been identified as having a high inherent risk for forced and/or child labor.

Consequently, these segments undergo the most frequent audits and stringent scrutiny, and Travelway and its Representative Offices exercise heightened vigilance when working with their local partners in these countries to ensure compliance with labor laws and ethical standards.

**Steps taken to assess and manage these risks include:**

1. **Supplier Compliance:** Travelway requires all its suppliers to adhere to its Supplier Manual, which explicitly prohibits child labor and forced labor.
2. **Representative Offices Policies:** Travelway's set of Representative Offices also has its own policies on child and forced labor, which it requires all local partners to adhere to. These policies include detailed provisions and supporting standards to ensure compliance and prevent the use of forced or child labor throughout the supply chain. The Representative Offices' manual also outlines verification of age documentation and implementation of remediation measures if child labor is discovered.
3. **Regular Monitoring and Audits:** Travelway's Representative Offices are tasked with conducting regular monitoring and audits of its local partners and manufacturing facilities to ensure compliance with its ethical sourcing policies. These audits may include on-site inspections and assessments to identify any instances of forced or child labor and take corrective actions accordingly.
4. **Training and Education:** Travelway's Representative Offices provide training and education to its local partners and employees on ethical sourcing practices, including the prohibition of forced and child labor. This helps raise awareness and ensure that everyone involved in the supply chain understands their responsibilities in preventing such labor practices.

## Steps Taken to Remediate any Forced Labor or Child Labor

Travelway's Representative Offices audit its local manufacturing partners at least once per year, employing either internal or third-party auditors for this purpose. The company uses third-party auditing for external assessments<sup>1</sup>. For annual inspections and certifications, while some customers mandate their own social audits, most accept external, industry-standard reports including BSCI, SMETA, SLCP, and WRAP<sup>2</sup>.

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<sup>1</sup> Travelway's Representative Offices contracts with several third party auditing firms (e.g., [ABS Quality Evaluations Inc.](#), [BCI Compliance Group Limited](#), [Intertek Testing Services Hong Kong Ltd.](#), among others) to audit suppliers.

<sup>2</sup> **BSCI (Business Social Compliance Initiative)** is a European-based initiative focused on improving social standards in the global supply chain. It provides a framework for auditing and monitoring the social performance of suppliers, covering areas such as fair wages, working hours, health and safety, and child labor.

**SMETA (Sedex Members Ethical Trade Audit)** is an audit methodology developed by Sedex (Supplier Ethical Data Exchange), a non-profit organization focused on driving improvements in ethical and responsible business practices in global supply chains. SMETA audits assess various aspects of social responsibility, including labor standards, health and safety, environment, and business ethics.

**SLCP (Social and Labor Convergence Program)** is an industry-wide initiative aimed at harmonizing social audits in the apparel and footwear sector. It seeks to streamline the audit process, reduce duplication, and improve efficiency by promoting a common assessment framework. SLCP assessments focus on labor standards, including issues related to forced labor and child labor.

Business ethics and social compliance audits focus on a standard set of information, contextualized to local laws<sup>3</sup>. An example of one representative auditing instrument used by Travelway’s Representative Offices includes assessment of the following metrics:

**Table 5. Business Ethics and Social Compliance Audit Due Diligence Components**

Category <sup>4</sup>	Indicators
<b>Factory contact</b>	Factory name, address, contact information, accountable representative and position, audit date, and auditor
<b>Background information</b>	Years in operation; estimated total number of employees (male and female percentage); number of administrative/management personnel, production personnel, and warehouse personnel
<b>Child labor</b>	For each of the following a satisfaction score (0, 1, 2 or 3) is assigned: <ol style="list-style-type: none"> <li>1. The facility does not engage in or support the use of child labor</li> <li>2. The facility does not cause anyone under the age of 18 to be employed in hazardous work</li> <li>3. Documentary evidence exists for proof of age upon recruitment</li> <li>4. The facility has a written policy specifying this is in compliance with all applicable laws</li> <li>5. The facility requires an undertaking from sub-contractors not to use child labor</li> </ol>
<b>Forced and bonded labor</b>	For each of the following a satisfaction score (0, 1, 2 or 3) is assigned: <ol style="list-style-type: none"> <li>1. The facility does not engage in or support the use of forced labor (unpaid, indentured or bonded)</li> <li>2. The facility does not engage in or support the use of prison labor</li> <li>3. Prospective employees are given full disclosure of the terms and conditions of employment prior to employment and these are in no way linked to the worker becoming indebted in any way</li> <li>4. Employees are free to leave employment after giving reasonable notice and the employer will not hold any original identification papers that might limit the employees ability to leave</li> <li>5. Employees are not required to lodge deposits and wages are paid in a timely manner after completion of a pay period</li> <li>6. The facility requires an undertaking from sub-contractors not to use forced or prison labor</li> <li>7. Is there any evidence that work is conducted under the threat of illegal penalty or any other illegal sanction?</li> </ol>
<b>Freedom of association</b>	For each of the following a satisfaction score (0, 1, 2 or 3) is assigned:

**WRAP (Worldwide Responsible Accredited Production)** is an independent, non-profit organization dedicated to promoting ethical manufacturing practices around the world. WRAP certification verifies compliance with a set of globally recognized standards covering areas such as labor practices, health and safety, environmental impact, and legal compliance. It provides assurance to stakeholders that products are produced under humane and ethical conditions.

<sup>3</sup> Local laws considered: allowable hour worked per week, total hours per day, total hours per week, total hours per month; maximum allowable hours worked per week, maximum total hours per day, maximum total hours per week, maximum total hours per month; legal minimum work age; legal minimum wage(s); legal minimum overtime wage(s) on official holiday; legal number of consecutive days worked per week.

<sup>4</sup> Adjacent categories (outside the direct scope of this report) included in these audits include: management commitment, health and safety, first aid and medical services, working environment, food preparation services, fire safety and emergency evacuation, safety of plant and equipment / latent health hazards / protective equipment, dormitories and housing, environmental, and business ethics.

	<ol style="list-style-type: none"> <li>1. The facility respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. In those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate para</li> </ol>
<b>Discrimination</b>	<p>For each of the following a satisfaction score (0, 1, 2 or 3) is assigned:</p> <ol style="list-style-type: none"> <li>1. The facility does not engage in or support discrimination in hiring, remuneration, access to race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, age or as dictated by local and national law.</li> <li>2. The facility has a written policy and/or procedure with respect to discrimination, which complies with local and national law</li> <li>3. The facility does not discriminate against pregnant women and respects their rights under local and national law</li> <li>4. The facility does not allow behavior including gesture, language and physical contact that is sexually coercive, threatening, abusive or exploitative.</li> </ol>
<b>Disciplinary practices</b>	<p>For each of the following a satisfaction score (0, 1, 2 or 3) is assigned:</p> <ol style="list-style-type: none"> <li>1. The facility does not engage in or support the use of corporal punishment, mental or physical coercion, and verbal abuse</li> <li>2. The facility does not apply fines or make deductions from wages, withhold pay or require work without pay for disciplinary purposes</li> <li>3. The facility has a written policy that expressly forbids the disciplinary practices set out in #1 and #2 (it may however set out alternative disciplinary actions that include oral, written and final written warnings for unsatisfactory performance)</li> </ol>
<b>Working hours</b>	<p>For each of the following a satisfaction score (0, 1, 2 or 3) is assigned:</p> <ol style="list-style-type: none"> <li>1. The facility maintains adequate records of hours worked</li> <li>2. The number of overtime hours worked is within that allowed by local/national law and regular hours plus overtime hours do not exceed a total of 3 per day/60 per week/36 per month</li> <li>3. Overtime is voluntary and paid in accordance with local/national laws or regulations and at a premium rate</li> <li>4. Employees are given a minimum of 1 day off in every 7-day period</li> <li>5. Employees are given adequate meal and personal breaks</li> </ol>
<b>Remuneration</b>	<p>For each of the following a satisfaction score (0, 1, 2 or 3) is assigned:</p> <ol style="list-style-type: none"> <li>1. The facility pays wages that meet at least legal or industry minimum standards for a standard working week and are sufficient to meet basic needs of personnel and to provide some discretionary income</li> <li>2. The facility has a written policy on wages and benefits, which is in compliance with local law</li> <li>3. The facility has posted legal and company minimum wage rates or makes these available to employees</li> <li>4. No deductions from wages are made for disciplinary purposes</li> <li>5. The facility maintains adequate records of wages</li> <li>6. Wage and benefits composition is detailed clearly and provided regularly to employees</li> <li>7. Wage and benefits are rendered in full compliance with all applicable laws and remuneration is rendered either in cash or check form in a manner convenient to employees</li> <li>8. No deductions are made for services such as transport, meals, medical assistance and lodging or if deductions are made they are fair and reasonable</li> <li>9. No deductions are made for safety and personal protection equipment</li> <li>10. The facility has proof of deposit to the respective agencies for all taxes, social security, pension and other similar deductions made from wages</li> </ol>

<b>Control of sub-contractors</b>	<p>For each of the following a satisfaction score (0, 1, 2 or 3) is assigned:</p> <ol style="list-style-type: none"> <li>1. The facility has appropriate procedures to evaluate and select sub-contractors that require they meet social accountability requirements and standards</li> <li>2. The facility maintains appropriate records of sub-contractors written commitments to social accountability and their cooperation in monitoring activities</li> <li>3. The facility maintains reasonable evidence that sub-contractors are in compliance. This may take the form communications and corrective action plans.</li> <li>4. Where the facility uses directly or indirectly through sub-contractors the services of home workers special steps are taken to ensure they are afforded a similar level of protection as would be afforded to directly employed personnel.</li> <li>5. Sub-contractors do not engage in or support the use of child labor.</li> <li>6. Sub-contractors do not cause anyone under the age of 18 to be employed on hazardous work. Sub-contractors do not engage in or support the use of forced labor (unpaid, indentured, or bonded.)</li> <li>7. Sub-contractors do not engage in or support the use of prison labor.</li> </ol>
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Each of the 11 categories are assigned a percentage weight factor that total 100%. The points allocated for each category are then weighted and summed to provide a total score. The greater the points, the lower the risk of observed deficiencies.

**Table 6. Scoring and Mitigation Measures**

Score	Indication	Rating	Re-audit schedule	Result of re-audit	Production impact
<b>81-100</b>	No deficiencies	Acceptable	180 days		No impact
<b>71-80</b>	Minor deficiencies	Need improvement	120 days		No impact
<b>51-70</b>	Major deficiencies that include inconsistent / falsified records	High risk	90 days		Future order may be impacted
<b>0-50</b>	Egregious violations such as child labor, forced labor, discrimination, harassment, or bribery	Termination	N/A		No new production permitted

In the event of a breach, Travelway’s Representative Offices require the local manufacturing partner to provide a Corrective Action Plans (CAP) and evidence for desktop review or onsite certification of remediation. In the event of an observed deficiency, local manufacturing partners must complete an Audit CAP with the following information: audit provision, non-conformity findings during audit, corrective action required, proposed timeline to submit CAP by factory/facility (as discussed with the factory during the audit), improvements made by the factory/facility, improvement date, and photographic evidence to prove the improvements have been made. Upon meeting these requirements, the file/findings are closed. In the event of egregious violations of social standards, production at the factory / facility is terminated.

Travelway has taken action to remediate potential risks of forced and child labour through deployment of the policies and procedures outlined on pages 2-8. In the future, Travelway will explore opportunities to increase auditing and monitoring of suppliers to reduce the risk of forced



and child labour. If specific incidents of forced and child labour are identified, Travelway will work with suppliers to determine and implement remedial action.

## **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**

Travelway has not identified any instances of child or forced labour in operations or supply chains, and therefore no measures have been taken to remediate the loss of income to vulnerable families.

## **Training Provided to Employees on Forced Labor and Child Labor**

Travelway's Representative Offices conduct internal and external training sessions with its employees and local manufacturing partners, respectively, at least once per year to ensure compliance with child and forced labor standards. These training sessions cover local and country-level child and forced labor laws and requirements, customer compliance measures, how to identify child and forced labor, and how to remediate instances of child and forced labor if discovered. Travelway's Representative Offices have a team of trained compliance and quality control experts (SA8000 certification<sup>5</sup> and BESC certification<sup>6</sup>) who oversee compliance in the supply chain and who provide such trainings.

## **Assessment of Effectiveness in Ensuring that Forced Labor and Child Labor are Not Being Used in Business and Supply Chains**

Travelway and its Representative Offices prioritizes ethical sourcing, manufacturing, and distribution practices. They are dedicated to upholding high standards of social responsibility throughout their operations. To ensure ongoing improvement, they have partnered with a Canadian consulting firm specialized in social compliance. While nascent, this collaboration aims to enhance evaluate the effectiveness of, monitor and strengthen existing social compliance measures, demonstrating Travelway's unwavering commitment to ethical business practices.

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<sup>5</sup> SA8000 is a certification standard by Social Accountability International (SAI) focusing on fair labor practices and ethical treatment of workers. It covers aspects like child labor, forced labor, health and safety, and working hours. Companies undergo audits to demonstrate compliance, showing their commitment to upholding human rights in the workplace.

<sup>6</sup> BESC certification stands for "British Ethical Sourcing Certification." It's a standard used to ensure that products imported into the UK meet certain ethical and social standards. This certification verifies that the products were produced under conditions that respect labor rights, environmental standards, and other ethical considerations. It's particularly important for companies importing goods from countries where labor standards may be less regulated.

## Approval and Attestation

This report has been approved by the board of directors of Travelway Group International Inc.

I attest that we have reviewed the information contained in the report for the entity listed above. Based on our 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 reporting year listed above.



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**Tina-Marie Assi**

**Executive Director**

**Travelway Group International Inc.**