



# Tom Lee Music Ltd.

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2024 Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

May 31, 2025

# Table of Contents

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Background .....	3
1. Structure, Activities and Supply Chains.....	4
3. Policies & Due Diligence.....	5
4. Risk Assessment.....	5
5. Remediation - Forced & Child Labour.....	6
6. Remediation - Vulnerable Family Income Loss .....	7
7. Awareness Training .....	7
8. Ensuring Effectiveness of Processes .....	7

## Background

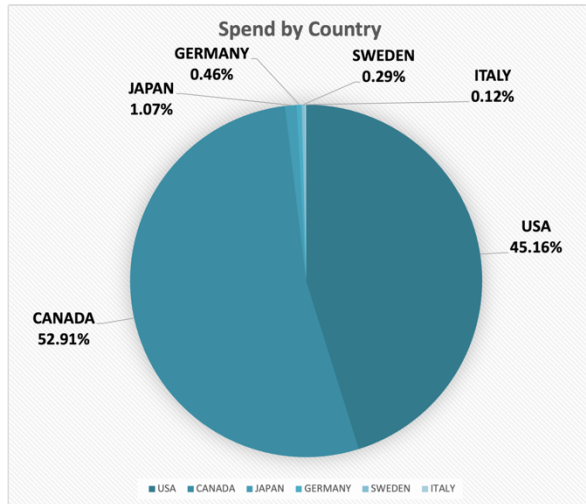
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This report (is made on behalf of Tom Lee Music Co. Ltd and certain of its subsidiaries listed below (collectively, "Tom Lee", "we", "us" or "our") pursuant to Section 11(1) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act ("Bill S-211" or the "Act") covering our most recently completed fiscal year from April 1, 2024, to March 31, 2025. This is the second version of the report submitted by Tom Lee.

Based on the Act, there are eight mandatory areas that must be reported:

1. Its structure, activities, and supply chain(s).
2. Its policies and due diligence processes in relation to forced labour and child labour.
3. The parts of its business(es) and supply chain(s) that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.
4. Any measures taken to remediate any forced labour or child labour.
5. 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 labour or child labour in its activities and supply chains.
6. The training provided to employees on forced labour and child labour.
7. How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business(es) and supply chain(s).

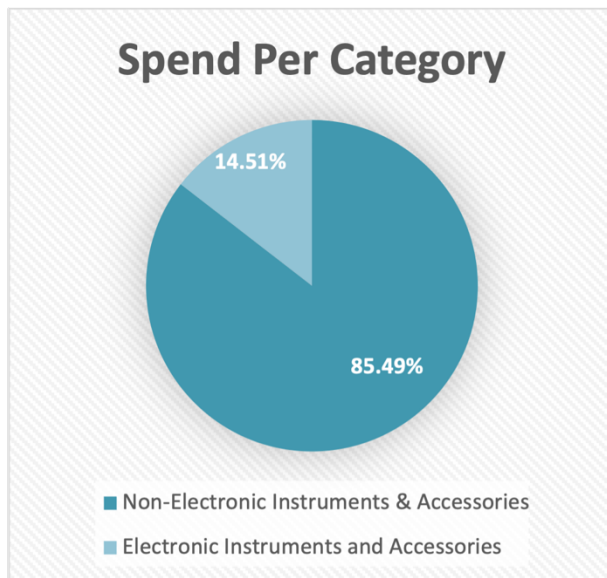
# 1. Structure, Activities and Supply Chains



This Bill S-211 report is for Tom Lee Music Co. Ltd, which is engaged in the retail industry of buying and selling musical instruments and other music related items (e.g., sheet music, electronics, etc.) on Vancouver Island, the Greater Vancouver area, the Calgary Metropolitan Area, the Greater Toronto Area, and Greater Ottawa Region. Tom Lee also provides services and education to its retail customers.

Almost all of Tom Lee’s supply chain is sourced from Canada and the US, thus inherently carrying lower risk of forced labour or child labour. Less than 2% of

the supply chain comes from other low risk countries, such as Japan, Germany, Sweden, and Italy.



For fiscal year 2024, Tom Lee’s supply chain primarily consists of non-electronic instruments and accessories.

## 3. Policies & Due Diligence

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Although Tom Lee does not have specific formal policies and due diligence procedures in place as it pertains to forced and child labour mitigation, Tom Lee has several policies that address the spirit of the Act. Currently, these include:

1. **Employee Handbook:** The handbook includes the behavioural expectations of employees and their rights and responsibilities. Though forced labour and/or child labour are not explicitly stated within the document, aspects and clauses of the handbook speak directly to the respectful treatment and behaviour of employees. Tom Lee also commits to a harassment-free work environment where all representatives are treated with respect and dignity, and where candidates and employees are free from any form of discrimination.
2. **Workplace Violence Policy:** This policy establishes procedures for reporting or investigating violence in the workplace, whether instigated by external or internal individuals.
3. **Purchasing policy:** A purchasing policy is in place, and speaks to the importance of transparency and sustainability in the vendor selection process, as well as regular performance reviews being performed on vendors.

## 4. Risk Assessment

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To manage the risks associated with forced and child labor, Tom Lee employs a systematic approach to classify suppliers into low, medium, and high-risk categories. This involves evaluating a combination of multiple factors, including the origin of goods, the category of goods, and significance of spend.

### **Origin of Goods**

Almost all of Tom Lee's spend in 2024 came from suppliers based in Canada and the United States, both of which are considered low-risk countries with respect to forced labor and child labor.

The risk assessment of the origin of goods references, amongst other publicly available data, the US Department of Labour (<https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods/supply-chains>).

### **Category of Goods**

We assessed the category of goods based on the following considerations:

- **Electronics:** Electronic musical instruments, and electronic components of non-electronic instruments, are considered extreme risk as electronics typically are high risk and/or come from high-risk countries.

The risk assessment of the category of goods references the US Department of Labor <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>

## Spend

The spend risk rating utilizes stratification of spend per vendor into three intervals to assess the significance (and accordingly, the risk level) associated with supply chain expenditures. This approach enables management to prioritize oversight and control, ensuring that higher-risk financial activities receive the appropriate level of scrutiny. The classifications are:

- Expenditures that are equal to or less than 1% of the total annual supply chain spend are considered low risk.
- Expenditures that fall between 1% and 3% of the total annual supply chain spend are classified as medium risk.
- Expenditures that equal or exceed 3% of the total annual supply chain spend are deemed high risk.

## Other factors

Other factors considered for the risk assessment included, but were not limited to:

- Small Local Business (Low Risk): These are locally operated small businesses known for their transparent supply chains, attributable to their small scale and emphasis on regional community engagement.
- Long-term Partner (Low Risk): Suppliers with whom Tom Lee has maintained a long-term relationship, consistently proving their commitment to ethical labour practices.
- Suppliers with Unionized Workforces (Low Risk): Suppliers that have their workforce represented by labour unions are recognized for their advocacy of workers' and human rights.

Based on our comprehensive risk assessment, management evaluated over 50 suppliers for this report. The assessment did not find any risk of forced labour or child labour in our suppliers who reported back to us. We note that one supplier that comprises over 3% of our total annual supply chain spend did not provide a report back to us in time for the 2024 Supply Chains Act reporting deadline. However, the risk remains low with this supplier as most of their supply chain is within the USA and they are not an electronic instrument or accessory manufacturer.

## 5. Remediation - Forced & Child Labour

To date, Tom Lee has not identified any instances of forced or child labour, and our risk assessment and analysis, as described previously, does not reveal any high risk exposures. Consequently, there are currently no remediation efforts required.

Should Tom Lee be made aware of any issues regarding the behaviour or conditions within our supply chain, Tom Lee is committed to promptly address such a situation by entering into discussions with the relevant party, investigating the facts and circumstances, developing appropriate corrective actions with the supplier and ensuring such corrective actions are implemented.

## 6. Remediation - Vulnerable Family Income Loss

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As noted above, there have been no instances identified by Tom Lee of forced labour or child labour. As such remediation does not apply.

## 7. Awareness Training

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Tom Lee continues to offer training to all employees on identifying, assessing, and responding to the risks associated with child labor and forced labor within Tom Lee's operations and supply chains. Other training on relevant topics is outlined below:

1. During the onboarding process for new employees, Tom Lee provides training through our Employee Handbook. This Handbook contains aspects related to forced labour and/or child labour through non-discrimination, anti-harassment, and professional behaviour clauses. This training is mandatory.
2. Tom Lee recognizes the importance of having employees aware of signs of child and forced labour and has identified the opportunity to incorporate training on this during the onboarding process.
3. Tom Lee Music's purchasing team has been involved in the above awareness training, and will remain vigilant for any instances of child labor or forced labor found in any of the suppliers we work with.

## 8. Ensuring Effectiveness of Processes

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Tom Lee remains committed to ongoing reviews of our processes, policies, and practices, including the assessment of our suppliers. This commitment is aimed at aligning with industry leading practices and mitigating our risks related to forced labor and child labor.



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.

I have the authority to bind Tom Lee Music Co. Ltd. This report covers financial year 2024 and applies to Tom Lee Music Co. Ltd. in terms of the Act.

Jeffrey Lee

A handwritten signature in black ink, appearing to read "J Lee", written over a horizontal line.

Full Name

Signature

**Director**

May 29, 2025

Title

Date