

## **Forced Labour and Child Labour in Supply Chains Report**

### **Fiscal Year Ended December 31, 2023**

#### **1. ABOUT THIS REPORT**

This Report is made by In-Store Products Limited (“**InStore**”) pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “**Act**”) for the fiscal year ended December 31, 2023.

In accordance with the Act, this Report sets forth the steps InStore has taken during the period to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by InStore or of goods imported into Canada by InStore. This Report constitutes the first report prepared by InStore pursuant to the Act.

InStore is not subject to reporting requirements under supply chain legislation in any other jurisdictions at this time.

#### **2. ABOUT INSTORE AND ITS SUPPLY CHAINS**

InStore is a corporation existing under the *Business Corporations Act* (Ontario) with its headquarters located in Mississauga, Ontario. Established in 1990, the InStore Group of Companies (including InStore) has been a leader in designing and manufacturing unique products and systems that support the constantly changing needs of the global mass retail and grocery industry. InStore is engaged in the business of importing into Canada and selling shopping carts and related accessories.

The carts and components (other than handles) are manufactured in the People’s Republic of China (the “**PRC**”). The manufacturing process involves cutting, punching, bending, welding, powder coating, assembly and packing. Handles are manufactured in the Federal Republic of Germany. With respect to InStore’s contracting arrangements with suppliers based in the PRC, InStore monitors each step of the manufacturing process. InStore ensures the oversight of manufacturing activities through the physical presence of employees in the suppliers’ locations where products are produced, which enables the company to monitor the activities at operation-level and to carry out regular inspections of downstream activities.

InStore’s direct suppliers are ISO certified. ISO certifications held by our direct suppliers include ISO9001 and ISO45001.

#### **3. POLICIES AND DUE DILIGENCE PROCESSES**

InStore does not endorse, support or engage in any form of forced labour or child labour within its organization or within its supply chains. In that regard, InStore has adopted and is implementing policies and processes relevant to the prevention and mitigation of forced labour and child labour in its operations and supply chains.

##### **Modern Slavery in Supply Chains Policy**

In 2024, in light of the introduction of the Act, InStore established a policy for all of its employees entitled “Modern Slavery in Supply Chains Policy” (the “**Policy**”). The Policy encourages InStore’s employees to report any suspected instances of modern slavery through designated channels and provides

for the protection of whistleblowers from retaliation. It also includes a description of the due diligence processes undertaken by InStore.

### **Due Diligence Processes**

InStore employs a comprehensive approach to monitor the activities of its suppliers, particularly in the PRC where the risk of forced and child labour is higher. This includes conducting on-site visits and using third-party audits. Through the assistance of third-party audits, InStore assesses a range of metrics, enabling it to evaluate supplier adherence to established standards and guidelines.

Third-party audits are comprehensive SMETA (Sedex Members Ethical Trade Audit) which include a review of the supplier's labour standards, health & safety, environment and business ethics, including the absence of forced and child labour (and the provision of documentary evidence validating the age of their workforce).

The auditing procedures commissioned by InStore help prevent child labour and forced labour in supply chains as it communicates to its suppliers that satisfactory audit results are crucial for maintaining the business relationship.

## **4. FORCED LABOUR AND CHILD LABOUR RISK**

InStore's risk management strategy has primarily centered around mitigating risks to the workforce within its Canadian operations, as well as addressing risks pertaining to the workforce within its immediate suppliers.

The risk of encountering instances of human rights abuses in InStore's Canadian operations is very low. All employees in Canada are hired in accordance with, at a minimum, applicable laws and regulations. InStore conducts checks to ensure that individuals have the right to work and are choosing to work on their own free will.

As for supply chain risks in foreign jurisdictions where the risk of encountering forced labour and child labour may be higher, InStore has initiated a risk assessment process to identify potential vulnerabilities and implement appropriate risk mitigation strategies (including the Due Diligence Processes set forth above). As of the date of this Report, no specific risk areas pertaining to forced labour and child labour have been identified.

## **5. REMEDIATION**

In the event of confirmed instances of forced labour or child labour within InStore's operations or supply chains, InStore is committed to taking remedial measures to rectify the situation and ensure compliance with ethical labour practices. This may include termination of agreements with non-compliant suppliers, remediation efforts and cooperation with relevant authorities.

As of the date of this Report, InStore has not identified any instances of forced labour or child labour in its operations or supply chains and, as a result, no remedial measures have been taken, including those related to remediating the economic impact on the most vulnerable families.

## **6. TRAINING**

In 2024, InStore developed and implemented training and awareness materials on the requirements imposed by the Act for the board of directors and senior management and implemented the Policy.

InStore is currently developing awareness programs for its employees regarding the prohibition of forced labour and child labour. This includes education on the relevant laws, consequences of non-compliance and reporting procedures.

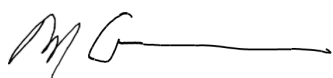
## **7. ASSESSING EFFECTIVENESS**

InStore continually evaluates the performance of its suppliers to ensure that its business relationships align with the company's strategic objectives and core values. These assessments are made through third-party audits of supplier's activities and regular on-site visits by employees, who then report their observations to InStore's head office. Management of InStore believes that these assessments effectively measure the impact of the company's actions and, if applicable, interventions.

## **8. APPROVAL AND ATTESTATION**

This Report was approved by the Board of Directors of InStore on November 22, 2024 pursuant to Section 11(4)(a) of the Act.

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 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.



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Michael Davidson

President, Chief Executive Officer and Director

I have authority to bind In-Store Products Limited

Dated as of November 22, 2024