

**Report regarding An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff**

**A. Introduction**

Gambles Ontario Produce Inc. (“Gambles” or the “Company”) files this report in accordance with *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* (the “Act”) which is aimed at increasing industry awareness and transparency and promoting businesses to improve practices to identify, and address forced labour and child labour risks.

Gambles is committed to preventing the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere or of goods imported into Canada by the Company.

Gambles’ fiscal year is relevant for this Report is January 1, 2023, to December 31, 2023 (“Reporting Year”).

**B. Corporate Structure, Activities and Supply Chain Operations**

**1. Gambles Corporate Structure**

Gambles operates as a private entity in the wholesale trade industry dedicated to excelling in all aspects of produce distribution. Our mission is to source safe, high-quality fruits and vegetables from around the world, ensuring that our customers receive exactly what they ordered, 100% of the time, on time, in all the markets we service. At Gambles, we pride ourselves on being people who care deeply about our customers, our products, and our partners.

Gambles operates with a hierarchical organizational structure designed to optimize efficiency, accountability, and communication across all levels of our operations. We are headquartered in Toronto, Ontario and, as of December 31, 2023, have around 250 employees, all of whom are in Canada. Gambles also maintains a presence in Calgary, Alberta, with 3 employees.

**2. Gambles Activities**

Gambles acquires fresh produce from approximately 300 suppliers located in different countries such as Canada, United States of America, Mexico, Peru, Chile, Italy, Spain, South Africa, South American countries, Greece, Holland, etc. After Gambles acquires its fresh produce from suppliers, it sells and distributes the produce across Canada and parts of the United States of America. Gambles has two locations, in Toronto, Ontario, and one small operation in Calgary, Alberta where fresh produce is sold and distributed to customers across Canada.

### **3. Gambles Supply Chains**

Gambles sources fresh produce globally to resell to Canadian and American customers. The primary sourcing countries are Canada, the US, Mexico, Peru, Chile, Italy, Spain, South Africa, other South American countries, Greece, and Holland.

Offshore vendors must arrange sea or air transportation to North American ports. For example, Chilean grape suppliers arrange sea transport from Chile to the US port of Wilmington, Pennsylvania. Vendors are responsible for transportation logistics, including the Bill of Lading, Confirmation of Sale (COS), Certificate of Insurance (COI), and other administrative tasks.

Upon arrival at a North American port, Gambles takes over inland transportation. For sea freight, Gambles arranges transport from the port to one of Gambles facilities. Air shipments are handled by Gambles to the Toronto Airport (YYZ), where Gambles then arranges local pickup.

Gambles manages all Canadian domestic pickups and backhaul requirements. For US inbound shipments, Gambles brokers transport arrangements. For domestic suppliers, Gambles arranges the pickups and deliveries.

In summary:

- Gambles buys fresh produce globally.
- Offshore vendors arrange transport to North American ports.
- Gambles takes over transportation from the port to the destination.
- Gambles manages customs documentation and transport logistics.
- Gambles handles all domestic transport using its fleet or third-party contractors.

### **C. Prevention and Reduction of Risk of Forced Labour or Child Labour**

#### **1. Steps 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 Gambles or of goods imported into Canada by Gambles**

In the Reporting Year, Gambles has completed the following:

- Sent a statement to all Gambles suppliers that Gambles is committed to working towards preventing the risk that forced labour or child labour is used at any step of the production of its goods in Canada or of goods imported into Canada by the Company.
- Implemented a Supplier Code of Conduct that outlines expectations of Gambles suppliers in regard to handling potential forced labour and child labour, requiring all suppliers to agree and sign the document.
- Provided all suppliers with a contact person within Gambles for all non-compliance concerns related to the Supplier Code of Conduct.
- Operate with a strict recruitment process that ensures all workers are recruited voluntarily.

- Added a clause in new hire contracts that requires all new hires to be over the age of 18 years.
- Added a clause in Gambles Employee Code of Conduct that forced labour and child labour are not permitted.

## **2. Gambles' Policies and Due Diligence Processes in relation to Forced Labour and Child Labour**

Gambles does not have specific policies related to the use of forced labour or child labour. However, Gambles does require that all employees of the Company must be a minimum of 18 years of age and has a clause in its Employee Code of Conduct that forced labour and child labour is not permitted.

## **3. Business and Supply Chains Operations that Carry a Risk of Forced Labour or Child Labour and the Steps Gambles has taken to Assess and Manage that Risk**

Gambles began the process of identifying risks of forced labour or child labour being used in its business operations and/or its supply chain operations. Currently, Gambles has not identified any forced labour or child labour in its business activities and supply chains.

## **4. Measures Taken to Remediate Forced Labour or Child Labour**

Gambles has not taken any measures to remediate forced labour or child labour. Currently, Gambles has not identified any forced labour or child labour in its business activities and/or its supply chains. Therefore, Gambles has not implemented any measures to remediate the loss of income to the most vulnerable families that could result from any measures taken to eliminate the use of forced labour or child labour in its activities and supply chains as Gambles has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains.

## **5. The Training Provided by Gambles to Employees on Forced Labour and Child Labour**

Gambles has not yet provided training to employees on child labour and forced labour issues.

## **6. How Gambles Assesses its Effectiveness in Ensuring that Forced Labour and Child Labour are Not Used in its Businesses and Supply Chain Operations**

Gambles has not implemented measures to assess its effectiveness in ensuring that forced labour and/or child labour are not used in its business and/or its supply chain operations.

## **D. Attestation**

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, 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



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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.

*Jeff Hughes*

Jeff Hughes (May 31, 2024 13:21 EDT)

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Jeff Hughes  
President

I have the authority to bind Gambles.