



## **JAM Industries Ltd. Forced and Child Labor Report (FY 26)**

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### **2. Introduction**

JAM Industries Ltd. (referred to as JAM, we, us, or our) is a leading global distributor serving the musical instrument, professional audio, sound and lighting, and consumer electronics markets.

JAM Industries Ltd. is an 'entity' and a 'reporting entity' within the meaning of section 2 of Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Based on our consolidated financial statements, JAM meets the applicable financial thresholds under the Act and imports goods into Canada, as well as controls subsidiary entities that import goods into Canada in the course of our operations.

Accordingly, JAM is required to submit a report under section 11 of the Act. This consolidated report is submitted on behalf of JAM and its controlled subsidiary companies.

This report outlines key components of our Third-Party Risk Management program, which includes our approach to human rights. This program is continuously evolving as we work to align with industry best practices and strengthen our efforts in responsible sourcing.



### **3. Structure, Activities and Supply Chain**

#### **Structure & Activities**

JAM is a Canadian-headquartered company established in 1972. It consists of several subsidiary businesses operating across North America and is a wholly owned subsidiary of DCC Plc, a FTSE 100 company based in Ireland. The company's corporate headquarters are located in Montreal, Quebec, with additional offices and warehousing facilities across the continent.

JAM operates as a distributor in three primary market segments: Musical Instruments, Consumer Electronics, Professional Audio, Lighting & Commercial Sound. Across these sectors, JAM employs approximately 700 people. Fewer than 5% of employees are engaged through well-established third-party recruitment agencies.

JAM does not engage in the manufacturing of products. Most of the items we distribute are third-party branded. Approximately 8% of our total product offerings are own-brand products sourced from and manufactured by selected third-party partners.

#### **Supply Chain (Overview)**

JAM operates within a multi-tier global supply chain primarily as a distributor of finished goods. JAM does not manufacture products directly; however, it recognises that risks associated with forced labour and child labour may arise upstream in the production of goods that we import and distribute.

JAM's supply chain comprises approximately 1,000 direct supplier relationships globally and includes both third-party branded products and a limited proportion of private, white labelled finished products.

#### **Supply Chain Structure and Tier Exposure**

JAM's supply chain can be broadly categorised as follows:

- Tier 1 – Direct suppliers: Brands and manufacturers supplying finished goods directly to JAM (≈1,000 suppliers globally)
- Tier 2 – Component manufacturers: Suppliers of components or sub-assemblies used in finished goods (partial visibility through risk-based mapping)
- Tier 3 – Raw materials and sub-suppliers: Extraction and processing of raw materials (limited direct visibility; addressed through risk-based due diligence)

#### **Own-Brand and White-Label Products**

Approximately 8% of JAM's total product offerings consist of own-brand or white-label products manufactured by selected third-party partners. These products present relatively higher potential supply-chain risk; accordingly, JAM applies enhanced due-diligence measures to own-brand suppliers, including supplier risk assessments, factory-level auditing where required, and corrective-action monitoring.



## **Geographic Risk Exposure**

JAM sources products from multiple regions worldwide. Certain geographies are internationally recognised as presenting higher inherent risks of forced labour due to structural, regulatory, or industry-specific factors.

Geographic risk profile:

- China – Higher risk
- South-East Asia – Medium risk
- Eastern Europe – Medium risk
- North America – Lower risk
- Western Europe – Lower risk

Higher-risk geographies are prioritised for enhanced due-diligence activities, including supplier screening, audit assessments, and sourcing diversification initiatives.

## **Use of Supply Chain Mapping**

JAM uses supply-chain mapping to prioritise suppliers and regions for enhanced due diligence; inform audit planning and frequency; monitor changes in risk exposure over time; and support responsible sourcing and supply-chain diversification strategies.

## **4. Policies**

**Code of Conduct:** JAM is committed to ethical and fair practices across its operations and supply chains, including preventing slavery and human trafficking.

**Human Rights Policy:** JAM upholds international human rights standards, addressing issues such as forced and child labour, and unsafe working conditions.

**Supplier Code of Practice:** JAM requires suppliers to meet ethical and legal standards, including employment and human rights.

**Whistleblowing:** Employees and non-employees can report concerns anonymously via a 24/7 multilingual independent reporting service; non-retaliation applies.

**Operationalization of Policies:** To give effect to these policies, JAM integrates requirements into supplier onboarding and contracts, including audit/inspection rights, corrective-action expectations, sanctions compliance, and termination for material breach.



## **5. Due Diligence and Assessing and Managing Risk**

JAM follows internationally recognised standards, including the UN Guiding Principles on Business and Human Rights. Key activities include ongoing due diligence, comprehensive supplier onboarding, product risk assessments, risk-based factory auditing, and supply-chain mapping.

### **5.1 Risk Identification and Assessment Methodology**

**JAM applies a risk-based approach leveraging recognised sources (e.g., ILO indicators, geographic/sector risk indices) and third-party intelligence providers (e.g., Kharon, Kroll, Descartes Visual Compliance). Risks are assessed by geography, product family, and tier; ‘high risk’ triggers enhance due diligence.**

Illustrative risk matrix:

- Own-brand manufacturing – Higher risk (limited upstream tier visibility)
- Consumer electronics accessories – Medium risk
- Musical instruments distribution – Low–Medium risk
- China (geography) – Higher risk
- North America logistics/warehousing – Low risk

### **5.2 Operational Due-Diligence Process (Screening, Audits, Escalation)**

Screening: All tier-1 suppliers screened onboarding and periodically; own-brand suppliers prioritized for enhanced checks.

Audit triggers: High-risk geography/tier, adverse media/screening hit, whistleblowing alert, or material change; post-audit Corrective Action Plans (CAPs) with target closure timeframes.

Escalation: If remediation is refused/ineffective or critical findings occur, cases escalate to Executive level; responsible exit/termination may follow (see Section 7). Documentation: Due-diligence records retained and reviewed annually.

### **5.3 Contractual Controls and Supplier Engagement**

Supplier agreements are drafted and where possible enhanced to embed compliance obligations, to the extent reasonable.



## 6. Training

Employees received Code of Conduct training and specific Modern Slavery training during the reporting period.

Training coverage and cadence: Training is role-based and refreshed periodically. Completion metrics (e.g., procurement/sourcing, logistics, corporate staff, senior leadership) are tracked and reported in Section 8.

## 7. Remediation of Forced Labour and Child Labour

JAM maintains a formal remediation framework within its Human Rights risk assessment procedure to ensure any identified or suspected instance of forced labor or child labor is addressed.

Identification triggers include due diligence/screening alerts; social/ethical audit findings; whistleblowing reports; credible NGO/media/government disclosures.

Remediation process: 1) Immediate triage ( $\leq 48$  hours); 2) Supplier engagement and suspension of any active orders where appropriate; 3) Corrective Action Plan (CAP) within 30 days; 4) Verification (follow-up audit/assurance); 5) Escalation or exit if remediation is refused/ineffective or a repeat violation occurs.

FY26: No confirmed instances of forced or child labour were identified; this framework remains in place should risks materialise.

### 7.1 Remediation of Loss of Income to Vulnerable Families

Where remediation may reduce hours, suspend production, or require supplier exit, JAM will assess potential income impacts and consider phased/responsible exit, alternative lawful employment, collaboration with local NGOs for wage replacement or retraining, and monitoring to ensure no retaliation.

FY26 outcome: No loss-of-income remediation actions were required during the reporting period.

## 8. Assessing Effectiveness

JAM assesses effectiveness through quantitative indicators and year-on-year trends. Indicators reflect screening coverage, audit activity, timely remediation, training, and risk reduction.

KPI dashboard:

- Supplier screening coverage (tier-1): 100%
- Own-brand factory assessments: 74% (based on total own brand factories), 100% (based on JAM procurement requirements during the reporting period)
- Social/ethical audits completed: no requirement identified based on our risk assessment methodology

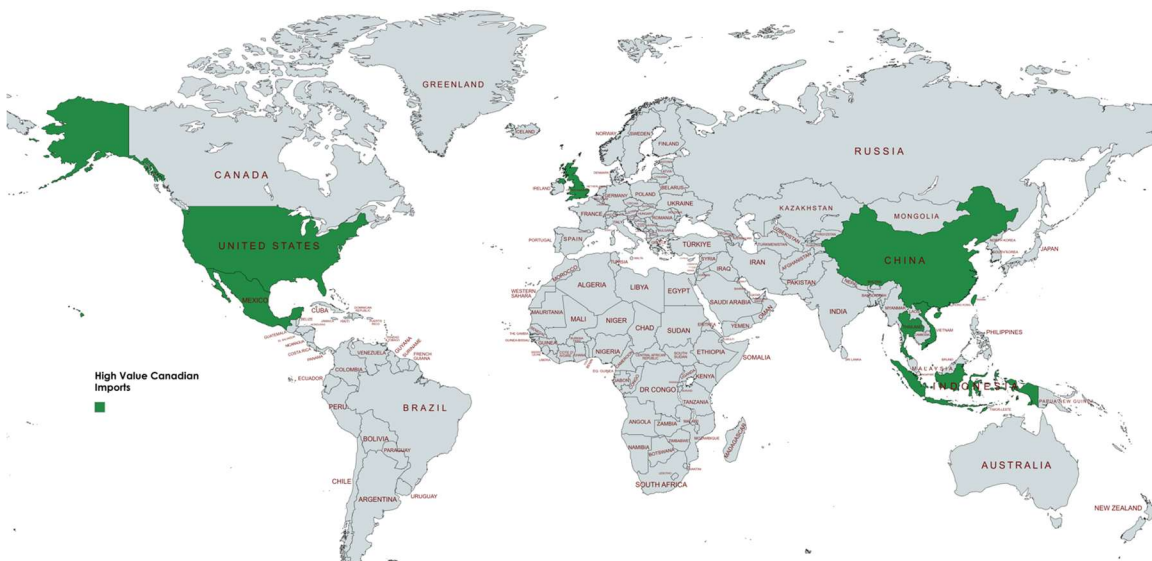


- Training completion: 100% (of identified in scope employees)
- Import sourcing concentration:

### Import Sourcing Heat Map



### High Value Sourcing Imports





Continuous improvement priorities: expand tier-2 visibility; increase audit coverage in higher-risk geographies; strengthen corrective-action follow-through; maintain/improve training completion for targeted roles.

## **9. Board Approval and Attestation**

This report was approved by the Board of Directors of JAM Industries Ltd. on May 15, 2026 in accordance with section 11(4)(a) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Signed on behalf of the Board:

**Stuart Frenkel**  
President

May 15, 2026