



## ANNUAL REPORT Bill S-211

This report is made pursuant to Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). The report outlines the approach and initiatives taken by Gatekeeper Systems, Inc. (“**Gatekeeper**”) to identify and address the risks of forced labour and child labour in its business operations and supply chains in the 2023 financial reporting year.

### OUR COMMITMENT

Gatekeeper is committed to preventing and reducing the risk that forced labour or child labour is used in the production of the goods it sells in Canada and globally. The company relies on ethical business practices and operates in compliance with national and international labour standards.

### STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Gatekeeper is a corporation headquartered in Foothill Ranch, California. With over 400 employees, the company designs, manufactures, markets, and sells video security solutions for mobile and extreme environments in Canada and the United States. The company’s expanded product suite of intelligent cart solutions offers solutions for retailer’s needs to minimize merchandise loss and reduce asset and labour expenditures.

Gatekeeper produces, sells, and distributes goods inside and outside of Canada. The company makes products at its internal manufacturing facilities and buys finished goods, raw materials, and purchased components from trusted third-party suppliers. The company also imports into Canada goods that are produced outside of that country.

Gatekeeper sources and procures materials from various approved vendors located in North America and internationally. In particular, the suppliers of the signs, shopping cartwheels, anti-tilt bars, and perimeter wire used in the production Gatekeeper’s goods are based in Malaysia. Gatekeeper’s internal manufacturing facility for electrical components and wheels, as well as a contract manufacturer of transmitters, are both located in China. Ultimately, the finished goods produced by Gatekeeper are primarily sold across Canada and the United States.

Gatekeeper operates and controls a wholly owned subsidiary, Gatekeeper Systems Canada (“**Gatekeeper Canada**”), which has a sales office and warehouse in Toronto, Ontario. Gatekeeper Canada focuses primarily on the purchase and importation of products from its parent company, as well as domestic and international suppliers, for resale into the Canadian market. The subsidiary is not a reporting entity as it does not meet the criteria under the Act.



## **STEPS TAKEN BY GATEKEEPER IN PRIOR FINANCIAL YEAR**

In 2023, Gatekeeper took the following 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 the company, or of goods imported into Canada.

Gatekeeper has incorporated strict standards and contractual clauses into its supplier agreements, ensuring a supply chain that is not only compliant but also exemplifies the company's dedication to human rights and ethical operations. The company has also engaged with its supply chain partners and implemented a mandatory Supplier Code of Conduct and assessment tool. The assessment requires the supplier to confirm, among other things, that its workers were recruited voluntarily.

Gatekeeper's factory in China and contract manufacturer in Malaysia are both subject to regular audits conducted by the company's largest client. These audits are conducted using the SMETA-SEDEX framework, which rigorously assess whether Gatekeeper's operations adhere to Ethical Trade Audit standards and practices.

Finally, Gatekeeper is fully compliant with California's *Transparency in Supply Chains Act*. This legislation mandates transparency in efforts to eradicate slavery and human trafficking from direct supply chains. Gatekeeper has implemented the standards required by California's legislation across its operations, particularly focusing on the exclusion of involuntary labour.

## **POLICIES AND DUE DILIGENCE PROCESSES**

Gatekeeper has developed and implemented policies and due diligence processes in relation to forced labour and labour. These policies and processes apply to both Gatekeeper and Gatekeeper Canada and include:

1. A Supplier Social Responsibility Assessment Form. The assessment content includes scoring the supplier on whether they have any procedures in place to prevent child labour and if the procedures are effectively communicated to employees and stakeholders. The supplier is also scored on forced labour and whether all workers are employed on a voluntary basis, whether the workshop is locked during work hours, and whether the workers had to ask for "leave certificates".
2. A Supplier Assessment Report, which requires the supplier to confirm whether it has a written labour/employment policy and assesses their compliance with all applicable laws and regulations. This includes whether it is clearly defined in the supplier's policies that any slave, child, underage, forced, bonded, and indentured labour is prohibited.



3. A Supplier Code of Conduct, which states that suppliers are expected to manage their own workforce to ensure that the supplier will not use or permit any form of forced, bonded, or indentured labour. All work must be voluntary, and all workers must be free to terminate their employment at any time. The supplier is also prohibited from using child labour, which means any person under age 15, under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Workers under the age of 18 must not perform work that is likely to jeopardize their health or safety. The suppliers are also expected to adopt or establish a management system to fulfill these responsibilities and must acknowledge the Gatekeeper Code of Conduct.
4. A SMETA Corrective Action Plan Report was conducted by SEDEX of Gatekeeper's manufacturing facility in China. The audit found that the manufacturer was compliant with local and international labour laws and standards.
5. A Purchasing Guidelines document for the China facility, the purpose of which is to establish timely, appropriate quality, and proper quantity purchasing guidelines and ensure that the evaluation of suppliers and purchasing operations are under proper control.
6. A General Supply and Purchase Agreement with Gatekeeper's Malaysia supplier, which states that the supplier will comply with all laws, rules, and regulations applicable to the Agreement and each purchase order, including but not limited to all fair labour, manufacturing, equal opportunity and environmental compliance laws, rules, and regulations.
7. An annual Corporate Social Responsibility Report, including 2023, that summarizes the steps Gatekeeper has taken to manage risks of forced labour and child labour.
8. A Company Code of Ethics and Business Conduct, which states that Gatekeeper's employees are committed to integrity and complying with the laws, rules, and regulations where the company does business. The Code of Conduct includes a Whistleblower Policy that establishes the procedures and guidelines for reporting concerns, complaints, or suspected wrongdoing within Gatekeeper's organization. It is designed to encourage employees, contractors, and other stakeholders to disclose any unethical, illegal, or fraudulent activities they encounter, while ensuring protection against retaliation.
9. A Team Member Handbook, which states that Gatekeeper is committed to complying with applicable federal, state, and local employment laws. If a Team Member is aware of a violation of a state or federal law by any officer, supervisor



or Team Member of the Company, the Team Member must report the violation to a member of management as soon as possible.

## **FORCED LABOUR AND CHILD LABOUR RISKS**

Gatekeeper has identified the parts of its activities and supply chains that carry a risk of forced labour or child labour, to the best of the company's knowledge, and will continue to strive to identify emerging risks. In particular, the company has identified forced labour or child labour risks in some of the locations of its operations. The company has taken the aforementioned steps to address such risks, and has not identified any actual instances of forced labour or child labour in its activities and supply chains.

## **REMEDIATION MEASURES**

Gatekeeper has not identified any forced labour or child labour in its activities or supply chains. As such, the company has not undertaken any remediation measures.

## **REMEDIATION OF LOSS OF INCOME**

Gatekeeper 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. As such, the company has not undertaken any income remediation measures.

## **TRAINING PROVIDED TO EMPLOYEES**

Gatekeeper is committed to maintaining a safe and legally compliant workplace through regular employee training. The company provides mandatory training for those employees involved in contracting or purchasing decisions on the issues of forced labour and child labour. The training is provided by a third-party provider and covers various risk factors, the consequences to victims and society, and a review of global standards and federal and state laws in the United States regarding ethical business conduct.

## **ASSESSING EFFECTIVENESS**

Gatekeeper has policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains. In particular, the company has set up a regular review or audit of the organization's policies and procedures related to forced labour and child labour. Gatekeeper has also partnered with an external organization, SEDEX, to conduct an independent SMETA audit of the company's actions in the United States, Canada, and China.




**APPROVAL AND ATTESTATION**

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.

**IN WITNESS WHEREOF** the authorized signing officer(s) of Gatekeeper Systems, Inc. have executed this report as of the effective date of the signatures set out below.

<b>SIGNED</b>	)	<b>GATEKEEPER SYSTEMS, INC.</b>
	)	
	)	
5/29/24	)	
_____	)	_____
<b>Date</b>	)	<b>Name:</b> Greg Meisenzahl
	)	<b>Title:</b> Chief Financial Officer
	)	
	)	I have authority to bind Gatekeeper Systems, Inc.