WE'RE IN THIS TOGETHER

PARTNER CODE OF CONDUCT 2010

What it means to you. What it means to all of us.



BUILDING ON A SOLID HISTORY OF CORPORATE RESPONSIBILITY



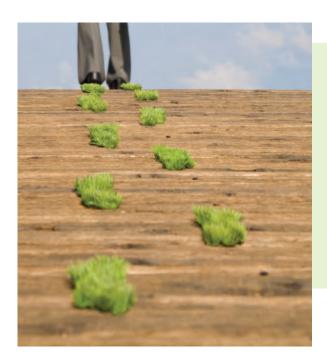
For over 125 years, Grand & Toy has prided itself on building partnerships based on integrity, ingenuity and trust amongst its employees, customers and value creating partners alike. It is a core value that always has, and always will continue to shape the way we conduct business at large.

IN FACT, OUR COMMITMENT TO ETHICAL BUSINESS PRACTICES IS A KEY PART OF OUR OVERALL SET OF BRAND VALUES:

- We are honest about our intent and deliver on our promises
- We demand continuous improvement and honour brilliant execution
- We set the bar high and embrace the challenges and outcomes of risk-taking
- We nurture human potential
- We collaborate to build lasting relationships

And, since what happens in one corner of the world can affect us all on a global scale, it is Grand & Toy's mission to align with our value creating partners to ensure products and services fulfill all ethical, social, economic and environmental responsibilities. Because for Grand & Toy it's not just a matter of enforcing a *code of conduct* among our value creating partners, it's about empowering the potential of businesses by encouraging a sense of corporate responsibility they will gladly take on. If they have questions, we'll be there to support them, in order to help all our partners lead the way in the journey to sustainability.

LEADING THE JOURNEY TOWARDS SUSTAINABILITY



Grand & Toy recognizes that we connect with workers and communities throughout the world when we purchase merchandise; therefore responsible sourcing is one of the key pillars of our sustainability platform. Over time, you can expect to see increased attention on this and other sustainability indicators such as environmentally-preferable products and product packaging

GRAND & TOY SUSTAINABILITY OVERVIEW

- 1. Environmental Footprint
- 2. Product Stewardship
- 3. Sustainable/Ethical Sourcing
- 4. Customer Partnerships
- 5. Impact on Communities
- 6. Employment Practices
- 7. Communication & Reporting



CORPORATE RESPONSIBILITY THROUGH ETHICAL



Conducting business responsibly requires careful consideration on our part when it comes to every partnership we make. These partnerships not only extend across Canada, but around the world.

GRAND & TOY EVALUATES THESE POTENTIAL PARTNERSHIPS BASED ON FOUR KEY CRITERIA:

LABOUR & HUMAN RIGHTS

The International Labour Organization (ILO) estimates that at least 12.3 million people (including children) are victims of forced labour worldwide. There are also millions of men and women around the world who are denied employment and training, or receive low wages, simply on the basis of their sex, skin colour, ethnicity or beliefs.

With regards to Labour & Human Rights, it is our goal to work together with our value creating partners in order to:

- Work towards the total elimination of child, forced, or prison labour in all circumstances
- Ensure that procedures are in place to mitigate discrimination against employees on any grounds and ensure that all employees are treated equally
- Support and advocate freedom of association, speech, and the right to collective bargaining for all of their employees
- Adhere to, and comply with, all local labour laws related to compensation and hours of work



CORPORATE RESPONSIBILITY THROUGH ETHICAL SOURCING



HEALTH & SAFETY

Everyone deserves the right to a workplace that is safe from sickness, disease, injury or even death—yet some two million people around the world die every year from work-related accidents and diseases. An estimated 160 million people currently suffer from work-related diseases, and there are an estimated 270 million non-fatal work-related accidents per year**.

When it comes to the issue of the Health & Safety of employees, Grand & Toy will perform due diligence to see that our value creating partners:

- Control worker exposure to potential safety hazards and provide any necessary appropriate protective gear
- Implement plans and response procedures for potential emergency situations
- Provide adequate medical facilities for all workers and access to clean potable (drinking) water, sanitary food preparation and storage facilities
- Hire adequate security at all production and warehousing facilities to protect against non manifested cargo

**Statistics courtesy of the ILO (International Labour Organization)





ENVIRONMENT

For any company, taking a stance on reducing environmental impact is not just good for business—it is key to securing customers and achieving long-term business success. A global study on consumer response to climate change conducted by IPSOS discovered that 79% of consumers would rather buy from companies doing their best to reduce their impact on the environment.* This is our opportunity to truly be responsible business leaders.

In the matter of *Environmental* compliance, it is our goal to lead the journey toward sustainability by seeing that our value creating partners:

- Develop, and adhere to, effective environmental programs/policies that comply with global regulations
- Monitor and manage all waste and effluents as a result of activities
- Work towards the education and increased awareness about environmental issues with stakeholders
- Go above and beyond manufacturing procedures to incorporate environmental concerns and strategies into overall management considerations

*From a 2009 Havas Media Study by IPSOS.



CORPORATE RESPONSIBILITY THROUGH ETHICAL SOURCING



ETHICS

That old adage 'honesty is the best policy' rings especially true in business, because dishonesty can cost a company its reputation, or even shut it down entirely. The simplest way to avoid all of this is to be honest in all of your business dealings, whether it concerns vendor partners, customers, or employees. This also means being honest when reporting earnings and expenses, when paying employees and suppliers, and when disclosing information to customers.

In partnering with Grand & Toy with regards to Ethics, you will be helping to:

- Provide Grand & Toy with the right to inspection to uphold the integrity of voluntary statements regarding all of the above
- Respect privacy and confidentiality policies for Grand & Toy, its customers and employees
- Adhere to the highest standards of moral and ethical conduct
- Communicate openly and honestly regarding any activities and outcomes that may appear to be a conflict of interest to Grand & Toy

WE CAN CHANGE THE WORLD ONE BUSINESS AT A TIME

More than a list of rules and regulations, it is our goal to provide our value creating partners with a guide that will inspire them to lead the way as responsible corporate citizens.

There is a lot of work still to be done, but together we can make a world of difference.

If you have any questions and/or comments, please don't hesitate to contact one of our *Merchandising Directors* directly at **416.391.8100**.

The Grand & Toy Partner Code of Conduct was derived from the Universal Declaration of Fundamental Human Rights, the Declaration of Fundamental Principals and Rights at Work of the International Labour Organization (ILO), and the principles of the United Nations Global Compact.

