



CE BRANDS INC.

Report on Fighting Against Forced Labour and Child Labour in Supply Chains

For the Financial Year Ended March 31, 2023

About this Report

CE Brands Inc. has prepared this Fighting Against Forced Labour and Child Labour in Supply Chains Report (the "Report") in accordance with Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023) (the Act) for the financial year ended March 31, 2023. This is a joint report made under Section 11 of the Act on behalf of CE Brands Inc. and CE Brands International Inc. (collectively "CE Brands"), which we have determined are reporting entities under the Act (Reporting Entities) for the reporting period. This is the first year CE Brands will be preparing this report.

This Report describes the steps taken by CE Brands to assess and address CE Brands' risks with respect to forced labour and child labour (Modern Slavery Risks). Monetary amounts in this Report are expressed in CAD dollars, unless otherwise stated.



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Modern Slavery Act: Mandatory criteria

Criteria	Report Section
<p>Mandatory Criteria 1: Identify the reporting entity</p>	<p>About this Report About our Business</p>
<p>Mandatory Criteria 2: Describe the structure, operations and supply chain of the reporting entity</p>	<p>About our Business</p>
<p>Mandatory Criteria 3: Describe the risks of modern slavery practices in the operations and supply chain of the reporting entity, and any entities that the reporting entity owns or controls</p>	<p>Potential Modern Slavery Risks</p>
<p>Mandatory Criteria 4: Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes</p>	<p>Our Policies and Due Diligence Process</p>
<p>Mandatory Criteria 5: Describe how the reporting entity assesses the effectiveness of such actions</p>	<p>Assessing Effectiveness</p>
<p>Mandatory Criteria 6: Describe the process of consultation with any entities that the reporting entity owns or controls</p>	<p>About this Report</p>
<p>Mandatory Criteria 7: Any other information that the reporting entity considers relevant</p>	<p>Our Plans for the Future</p>

About our Business

Overview

CE Brands Inc. (the “Company” or “CEBI”) is a public company traded on the TSX Venture Exchange (the “TSX-V”) exchange under the symbol CEBI. The Company’s registered and head office is 2100 Livingston Place, 222 3rd Avenue SW, Calgary, AB T2P 0B4. Using sales data analytics, the Company selects growth products and partners in the consumer electronics space to develop and sell products globally via multiple sales channels.

CEBI was incorporated in the Province of Alberta on October 15, 2018 under the Business Corporations Act (Alberta).

Governance

CE Brands’ Board oversees the Company’s approach to risk management, which includes risks related to human rights. Each committee of the Board oversees risks within their functional area. Oversight of human rights risks, including Modern Slavery Risks, falls within the mandate of CE Brands’ Governance Committee.

CE Brands’ Chief Executive Officer (“CEO”) has ultimate responsibility for risk management, including Modern Slavery Risks. The CEO is assisted by the Chief Financial Officer, who is responsible for the management and governance of Modern Slavery Risks and compliance with applicable laws. CE Brands’ operations team assists to identify, assess and manage Modern Slavery Risks in our supply chain. Similarly, the Company’s human resources teams work together to identify, assess and manage Modern Slavery Risks in our workforce.

Our Supply Chain

The Company’s procurement function is managed from its Vancouver office. The Supply Chain department, with oversight from the Finance department, is responsible for procurement governance, with local oversight by the Company’s Head of Operations, who is based in Asia.

After the Act was passed in May 2023, the Company conducted a supplier mapping exercise to facilitate a more comprehensive understanding of the various Modern Slavery Risks that may be present in its supply

chain. While the Company procures some general and administrative materials, the vast majority of purchases (<96% by value) are finished goods purchased from the Company's partnering manufacturers based in China. In 2023, key goods and services procured included: finished goods.

While China is not in the top ten countries with the highest prevalence of modern slavery, they are noted as having the second highest number of people in modern slavery as a result of being one of the most populous countries¹.

Potential Modern Slavery Risks

Our Operational Risks

CE Brands has assessed the risk of child labor within its own workforce as low. The Company's workforce is highly skilled and paid above the minimum salary in their respective territories and countries. Employee and contractor work hours are based on a standard 40-hour work week and the Company does not employ individuals below the age of 18 years of age.

Our Supply Chain Risks

Electronic goods are considered one of the top five highest-value at-risk products imported by the G20². The Company's primary source of goods is procured from China, where the potential child and forced labour in the electronics manufacturing industry has been documented³. The Company views the goods it procures from China as higher risk for child labour and force labour incidents.

¹ Walk Free, "Global Slavery Index" - 2023 <https://www.walkfree.org/global-slavery-index/findings/global-findings/>

² Walk Free "Global Slavery Index" 2023 <https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>

³ Department of Labour "List of Goods Produced by Child labor and forced labor" (2022) https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2021/2022-TVPR-List-of-Goods-v3.pdf



Our Policies and Due Diligence Process

CE Brands’ policies set out our commitment to acting lawfully, ethically and responsibly and define the Company’s expectations of acceptable business practices.

Together, the following policies form a framework of standards required of our Board of Directors, officers, employees, contractors and suppliers to ensure human rights are respected, and to identify and appropriately address Modern Slavery Risks in our operations and supply chains:

Policy	Purpose	Application
Code of Conduct (CoC)	Our policy sets out our ethical business practices, including our commitment to a responsible supply chain. It prohibits the use of forced or involuntary labour, child labour, and human trafficking within our operations and supply chain.	Directors, officers, employees, and contractors.
Whistleblower Policy (WBP)	Our WBP requires reporting of actual or suspected material violations of the Code of Conduct or material legal or regulatory obligations and protects reporters from reprisal.	Available to all stakeholders.
Vendor Code of Conduct (VCoC)⁴	Our VCoC will outline our commitment to respect human and labour rights and promote safe and fair working conditions for people in our supply chain. It will set the minimum standards for our supplier partners, including prohibiting the use of forced labour. Our VCoC will be a component of our key supplier agreements with key Tier 1 suppliers.	Suppliers, supplier-owned facilities, subcontractors, and upstream suppliers.
Child Labour Prevention Policy (CLPP)⁵	Our CLPP endeavours to provide a working environment that is characterized by equality and mutual respect, as well as provide guidance on how to identify, manage, and react to instances of child labour.	Officers, employees, and contractors.

⁴ The Company has started to work on a Vendor Code of Ethic, which it is discussing with its suppliers. The Company intends to agree on an acceptable format with its suppliers, then standardize its inclusion with future contracts.

⁵ The Company’s CLPP is in draft form and will be distributed to its officers, employees, and contractors once vetted and approve by management.

Third Party Risk Management

To ensure best practices and adherence to the Company's policies, local resources in China visit the factories before and during its engagement, to vet and ensure continued compliance with the Company's policies. Senior individuals from the Company's management team visit these sites at least twice annually to observe factory conditions and processes, including observations of its labour practices.

Non-compliance with these policies result in exclusion from selection for prospective partners and reported to the CEO, CFO, or directly to the Governance Committee, in the case of existing suppliers. In the future, we intend to standardize the documentation around supplier visits.

Contracting Arrangements

At the end of 2023, CE Brands began drafting a Vendor Code of Conduct (VCoC) to be included in its contracting procedures. The VCoC will include standard terms and conditions that require our suppliers to certify that they do not and will not, directly or indirectly, knowingly engage in forced labour or child labour practices. If a supplier breaches this term, the supplier will be obligated to remedy that breach to CE Brands' satisfaction. CE Brands will have a right to terminate the contract if a supplier fails to adequately remedy or take reasonable action to address modern slavery issues and may have recourse against a supplier for breach of contract.

Internal Policies and Training

At the end of 2023, CE Brands drafted its Child Labour Prevention Policy (CLPP) to be included in the onboarding and annual package to its employees and contractors. The Policy aims to educate readers on how to identify and prevent instances of child labour, as well as guide individual on what to do if instances of child labour are observed or suspected.

Whistleblower Policy

We believe that trusted, effective grievance mechanisms play a key role in identifying and remediating Modern Slavery Risks. We have a Whistleblower Policy to provide channels for stakeholders to raise concerns. Where we identify that we have caused or contributed to an adverse human rights impact, we are committed to providing for or cooperating in its remediation.

Our Whistleblower Policy provides a channel to encourage the reporting of concerns relating to unethical, illegal or any other inappropriate behaviour, such as modern slavery or any other human rights matter. The

Whistleblower Policy provides that individuals who have made complaints in good faith will receive protection from any negative consequences that could otherwise result from making a report. This channel is available to employees, contractors, suppliers (including their employees) and any other stakeholder.

The Whistleblower reporting mechanism is accessible through our website, where a submission can be made online or via email (integrity@cebrands.ca) and can be used confidentially and anonymously and operates 24/7. We raise awareness about our Whistleblower channels with employees and contractors on our website, during induction and annual code of conduct review. No whistle-blower complaints were received in 2023.

In the future we plan to raise awareness with suppliers by directing them to the Whistleblower Policy during on boarding and referencing the Policy in our standard contract terms.



Assessing Effectiveness

As this is the first year of reporting CE Brands is assessing its supply chain and working to identify areas of risk, opportunities for improvement, and processes for assessment. In future years the Company will establish its program to prevent Modern Slavery Risks by implementing measures to assess the effectiveness of these processes.

Our Plans for the Future

In future years, we intend to continue all current actions to address Modern Slavery Risks in our business and supply chain. In addition, we are planning the following actions:

- Review of CE Brands' policies and procedures,
- Complete the roll-out of a Vendor Code of Conduct,
- Formalize site visit documentation and reporting, and
- Review of our Whistleblower and grievance mechanisms to identify potential areas of improvement.

Approval and Attestation

This Report was approved by the Governance Committee of CE Brands Inc. on May 29, 2024, on behalf of itself and the other Reporting Entity.

In my capacity as a Director of CE Brands Inc. and not in my personal capacity, I make this attestation in accordance with the requirements 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 entities 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.

I have authority to bind CE Brands Inc. and CE Brands International Inc.

/s/ Kalvie Legat

Kalvie Legat

Chief Executive Officer and Director

CE Brands Inc.

May 29, 2024