



May 20, 2024

Forced Labour and Child Labour in Supply Chains Report



INTRODUCTION

This report (“**Report**”) has been prepared in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) for Fridababy, LLC (“**Frida**”) for the financial year commencing January 1, 2023 and ending December 31, 2023 (the “**Reporting Period**”).

The Report outlines the steps taken by Frida during the Reporting Period 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 Frida or of goods imported into Canada by Frida, along with other relevant information required under section 11 of the Act.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Structure and Activities

Frida designs, manufactures, distributes, and sells baby and mother care products. Incorporated in Delaware, Frida is headquartered in Miami, Florida. Frida currently employs approximately 135 people. In Canada, Frida holds interests in intellectual property, including trademarks, utility patents, and industrial designs. Products distributed and sold in Canada are currently done through a third-party distributor.

Supply Chains

Frida’s products are manufactured by third-party suppliers and sold to wholesale and retail customers. These suppliers are located throughout the world, including in North America (United States – approximately 32% and Mexico – approximately 4%), Asia (China – approximately 45%, Vietnam – approximately 2% and Thailand – approximately 5%) and Europe (Sweden – approximately 8%, Germany – approximately 2% and United Kingdom – approximately 1%). Frida’s third-party suppliers also include those that do not provide manufacturing services to support the day-to-day operational needs of the company.

POTENTIAL FORCED LABOUR AND CHILD LABOUR RISKS

Frida adopts a centralized enterprise risk management approach to identify, assess, monitor, address material risks. Frida has assessed its exposure to forced labour and child labour to be lower through its operations than through its third-party suppliers, including third-party suppliers below Tier 1. Factors such as geographic risk and sectors inform the risk exposure. Frida understands that the supply chain for manufactured goods is complex and requires a multi-faceted mitigation approach and has adopted this method as part of its centralized enterprise risk management approach.



POLICIES AND DUE DILIGENCE PROCESSES

Frida has implemented policies, procedures, and due diligence processes designed to address the identified potential risks of child and forced labour in its supply chains and its own operations. These measures include:

- **Frida's Employee Handbook** (the "**Employee Handbook**"): The Employee Handbook outlines Frida's requirements and expectations of all its employees. Each employee is required to read, acknowledge and comply with the terms of the Employee Handbook. The Employee Handbook outlines employees' shared responsibility for creating a culture of high ethical standards and commitment to compliance, maintaining a work environment that encourages employees to raise concerns, and promptly addressing employee compliance concerns. For example, employees are encouraged to speak with managers or other appropriate Frida leaders about potential or perceived illegal or unethical behavior and, when in doubt, about the best course of action in a particular situation. Employees may anonymously submit a complaint through its company reporting platform (or any other reporting system that Frida may designate), which is available 24 hours a day. Concerns reported are kept strictly confidential.
- **Frida's Supplier Handbook** (the "**Supplier Handbook**"): The Supplier Handbook outlines Frida's requirements and expectations of its third-party suppliers and is part of Frida's written supplier agreements with its suppliers. Frida's suppliers must abide by, and must ensure that their sub-contractors also abide by, the terms of the Supplier Handbook. Among other things, third-party suppliers and their sub-contractors are prohibited from using any form of forced labour, from restricting the movement of workers, and from controlling workers' identity documents. The Supplier Handbook also confirms the application of Worst Forms of Child Labour Convention, 1999 (No. 182), amongst other measures. As set forth in more detail below, the Supplier Handbook also imposes an obligation on third-party suppliers to comply with Frida's periodic requests for completion of a Sedex Members Ethical Trade Audit ("**SMETA Audit**") or other social responsibility audit at the third-party suppliers' facilities. If a social responsibility audit demonstrates any non-compliance with applicable rules, the Supplier Handbook requires third-party suppliers to complete a corrective action and protective action form and to apply for a reevaluation.
- **Social Compliance Audit**: Frida conducts a SMETA Audit prior to onboarding any new third-party manufacturing supplier and also conducts a SMETA Audit annually for each such existing supplier. The SMETA Audit is undertaken by an approved Sedex third-party audit company on-site at the potential or existing supplier's facility. The scope of supplier's workers includes all types of workers at the site – for example, direct employees, agency workers, workers employed by service providers and workers provided by other contractors. The SMETA Audit includes an evaluation of the supplier's performance against the United Nations Guiding Principles, and audits for child labour, forced labour



indicia, labour standards and other business ethics performance indica. Frida's responses to any potential non-compliance is dependent upon several factors, including the severity of the non-compliance and the potential remediation options.

In addition to due diligence relating to forced labour and child labour practices, Frida conducts other quality assurance audits and reviews to maintain Frida's reputation for integrity.

TRAINING

Frida provides annual or regular training to employees relating to a variety of ethical and other issues relevant to Frida's business operations, and adopts a continuous improvement approach to the training it provides its employees. As Frida outsources the manufacture of its product to third-party suppliers and monitors their efforts to combat child and forced labour, all as set forth herein, Frida currently does not have a training program solely focused on forced labour and child labour for its own employees.

ASSESSING EFFECTIVENESS

Frida reviews its due diligence processes regularly as part of its commitment to continuous improvement. Frida continues to assess its practices against those of Frida's peers, and against the expectations of Frida's customers.

REMEDATION MEASURES

Frida, through its continuous enterprise risk management efforts to identify, assess, monitor, address material risks, has not discovered any instances of forced or child labour in its operations or supply chains in the Reporting Period. Therefore, no measures have been required to be taken by Frida to remediate instances of forced labour or child labour, or to remediate loss of income resulting from remediation measures, during the Reporting Period.

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 Fridababy, LLC. 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.

DocuSigned by:

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Chelsea Hirschhorn

Chief Executive Officer
Fridababy, LLC