



PIP Canada Ltd

Commitment Against Forced Labour and Child Labour

Canadian Bill S-211: Fighting Against Forced Labour and Child Labour in Supply Chains Act

Fiscal year 2024 (February 1, 2023, to January 31, 2024)

PIP CANADA Ltd

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1. INFORMATION ON REPORTING

The following report is published for PIP Canada Ltd (hereinafter referred to as “PIP”) and is made pursuant to section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. It sets out the steps that PIP has taken and that the company further undertakes to prevent forced and child labour within its business and supply chain. The statement covers the fiscal year 2024 from February 1, 2023, to January 31, 2024.

2. COMPANY PROFILE

PIP is a supplier and manufacturer of personal protective equipment (PPE) products. The company works with extensive distributor network across Canada. And through its parent company Protective Industrial Products, Inc. (aka PIP Global Safety), it seeks to provide safety professionals with the right PPE products and solutions. PIP sources raw materials and finished goods from both local and global suppliers.

In fiscal year 2024, PIP employed 162 employees in Canada, with its parent company, PIP Global Safety, having a global headcount of 1,983 employees. PIP is a commercial entity based out of Laval, Quebec, and operates a manufacturing site producing Hard Hats & Face Protection Products. PIP Canada also operates a warehouse distribution center in Laval, Quebec. Note, in December 2023, PIP closed its factory in Mississauga, Ontario, transferring all operations to its principal facility in Laval, Quebec.

3. POLICIES, DUE DILIGENCE PROCESSES, AND SUPPLY CHAIN RISKS

As a global PPE leader, PIP Global Safety is committed to partnering only with suppliers that provide a safe workplace whilst respecting the environment. PIP requires all suppliers, including their subcontracting entities that they may use, to be compliant and provide safe and fair working conditions for its employees. As such, with the support of the company's One Global Supply Chain (OGSC) team, trusted PIP suppliers will need to fulfill the company's Supplier Requirements steps:

Step 1: supplier needs to obtain an annual *SEDEX's SMETA 4 Pillar Audit* for itself and supplier's sub-contractors (if applicable).

The audit follows a four-pillar approach, namely *Labor Standards, Health and Safety, Business Ethics*, and the *Environment*. Through performing these audits, the company tries to manage and improve its responsible business conduct within the supply chain as well as its value proposition through due diligence and reportable information.

Step 2: supplier needs to agree and sign on the company's four ESG policies: *Supplier Acknowledgement, Code of Conduct Policy, Ethical Sourcing and Human Rights Policy*, and the *Environmental Policy*.

By signing the *Supplier Acknowledgement*, the company's suppliers adhere to the three aforementioned policies and commit to responsible business conduct through environmental, social, and governance-related practices (ESG) which are actively changing and being deployed throughout global supply chains. Through the *Code of Conduct Policy*, suppliers adhere to business ethics and professional integrity such as: honesty and fairness, reporting of any law violations and ethical principles,

respect, confidentiality, among others. Through the *Ethical Sourcing and Human Rights Policy*, the suppliers adhere to labor standards, such as: safe working conditions, no child labor, freedom of association, fair and legal living wages, no discrimination, no harsh and inhumane treatment, among others. Through the *Environmental Policy*, suppliers adhere to environmental standards, such as: restricted chemical use (under REACH and the Proposition 65 List) and waste and energy management, among others. Additionally, the company's *ESG Handbook for Suppliers* is provided for reference.

PIP follows a risk-based approach when classifying suppliers, in which risk is determined by country of origin and classified as low, medium, or high (according to the *Global Slavery Index*). However, suppliers with perceived ESG (environmental, social, and corporate governance) risk, are classified as high immediately despite country of origin. Suppliers' selection is also a key part of the process, with due diligence done at the front end, before onboarding new suppliers to the company's global supply chain.

For the referenced reporting year, all high-risk suppliers (Tier 1) underwent *SEDEX's SMETA 4 Pillar Audit* and followed the company's *ESG Handbook for Suppliers*. Low and medium risk suppliers required no additional work (in the referenced reporting year). As part of our commitment to continued improvement, the OGSC will for the upcoming reference year (fiscal year 2025) commence performing compliance work on both low and medium risk suppliers, thus enhancing our commitment to a more sustainable supply chain.

Suppliers utilized solely by PIP in Canada are selected and managed at the local level, guided by the guidelines of the OGSC team. Progressively, the OGSC team will

provide PIP employees in Canada additional training and necessary tools to help identify supply chain risks and if detected, move suppliers with identified risks to the global supplier list to undergo necessary audits.

4. REMEDIATION MEASURES

PIP have identified three suppliers representing less than 0.25% of fiscal year purchases, which have not adhered to PIP's suppliers' requirements based on the risk-based approach in fiscal year 2024. The company, through its OGSC team, Supplier Compliance Manager, and respective PIP Buyer, is working closely with these identified suppliers to ensure adherence to the requirements. Having said this, the company is not aware of any instances of forced or child labor in these identified suppliers.

5. TRAINING AND CAPACITY BUILDING

The OGSC team members are regularly trained on ethical business conduct including topics of forced and child labor. The OGSC acts on behalf of the global company's entities including PIP. In Canada, employees responsible for maintaining supplier relationships are in regular exchange with the OGSC, follow OGSC's guidelines, and undergo trainings necessary to select suitable suppliers and mitigate supply chain risks if they exist.

From a global perspective, the OGSC team had held a global Supplier Conference in 2023 in Shanghai, where strategic suppliers of the company were invited not only to introduce them to the company's new suppliers' ESG compliance process and expectations, but also to exchange knowledge as well as undergo training and

actively participate in breakout rooms on topics like ESG, global logistics, among others, under the theme “*together toward tomorrow*”.

6. EFFECTIVENESS

Being a low risk, PIP Canada has taken no actions yet to assess the effectiveness in preventing and reducing risks of forced labor and child labor in company’s activities and supply chains.

The company though aims to fully align and merge with the OGSC approach in the next years and have all its strategic suppliers undergo *SEDEX’s SMETA 4 Pillar Audit*, continue building capacities in-house to identify and prevent supply chain ESG risks, and exchange and support further suppliers as they improve their business processes and ESG awareness.

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 or entities listed above. Based on the facts presented and witnessed, 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.”

Christopher Sergi

VP Finance & Administration

May 29, 2024

A handwritten signature in black ink, appearing to read 'C. Sergi'.

“I have the authority to bind PIP Canda Ltd”.

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