

Sun Bum 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 Sun Bum, LLC (“**Sun Bum**”) for the financial year commencing January 1, 2023 and ending December 31, 2023 (the “**Reporting Period**”).

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

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Structure and Activities

Sun Bum designs, manufactures, distributes, and sells sunscreen and cosmetic products, as well as branded merchandise, including apparel and toys. Incorporated in Michigan, Sun Bum is headquartered in Encinitas, California. Sun Bum currently employs approximately 120 people. In Canada, Sun Bum holds interests in intellectual property, including trademarks, utility patents, and industrial designs, as well as in inventory. Sun Bum sells products directly to Canadian consumers, as well as through retailers and distributors. In 2019, Sun Bum was acquired by S.C. Johnson & Son, Inc.

Supply Chains

Sun Bum’s products are manufactured by third-party suppliers and sold to wholesale and retail customers, as well as directly to consumers. These suppliers are located primarily in United States, accounting for approximately 94% of Sun Bum’s cost of goods. We also manufacture limited amounts of our product in Asia (approximately 4.5% of our cost of goods, primarily from Hong Kong and China) and in Australia (approximately 1.5% of our cost of goods).

POTENTIAL FORCED LABOUR AND CHILD LABOUR RISKS

Sun Bum adopts a centralized enterprise risk management approach to identify, assess, monitor, and address material risks. Sun Bum 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.

POLICIES AND DUE DILIGENCE PROCESSES

Sun Bum 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:

Supplier Code of Conduct

As part of the S.C. Johnson family of companies, Sun Bum avails itself of the measures S.C. Johnson has implemented to address the potential risk of child and forced labour in its supply chains, including SC Johnson's Supplier Code of Conduct which specifies requirements for suppliers in four key areas: Human Rights and Labor; Safety, Health and Environment; Sustainability; and Business Ethics. The Code was developed with consideration for recognized global standards and guidelines including The International Labour Organization's 1998 Declaration on Fundamental Principles and Rights at Work, The United Nations' Global Compact and The United Nations' Universal Declaration of Human Rights. The SC Johnson Supplier Code of Conduct addresses the following labor and human rights issues, among others:

- Prohibition of forced labor – suppliers must never use forced labor or human trafficking in any form, whether prison, slavery, indentured, bonded or otherwise.
- Minimum age requirement – suppliers must not employ any person below the age of 15 or the national minimum age for employment, whichever is higher. If the minimum age for employment is set at 14 for a particular country in accordance with the International Labour Organization standards, exceptions may be made.
- Compensation and minimum wage requirements – suppliers must provide each employee with at least the legally mandated minimum wage.
- Legally mandated benefits – suppliers must provide each employee, at a minimum, all legally mandated benefits.
- Maximum work hours – suppliers must comply with legally mandated work hours.
- Environmental, health and safety requirements – suppliers must have written safety, health and environmental guidelines, comply with local safety, health and environmental laws and regulations, and provide personal protective equipment.
- Immigration/qualified to work laws – suppliers must comply with applicable immigration and related laws to ensure that employees may work in the country where the employees are providing services.

The SC Johnson Supplier Code of Conduct is available at <https://www.scjohnson.com/en/stories/a-world-with-more-opportunity/fair-treatment-and-opportunity/supplier-code-of-conduct-all-languages>.

Approximately 70% of Sun Bum's spend with suppliers in 2023 was with suppliers who were qualified by SC Johnson or who have otherwise expressly adhered to SC Johnson's Supplier Code of Conduct. These suppliers must stay up-to-date with best practices and maintain all documentation and records required to demonstrate compliance with the standards in our the SCJ Code of Conduct. They also must submit to audits or inspections as required by SC Johnson and must certify their respective compliance with the Code. SCJ partners with Suppliers Ethical Data Exchange (SEDEX) to identify, assess and manage any social or ethical risks in the supply chain. SC Johnson uses independent, third-party audit firms to conduct onsite audits, based upon the SEDEX Member Ethical Trade Audit's 4 pillar protocol. SC Johnson's Supplier Code of Conduct allows SC Johnson to conduct audits, without prior notice and with either SC Johnson personnel or independent third parties. In addition, we may utilize other data exchange

platforms to monitor compliance with our Code or recognize third party audits that have 80% or greater similarity to the SMETA 4 pillar protocol. SC Johnson also offers an Ethics and Compliance Hotline through which concerns can be reported, including anonymously if desired. The hotline enables any person with a concern about a matter relating to the SC Johnson Supplier Code of Conduct to report it 24 hours a day, seven days a week.

Sun Bum's Employee Handbook (the "**Employee Handbook**"): The Employee Handbook outlines Sun Bum'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 Sun Bum 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 Sun Bum may designate), which is available 24 hours a day. Concerns reported are kept strictly confidential.

TRAINING

Sun Bum provides annual or regular training to employees relating to a variety of ethical and other issues relevant to Sun Bum's business operations, and adopts a continuous improvement approach to the training it provides its employees. As Sun Bum 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, Sun Bum currently does not have a training program solely focused on forced labour and child labour for its own employees.

ASSESSING EFFECTIVENESS

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

REMEDATION MEASURES

Sun Bum, 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 Sun Bum 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 Sun Bum, 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.



Cynthia Herrera

Chief Executive Officer, Sun Bum, LLC