



Table of Contents

Introduction	2
Section A: Structure, Activities, and Supply Chains	2
Section B: Policies and Due Diligence Processes	2
Section C - Forced Labour and Child Labour Risks	2
Section D - Remediation Measures	3
Section E - Remediation of Loss of Income	4
Section F - Training	4
Section G - Assessing Effectiveness	4
Attestation	4



Introduction

This report has been jointly prepared by Le Holding Angelcare Inc. (Business Number: 899822704), Maurice Pinsonnault Management (Business Number: 863934956) and Angelcare Canada (Business Number: 760779470) (collectively named “Angelcare”) in compliance with Section 11 of Bill S-211 for the financial year ending September 30, 2023. Angelcare qualifies as a Reporting Entity under the Act, having a place of business in Canada, engaging in business activities within Canada, and meeting the specified thresholds for revenue and assets, as well as for importing and distributing goods.

Angelcare is committed to maintaining the highest standards of honesty and integrity in all its business operations. In accordance with Bill S-211, this report outlines the measures implemented by Angelcare over the previous financial year to mitigate risks associated with forced and child labour in its business framework. This report also details initiatives that speak to the commitment of Angelcare to expand its risk management practices related to forced and child labour.

Section A: Structure, Activities, and Supply Chains

Angelcare, headquartered in Montreal, Quebec, has been a leading force in the consumer products industry for over 25 years, specializing in innovative solutions for infant care and pet care. With operations spanning across the US, Canada, and Europe, Angelcare is dedicated to enhancing the safety and comfort of babies worldwide. Its comprehensive product line includes movement monitors, video monitors, and baby care accessories, all designed to monitor and support infant health.

Angelcare's supply chain is characterized by direct business to business purchases, with a dedicated team of 15 members at the Montreal headquarters overseeing operations and an additional 4 members in France managing European operations. Angelcare manages manufacturing and 3PL operations in China, Mexico, Canada, the US, France, Poland, and the UK, ensuring efficient distribution while maintaining the highest standards of quality and safety. This commitment to excellence has affirmed Angelcare's reputation as a trusted brand in the childcare and petcare market, providing peace of mind for families and pet owners across the globe.

Section B: Policies and Due Diligence Processes

While no actions were taken in the previous fiscal year, in response to mounting concerns regarding forced labour and child exploitation in global supply chains, Angelcare has taken proactive steps to identify and mitigate these risks. Key actions include:

- *Policy Development: We are in the process of crafting a policy emphasizing our commitment to maintaining a workforce and supply chain free from forced labour and child exploitation. This policy will apply to all current and prospective employees at all company locations, including full-time, part-time, temporary, and contract workers. Compliance with this policy would be mandatory for the initiation and continuation of employment.*
- *Contractual Amendments: We are including addendums to existing contracts with suppliers, introducing clauses specifically addressing forced labour and child labour, with outlined consequences for non-compliance, including penalties and contract termination.*
- *Supply Chain Analysis: We've enlisted the expertise of external consultants to conduct a comprehensive analysis of our supply chain, focusing on potential risk factors based on product and jurisdictional considerations.*

Looking forward, Angelcare remains resolute in its pursuit of enhancing due diligence endeavors to proactively mitigate the risk of forced and child labour. Planned actions related to due diligence include:

- Supplier Code of Conduct: We are developing a supplier code of conduct so we can fully communicate our expectations to suppliers relating to forced and child labour across our supply chain network.
- Supplier Questionnaire: We are developing a supplier questionnaire to gather insight from our suppliers and further our due diligence, to identify any risks and build trust by improving transparency.

These initiatives, along with others outlined in this report, underscore Angelcare's commitment to ethical labour practices and the establishment of a sustainable, responsible supply chain.

Section C - Forced Labour and Child Labour Risks

Our risk identification exercise does not presuppose the actual use of forced or child labour within our operations or supply chains; rather, it is aimed at recognizing potential scenarios where such risks might arise, thereby further enabling us to implement effective preventative measures. Our assessment acknowledges that no industry is entirely exempt from the risks of forced and child labour and there are inherent vulnerabilities within certain sectors of our supply chain, particularly in regions where regulatory frameworks and enforcement mechanisms might not be robust.

To understand where in the supply chain forced or child labour risks may exist, Angelcare recently carried out a supply chain risk assessment. This process was guided by insights provided by the Walk Free Global Slavery Index, the OECD Due Diligence Guidance for Responsible Business Conduct, and by the US Department of Labour's List of Goods Produced by Child Labour or Forced Labour. In conducting our supply chain risk analysis, we were able to highlight potential risks of forced or child labour associated with certain goods and countries.

Our analysis considered specific geographic regions that, according to the Walk Free Global Slavery Index, present a higher risk of forced and child labour practices. This geographic risk assessment, combined with an assessment of at-risk-goods categories, further enabling us to apply a targeted lens to our risk assessment.

Risk Assessment Findings - Suppliers

Through the application of the analysis, Angelcare identified suppliers in six countries, of which none have a heightened risk of forced or child labour. Canada and the United States, widely considered low risk countries, account for majority of the total supplier spend followed by Mexico and China (~1%) for North American operations. Furthermore, France, Poland and United Kingdom account for majority of the total supplier spend for European operation with the minority spend being attributed to China.

Angelcare also considered the data from the US Department of Labour's List of Goods Produced by Child Labour or Forced Labour. This is an important step in isolating specific goods from our import portfolio that may be susceptible to forced or child labour. This assessment identified one high-risk area - the result of electronics and toys being imported from China, which are subject to an elevated risk of forced or child labour practices but constitute less than 1% of the supplier spend for North American operations and less than 16% for European operations. Accordingly, going forward, this is a risk area we will monitor with increased vigilance.

Overall, the findings from our risk assessment suggest that our exposure to forced and child labour risks within the supply chain is limited. This does not undermine our intention to consider risks and

conduct our risk management procedures and policies. As our supply chain grows, Angelcare will further consider how to direct additional energy and engagement to support the mitigation and management of forced and child labour risks.

Section D - Remediation Measures

In the previous financial year, there was no evidence of any instances of forced or child labour within our operations or supply chains, thus precluding the need for remedial actions. Nonetheless, we recognize the importance of robust remediation measures and alignment with the United Nations Guiding Principles on Business and Human Rights. Following ongoing internal assessments of existing policies, procedures, and our supply chain, if further risk is identified, Angelcare will take measures to address the impact identified on the entities and to those who may be affected, by following the OECD guidelines.

Section E - Remediation of Loss of Income

Angelcare has not encountered any instances of child or forced labour within its operations or supply chains in the previous fiscal year or at any other time, thus no remedial actions to mitigate the loss of income for vulnerable families was taken. However, we fully acknowledge the importance of being prepared to take prompt and effective action should any issues arise in the future. To this end, we are currently reviewing our primary response to remediation, as detailed in Section D.

Section F - Training

Angelcare has not yet conducted specific training focused on identifying and addressing forced or child labour issues within our staff. However, recognizing the critical importance of such training, we are in the process of developing a training program. This training program will be mandatory for all staff involved in procurement and purchasing. The goal of the training program is threefold:

- *Promoting Awareness: To educate our staff on the definitions and indicators of forced and child labour. This includes understanding the legal frameworks, both local and international, that govern labour practices and the responsibilities of businesses under these regulations.*
- *Enhancing Skills: We are dedicated to empowering our employees with practical proficiencies necessary for identifying potential risks and breaches within our supply chain. This encompasses training modules covering audit procedures, supplier compliance evaluation, and the discernment of subtle cues suggestive of unethical labour practices.*
- *Strategic Response Formulation: We are committed to developing clear policies for how to navigate and address identified issues related to forced or child labour. This will involve outlining procedures for internal reporting, engaging in constructive dialogues with suppliers, and fostering collaboration with external entities.*

By implementing this training program, Angelcare aims to enhance the capabilities of our procurement and purchasing staff, ensuring they are not only aware of forced and child labour issues but also fully prepared to address them effectively.

Section G - Assessing Effectiveness

While in its last financial year, Angelcare did not have policies and procedures to assess its effectiveness in preventing forced or child labour within its operations and supply chains, it is dedicated to advancing its practices in the upcoming year. This may involve collaborating with an external organization for an independent review or an audit of our efforts in this regard.

Additionally, Angelcare is exploring the implementation of key performance indicators (KPIs) to track progress in this area. These indicators may include:



- a) *Risk assessments completed*
- b) *Reported cases concerning forced or child labour*
- c) *Managed or resolved cases linked to forced or child labour*
- d) *Contracts amended or initiated to include clauses against forced labour and child labour*

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, and that it has been approved by the corresponding governing body or bodies of the entity or entities. 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.

X **Rahul Sharda**

Full Name

X **CEO**

Title



X May 27, 2024

Date

X 

Signature*

I have the authority to bind 'Name of Entity'