



Forced Labour and Child Labour 2024 Report – Groupe Marcelle

Enhancing Transparency in Supply Chain Practices

Groupe Marcelle (the “Company”), founded in 1949, is a leading Canadian manufacturer and distributor of cosmetics and sunscreens. We distribute our products to major retailers across Canada and sell directly to consumers through our e-commerce platforms. Renowned for delivering safe, innovative, and high-quality products, we serve a diverse range of consumers in Canada and internationally under our brands: Marcelle, Watier, Annabelle, and CW Beggs.

Reporting Period

This report, addressing issues related to modern slavery, child labour, and human trafficking, covers the period from January 1, 2024, to December 31, 2024. Our commitment to ethical practices is outlined on our website under "What We Stand For".

Supply Chain Overview

The supply chain is a vital component of our operations, encompassing over:

- 700 different chemicals
- 600 packaging components
- 1,000 bulk and finished products

These elements support the manufacturing needs of our brands. Our supply chain spans several continents and has remained stable over the years, with longstanding relationships with suppliers. Chart 1 below details the geographical distribution of our purchases.

Purchase by Continent – 2024

Continent	Percentage of Total Purchases
Europe	29.5%
North America	45.7%
Asia	24.0%
South America	0.5%

Internal Risk Assessment

Due to the predominance of purchases from North America and Europe (over 75%), our activities are considered low-risk for forced labour and child labour. Nonetheless, we continuously evaluate our supplier base to ensure full compliance with federal regulations. Our corporate policy mandates suppliers to:

- Strictly prohibit forced labour or child labour.
- Participate in due diligence assessments to manage supply chain risks.

As of this report, 94% of our existing suppliers have signed a commitment to uphold these guidelines. We aim to secure commitments from the remaining suppliers in 2025. New suppliers are required to sign this policy before initiating a business relationship.

Industry Data Insights

We rely on data from the Bureau of International Labor Affairs (ILAB) to focus our efforts against forced and child labour. Based on ILAB’s 2022 report, potential concerns were identified in Taiwan, China, Turkey, and Argentina. A detailed review confirmed that none of the goods purchased from these countries are linked to forced or child labour. Furthermore, 31% of factories in these countries have been audited or visited, with no evidence of forced or child labour observed.

Palm Oil Supply Chain Analysis

The palm oil supply chain, particularly oleochemicals used in cosmetics, poses a unique challenge. These products, often derived from palm fruits harvested in Indonesia, are flagged for potential child and forced labour involvement. To address this, we actively pursue certification under the Roundtable on Sustainable Palm Oil (RSPO) and the Indonesian Sustainable Palm Oil program. Currently:

- We utilize 155 palm-derived chemicals, with 94% RSPO certified.
- Efforts are ongoing to transition the remaining chemicals to RSPO certification by 2025.

Conclusion

The risk of forced and child labour within Groupe Marcelle’s supply chain remains low. Aside from palm oil derivatives, our packaging and chemical components are not exposed to such risks. Recognizing the evolving nature of forced and child labour risks and best practices, we continuously monitor and refine our risk assessment strategies. Our action plan focuses on achieving 100% RSPO certification for palm-derived chemicals, with annual updates to this report.

Approval

In compliance with Section 11 of the Act, I certify that I have reviewed the information contained in this report diligently. To the best of my knowledge, the information is true, accurate, and complete for the reporting year.



David Cape

President

Groupe Marcelle

May 30th, 2025

“I have the authority to bind Groupe Marcelle Inc.”

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The Bureau of International Labor Affairs (ILAB) of the US department of labor (Sept. 2022), page 24.

https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods-print?items_per_page=10&combine=china

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The Bureau of International Labor Affairs (ILAB) of the US department of labor (Sept. 2022), page 48.

https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods-print?items_per_page=10&combine=china

Appendix I

Supplier Assurance Letter Against Forced and Child Labor

Date: [Insert Date]

To: [Insert Supplier's Name]

Subject: Assurance Against Forced and Child Labor

Dear [Insert Supplier's Name],

We, [Insert Supplier's Company Name], hereby affirm our commitment to ethical business practices and the eradication of Forced and Child labor. As a responsible partner in the supply chain, we recognize the importance of ensuring that our operations and those of our suppliers adhere to international standards and legal requirements.

By signing this letter, we declare the following:

1. **Forced and Child Labor Prohibition:** We prohibit the use of forced and child labor in any form within our organization and throughout our supply chain.
2. **Due Diligence:** We conduct thorough due diligence to assess and manage the risk of force and child labor in our supply chain.
3. **Supplier Compliance:** We expect our suppliers to share our commitment to eradicating forced and child labor. We require them to adhere to the same principles and actively prevent forced and child labor within their operations.
4. **Reporting and Transparency:** We are transparent about our efforts to combat forced and child labor. We report the steps taken to prevent and reduce the risk of child labor in our supply chain.
5. **Legal Compliance:** We comply with all relevant laws and regulations related to forced and child labor, both in our home country and in the countries where we operate.

By signing below, [insert Supplier's Name] acknowledges and agrees to uphold these principles. We appreciate your cooperation in maintaining an ethical and responsible supply chain.

Supplier's Signature: _____

Date: _____

Printed Name: _____

Title: _____