



Introduction

Pink Palm Puff Ltd. (“PPP”) is a Canadian apparel company committed to upholding ethical business practices and transparency across its global supply chain. This report has been prepared in accordance with Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Bill S-211). It describes the steps taken by PPP during the fiscal year ending April 30, 2025 (“FYE2025”), to prevent and reduce the risk of forced and child labour in the production and importation of goods. For the purposes of the Act, Pink Palm Puff meets the definition of an entity by having a place of business in Canada, doing business in Canada, and having assets in Canada. In addition, for the prior fiscal year, PPP meets the requirements to qualify as a reporting entity under the Act.

Section A: Structure, Activities and Supply Chains

PPP is a privately held corporation incorporated in Canada. Its executive team is based in Toronto, with no owned manufacturing facilities. We design our products domestically and work with manufacturing partners in Asia to produce finished goods.

Key operational activities in our supply chain include:

- Product design and branding
- Partnering with offshore manufacturers and agents
- Direct-to-consumer fulfillment
- Warehousing and distribution through third-party logistics (3PL) providers
- Coordination with sourcing agents who manage factory selection, production facilitation, and compliance onboarding



PPP sources goods primarily from production partners based in Asia. Products imported into Canada include hoodies, sweatpants, pajamas, and related garments.

Section B: Policies and Due Diligence Processes

In FYE2025, PPP formalized policies addressing forced labour or child labour as part of due diligence for licensing discussions with major international partners. This included a *Child Labour and Supply Chain Ethics Policy*, which came into effect on January 1, 2025. This policy reflects our zero-tolerance stance toward child labour and formalizes supplier and sourcing agent expectations.

Key components of the internal policy are as follows:

- **Policy Scope:** The policy applies to all suppliers, subcontractors, manufacturers, sourcing agents, and third-party logistics providers across PPP's global supply chain.
- **Minimum Labour Standards:** No child under the minimum legal working age, as defined by local law and the International Labour Organization (ILO) conventions, is employed in any capacity in the supply chain.
- **Supplier Obligations:**
 - Provide a signed Child Labour Compliance Statement
 - Cooperate with any audits or site visits by PPP, which can be unannounced
 - Notify PPP immediately in case of any suspected or actual breach
- **Sourcing Agent Requirements:**



- Must complete policy briefings before engaging suppliers
- Are only permitted to work with suppliers that sign the compliance statement
- Conduct due diligence and report red flags to PPP management
- **Monitoring and Verification:** While PPP did not conduct audits in FYE2025, by virtue of the policy, PPP reserves the right to undertake unannounced site visits or collaborate with third-party organizations for periodic reviews.
- **Contract reconsideration:** Any breach of the policy can trigger a contract suspension or termination.

In addition, during FYE2025, we proactively contacted all suppliers and received written confirmation from each supplier that no child labour was used in their operations.

In 2025, PPP launched a supplier questionnaire for its supply chain partners in Asia and North America, and this has been completed by all the supply chain partners. This initiative aims to increase transparency across PPP's global supply chain partnerships by collecting insights from its supply chain partners.

PPP is currently in the process of developing a formal Supplier Code of Conduct to formalize its ethical expectations for all supplier partnerships.

Section C: Forced Labour and Child Labour Risks

Over the course of the prior fiscal year, PPP did not conduct a formalized risk assessment concerning forced labour and child labour within our supply chains and key activities. However, in 2025, we performed a high-



level risk assessment aimed at outlining areas of risk within our supply chain.

It should be noted that our assessment does not presuppose the use of forced labour and child labour within our supply chains; rather, it was undertaken to determine and understand our current risk profile and to support the organization in identifying and assessing where risks may arise in the future.

For this assessment, our methodology consisted of evaluating our supplier spend against the Walk Free Global Slavery Index, which provides information towards the prevalence of modern slavery by country in addition to the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor, which supports in the identification of risks linked to specific goods and their corresponding geographical regions. By cross referencing our geographical assessment with an at-risk-goods analysis, we were able to further refine our approach and analysis of our supply chain.

It should be noted that our assessment acknowledges that no industry or geography is entirely exempt from the risks of forced labour and child labour, and that there are inherent risks and vulnerabilities that may not surface due to weakened regulatory frameworks and enforcement mechanisms in certain regions.

Risk Assessment Findings

Through our analysis of supplier countries of origin, we determined that only one country within our global supply chain for FYE2025 had a prevalence score^[1] above 4 on the Walk Free Global Slavery Index. Additionally, we cross-referenced our procured products against the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor. This enabled us to isolate product categories and source geographies with elevated risk profiles. Our findings indicate that garments manufactured in Asia are associated with a heightened risk of being linked to forced and child labour, based on country and sector-level indicators.

¹ Estimated number of people in modern slavery conditions per 1,000 population



Section D: Remediation Measures

PPP did not identify or receive any reports of forced or child labour in its supply chain in the previous financial year. Consequently, no remediation actions were taken in FYE2025.

Section E: Remediation of Loss of Income

PPP did not identify or receive any reports of forced or child labour in its supply chain in the previous financial year. Consequently, no measures to remediate loss of income associated with these risks were taken in FYE2025.

Section F: Training

In the later half of 2024, one of PPP's two executives underwent comprehensive third-party training on child labour compliance as part of a new vendor onboarding program associated with a major client. While this training has not been rolled out across PPP, it is an important step in building awareness and internal capacity on labour risks amongst the management team.

Section G: Assessing Effectiveness

For FYE2025, PPP implemented formal mechanisms to assess the effectiveness of its efforts to manage risks related to forced and child labour. These measures were embedded within the initial monitoring framework outlined in the *Child Labour and Supply Chain Ethics Policy*, which came into effect in January 2025.

These mechanisms include:

- Retention of written supplier attestations on non-use of child labour
- Right to conduct unannounced site inspections at our discretion



- Option to partner with third-party auditors or NGOs for periodic compliance reviews

Attestation

In accordance with the requirements of the Act, and in particular section 11(4)(b)(ii) thereof, I attest that I have reviewed the information contained in the report for the entities listed above and that it has been approved by the governing body of the 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.

LINAS BALAISIS

Full name

President

Title

July 1, 2025

Date

J. Balais

Signature

I have the authority to bind Pink Palm Puff Ltd.