



Whaleco Canada Inc. Report on the Supply Chains Act

This report has been prepared by Whaleco Canada Inc. (“**Whaleco Canada**”) pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) for the financial reporting period from 01 January 2024 to 31 December 2024. It sets out the steps Whaleco Canada has taken to reduce the risk that forced labour or child labour is used in connection with the products sold by third-party sellers on the platform.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Whaleco Canada operates as Temu Canada, an online platform that connects third-party sellers with Canadian consumers. Through Temu Canada, customers can purchase a wide range of products, such as clothing, electronics, books, and household items, from sellers globally.

Whaleco Canada facilitates the transactions between buyers and sellers on its Temu platform. Whaleco does not produce the products sold on its platform. Accordingly, any potential risks related to forced labour or child labour exists principally in the supply chains of independent third-party suppliers globally.

As an online marketplace, Whaleco Canada recognizes its responsibility to promote responsible supply chain practices and is committed to mitigating risks of forced labour and child labour in connection with products offered through the platform.

POLICIES AND DUE DILIGENCE PROCESSES RELATED TO FORCED LABOUR AND CHILD LABOUR

Whaleco Canada’s policies and processes strictly prohibits the use of forced or child labour. We have implemented policies and procedures in line with our commitment to ethical business practices and reduce risks that products offered on the platform are not a product of forced or child labour. As a result, Whaleco Canada has adopted a number of policies to help address the issue of forced or child labour within its supply chain:

Any third party on our platform must adhere to all applicable laws, regulations, and our Third Party Code of Conduct (“**Code**”) and Human Rights Policy (“**Policy**”), including compliance with internationally recognized human rights principles. Our Code is prominently included on the seller portal, and all sellers are instructed to review the Code as the first step in conducting business with Whaleco Canada.

The Code strictly prohibits the use of forced or child labour and is binding on all sellers that use our platform. The Code also ensures that we work with suppliers who adhere to ethical sourcing practices and that the products sold on our platform comply with all applicable laws and regulations.

The Policy further reinforces these commitments by requiring all sellers to uphold fundamental labor rights, including the prohibition of forced or child labor, and abusive communication.

Further, Whaleco Canada has implemented a Prohibited Product List which prohibits third party sellers from selling on the platform any goods prohibited by law or manufactured through unethical conduct or forced labour. This list identifies product categories that cannot be sold on our platform, including, among others, products prohibited by applicable laws and products supporting illegal activities. The Prohibited Product List is regularly updated to reflect changes in laws and ethical standards.

All sellers are expected to comply with our policies. If we confirm that any third party has breached any applicable laws related to forced labour or unethical conduct, we promptly terminate the business relationship with them, revoke their selling privileges and remove all suspected non-compliant products.

We have implemented the compliance programs below to mitigate the risk that any goods sold on our platform are prohibited by law or manufactured or produced with unethical conduct or forced labour. If products suspected of involving forced labour or child labour are identified, we take immediate corrective actions.

- **Seller Onboarding Verification:** We have a Seller Onboarding Verification process for prospective sellers. This ensures that only legitimate businesses are allowed to operate on our platform. As part of our verification process, we validate business licenses and legal entity information and prevent entities who do not comply with applicable laws, our Code or our Policy, from registering and conducting business on the Temu platform.
- **Seller and Product Compliance Requirements:** Any third party on Whaleco Canada's platform must adhere to all applicable laws, regulations, our Code and our Policy, including compliance with internationally recognized human rights principles. All products sold on our platform must be manufactured, produced, or provided in accordance with all applicable laws, regulations, our Code and our Policy. Sellers must support Whaleco Canada in complying with legal requirements, including responding and implementing our compliance-related requests.
- **Technological Tools:** We leverage technological tools, including text, image, and video recognition software, to scrutinize product detail pages for any signs of non-compliance.
- **Product Inspections:** In addition to the technology tools mentioned above, our team also conducts random inspections of products on our platform.
- **Reporting and Monitoring System:** We also operate and maintain a robust reporting and monitoring system for our products, which includes online reporting channels and online customer support. We assess credible allegations or reports related to violations

of applicable laws, regulations, and any of our policies, especially those related to forced labour or child labour. We also encourage transparency and accountability by allowing third party vendors to report any Code or Policy violations anonymously to our team.

- **Dedicated Teams and Complaint Management:** Additionally, Whaleco Canada has dedicated teams that are tasked with investigating and resolving complaints concerning products sold on our platform. To the extent consumers, sellers, or others have any complaints concerning forced labour practices, the complaint mechanism is available to address such concerns. In addressing these complaints, Whaleco Canada will suspend or terminate such sellers if we receive credible reports of prohibited practices.

ASSESSING AND MANAGING RISKS RELATED TO FORCED LABOUR OR CHILD LABOUR

Whaleco Canada is strongly opposed to and forbids the use of forced or child labour. Whaleco Canada has undertaken a number of initiatives to address and mitigate potential risks of forced labour and child labour in connection with the products sold by third party sellers on the platform. For example, our Code and Policy prohibits forced labour and child labour. Our Code applies to all sellers who want to sell on our platform. Furthermore, we have an effective reporting and monitoring system – if we become aware of reliable allegations concerning breaches of our Code, Policy and/or applicable law, we have the right to investigate, and, if necessary, end the relationship with the seller.

By implementing these procedures, we aim to ensure that any issues related to forced or child labour are addressed promptly and effectively, reinforcing our commitment to ethical business practices and compliance with applicable laws.

REMEDATION MEASURES

During the 2024 reporting period, Whaleco Canada has not identified forced labour or child labour or any loss of income to most vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour. As outlined in this report, we strictly prohibit the use of forced or child labour and we maintain an ongoing commitment to continue enhancing our compliance infrastructure. If we suspect or identify instances of forced or child labour, we will remove any suspected products from the platform and hold related parties accountable for known violations of Whaleco Canada's policies through, for instance, removing implicated products and prohibiting involved sellers from using the platform.

TRAINING ON FORCED LABOUR AND CHILD LABOUR

Whaleco Canada provides training resources and compliance programs to educate employees and sellers about the prevention of forced labor and child labor. We offer trainings to sellers that clearly outline our policies prohibiting forced labor and child labor, set expectations for seller conduct and describe potential consequences for non-compliance. Employees receive guidance on forced labour compliance as it pertains to third-party sellers and the products listed on the platform. This includes training sessions covering seller onboarding process and our report and monitoring systems.

Through these various initiatives, we aim to promote awareness of forced labor issues while maintaining ethical operations for products offered on the platform. We continue to evaluate and enhance our educational resources and compliance mechanisms in line with industry best practices.

ASSESSING EFFECTIVENESS

Please refer to the above responses on the policies and procedures we have in place to reduce the risks that goods sold on our platform are produced with forced or child labour. These processes and procedures help Whaleco Canada assess its effectiveness in preventing forced or child labour.

We are committed to regularly updating our internal procedures and compliance programs to reflect the latest best practices and to ensure ethical sourcing practices on our platform.

APPROVAL & ATTESTATION

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Whaleco Canada Inc.

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 Whaleco Canada Inc. above.

I have the authority to bind Whaleco Canada Inc.

Full name: Qin Sun

Title: Director of Whaleco Canada Inc.

Date: May 30, 2025

Signature: 