



ANNUAL REPORT

Purpose

This annual report for the 2023 financial reporting year has been created by Polyconcept North America, Inc. (“**PCNA**”) for the sole purpose of meeting its obligations and reporting requirements for entities pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the “**Act**”). This is a joint report on behalf of PCNA and its subsidiaries, Leedsworld Inc. (“**Leedsworld**”), Bullet Line LLC (“**Bullet Line**”), Timeplanner Calendars Canada Inc. (“**Timeplanner**”), ETS Express LLC (“**Express**”), and Spoke Custom Products, LLC (“**Spoke**”) (collectively “**Subsidiaries**”).

Organizational Structure, Activities, and Supply Chains

PCNA and its Subsidiaries are corporations that sell and distribute customized and personalized hardgoods and apparel. PCNA is headquartered near Pittsburgh, PA USA. PCNA wholly owns one additional organization, PCNA Cares Share Fund Inc., which does not engage in import activity and is not involved in merchandise transactions or sourcing.

PCNA and its Subsidiaries import goods including bags, drinkware, gift items, apparel, office supplies, technology, and other promotional items from the North American, Asian, and African regions. These suppliers, in some instances, have their own supply chains, including overseas. PCNA works with a global sourcing team located in Shanghai, China. One of the key functions of this team is to ensure the suppliers PCNA partners with meet all code-of-conduct standards.

PCNA sells promotional merchandise inside and outside Canada to registered promotional products distributors online 24/7 at PCNA.com.

Policies and Due Diligence Processes

PCNA and its Subsidiaries maintain general due diligence processes that promote responsible, ethical and legal procurement practices, including with respect to labour practices within the supply chain.

Procurement

- (a) The procurement process is guided by PCNA’s Seller Code of Conduct (“**SCC**”) which forms part of the Manufacturing Agreement that PCNA and its Subsidiaries require its suppliers to sign. The SCC states that forced or involuntary labour is not tolerated in any form. It requires suppliers to agree they shall not use any forced labour, whether in the form of prison labour, indentured labour, or otherwise. The SCC further states that PCNA and its Subsidiaries will not tolerate child labour, and suppliers will not employ people under the age of 15 or the minimum age of employment required by law in the country where manufacturing occurs, whichever is the highest of the two.
- (b) The SCC requires that suppliers provide an anonymous mechanism for managers and workers to report any ethical violations. Suppliers will protect the whistleblowers and will not engage in retaliation.
- (c) PCNA and its Subsidiaries are required to abide by a code of ethics (“**COE**”), which applies to all employees. The COE requires employees to ensure that third parties such as consultants, agents, sales representatives, distributors, independent contractors and vendors, with whom they associate with, comply with all relevant aspects of the COE.



- (d) The COE requires that all employees obey all applicable laws and regulations that govern PCNA and its Subsidiaries' business. The COE outlines that PCNA and its Subsidiaries believe that employees should be paid properly for work they do. The COE states that PCNA and its Subsidiaries will comply with applicable wage and hour laws and regulations including restrictions against child labour.
- (e) The COE requires that PCNA and its Subsidiaries comply with all applicable laws covering vendor relationships and will only engage with vendors that agree to comply with all legal requirements, treat workers fairly, and provide a safe and healthy work environment.
- (f) The COE incorporates the Vendor Code of Conduct ("**VCC**"), which applies to vendors that PCNA and its Subsidiaries contract with. The VCC also extends to the vendor's factories, subcontractors, and any third party used by the vendor to produce a good or service to PCNA and its Subsidiaries. The VCC requires that vendors operate in full compliance with the applicable laws and regulations in the countries in which they operate. Additionally, the VCC prohibits forced or involuntary labour in any form, whether in the form of prison labour, indentured labour, or bonded labour. Finally, the VCC further prohibits the employment of anyone under the age of 15 or the minimum age for completion of compulsory education, or the minimum age of employment required by law in the country of manufacture, whichever is higher.

Auditing

PCNA and its Subsidiaries regularly conduct audits of their top one hundred suppliers. As part of this audit procedure, the auditors representing PCNA and its Subsidiaries make note of potential forced labour and child labour activities during their site visit, if any, and request the suppliers disclose information pertaining to forced labour and child labour risk reduction conduct. If a supplier fails to meet certain expectations with respect to forced labour and child labour, PCNA and its Subsidiaries will discontinue their working relationship with the supplier.

Purchasing

In addition, PCNA and its Subsidiaries' Code of Purchase, which forms part of the Manufacturing Agreement that PCNA and its Subsidiaries require its suppliers to sign, includes warranties with respect to a supplier's compliance with all statutory requirements, regulations, rules, and standards applicable to the goods supplied including in any country where the goods are intended to be delivered and/or sold. Suppliers specifically warrant that the goods delivered are produced in compliance with applicable labour protections and working conditions. The Code of Purchase also contains terms where the supplier, upon request, will furnish certificates of compliance with all applicable laws and regulations, and will provide PCNA and its Subsidiaries with all explanatory and factual information to verify such compliance.

Standard Policies and Procedures

In addition, PCNA and its Subsidiaries maintain employee policies that prescribe duties, responsibilities, and expectations of employment. This includes workplace policies and procedures to operate in compliance with provincial employment standards, human rights, and occupational health and safety legislation.



PCNA and its Subsidiaries provide access to a hotline where workers may contact (anonymously if they choose) through phone call, online letter, or mail or online portal, to report on incidents or raise concern regarding violations of the COE or violations of the law.

Steps Taken in Prior Financial Year

In addition to the above policies and due diligence processes that were in force throughout 2023, the leadership of PCNA and its Subsidiaries have started the process of reviewing and evaluating the organization's internal policies and procedures with respect to the issues of child labour and forced labour.

Forced Labour and Child Labour Risks

Moving forward, PCNA and its Subsidiaries will be working to identify specific risks of forced labour and child labour that may exist in their supply chain.

To improve visibility and better identify areas of risk, PCNA and its Subsidiaries will continue to track countries of origin for imported goods. PCNA and its Subsidiaries will also be modifying their procurement documents to require vendor attestation to compliance with the Act.

Remediation Measures

PCNA and its Subsidiaries have not identified any forced labour or child labour in their activities or supply chains. As such, they have not undertaken any remediation measures.

Remediation of Loss of Income

PCNA and its Subsidiaries have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in their activities and supply chains. As such, they have not undertaken any income remediation measures.

Training Provided to Employees

PCNA and its Subsidiaries provided employee awareness training which included elements related to child labour and forced labour. All employees and temporary workers received that training.

In addition, PCNA and its Subsidiaries provide employee training as part of their onboarding processes. This includes training with respect to safe, ethical, and legally-compliant workplace practices and policies. PCNA and its Subsidiaries are in the process of assessing what additional forced labour and child labour-related training may be appropriate, with a particular focus on their procurement teams.

Effectiveness Assessment

PCNA and its Subsidiaries regularly use a third-party organization to conduct audits on many of their Canadian and USA workplaces to assess if the workplaces are, amongst other concerns, compliant with fair labour standards, including forced labour and child labour.

These audit reports assess if the workplace allows for freely chosen employment, if there is child labour, if employees receive a living wage and benefits, compliance with universal rights covering United Nations Guiding Principles, if the workplace has processes in place for suppliers to follow



labour standards, if working hours are excessive, and if any harsh or inhuman treatment is allowed. The audit reports note any incidents of non-compliance, general observations, and/or good examples on the topic.

An audit of Leedsworld was conducted in 2023 and Bullet Line in 2022. The audit did not report any issues or non-compliance incidents related to forced labour or child labour.

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 the entity listed above. 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.

IN WITNESS WHEREOF the authorized signing officer(s) of Polyconcept North America Inc., Leedsworld Inc., Bullet Line LLC, Timeplanner Calendars Canada Inc., ETS Express LLC, and Spoke Custom Products, LLC have executed this report as of the effective date of the signature set out below.

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Date)
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POLYCONCEPT NORTH AMERICA INC.

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Per: _____
Name: David Farr
Title: CFO
I have authority to bind Polyconcept North America Inc.

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LEEDSWORLD INC.

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Per: _____
Name: David Farr
Title: CFO
I have authority to bind Leedsworld Inc.



SIGNED)

5/31/24)

Date)

) BULLET LINE LLC

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) Per: _____

) Name: David Farr

) Title: CFO


) I have authority to bind Bullet Line LLC

SIGNED)

5/31/24)

Date)

) TIMEPLANNER CALENDARS CANADA INC.

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) Per: _____

) Name: David Farr

) Title: CFO

) I have authority to bind Timeplanner Calendars Canada Inc.

SIGNED)

5/31/24)

Date)

) ETS EXPRESS LLC

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) Per: _____

) Name: David Farr

) Title: CFO

) I have authority to bind ETS Express LLC

SIGNED)

5/31/24)

Date)

) SPOKE CUSTOM PRODUCTS LLC

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) Per: _____

) Name: David Farr

) Title: CFO

) I have authority to bind Spoke Custom Products LLC