

# California Innovations, Inc.



## REPORT FOR THE FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

Reporting Period: October 1, 2024 to December 31, 2025

Submitted: May 31, 2026

### Introduction

California Innovations, established in 1986, is a global leader in the design, manufacture, and distribution of innovative soft-sided insulated products. Our commitment to ethical business practices and corporate social responsibility is a cornerstone of our operations. Central to this commitment is our unwavering stance against forced labour and child labour within our operations and throughout our global supply chains.

This report covers the reporting period from October 1, 2024 to December 31, 2025, which reflects a change in California Innovations' fiscal year. Effective January 1, 2026, the company transitioned to a calendar year fiscal cycle (January 1 to December 31). As a result, this report covers two consecutive fiscal periods: the fiscal year from October 1, 2024 to September 30, 2025, and the subsequent stub period from October 1, 2025 to December 31, 2025.

This report outlines our structure, activities, supply chains, policies, due diligence processes, and ongoing efforts to assess, address, and mitigate the risks of forced and child labour. This report has been approved by California Innovations Inc. and attested in accordance with the requirements of Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act.

### California Innovations Overview

Established in 1986, California Innovations Inc. is among the world's largest designers and manufacturers of soft-sided insulated products. Our innovative solutions are recognized globally, delivering performance and convenience across a diverse range of categories.

Our company operates under several trusted brands, including Arctic Zone, California Innovations, Titan, Titan by Arctic Zone, Titan Deep Freeze, and Titan Pro, each known for quality, innovation, and a commitment to sustainability.

As a market leader in North America, we have also established a strong presence with major retailers in the United Kingdom, Europe, and Australia, while expanding into South America, Asia, and other global markets.

Our diverse product portfolio includes:

- Soft-sided insulated coolers and lunch packs
- Hard-sided coolers (rotomolded, injection-molded, blow-molded)
- Shopping solutions
- Food transport solutions
- Ice packs, hydration bottles, and food containers
- Diaper bags and other family-focused solutions

At California Innovations, we combine cutting-edge technology with responsible business practices, setting the standard for durability, functionality, and ethical sourcing in the insulated products industry.

## **Structure, Activities and Supply Chains**

California Innovations Inc. is a privately held corporation with its principal office in Canada. Our operations span product design and development, sourcing and procurement, manufacturing oversight, logistics, and wholesale distribution to major retail partners across North America, Europe, and Australia.

Our supply chain involves the following key stages:

1. Product design and development is conducted internally by our team in Canada.
2. Raw material sourcing and component procurement is primarily conducted through manufacturing partners.
3. Finished goods manufacturing is carried out by third-party factories, operating under our Code of Conduct and supplier agreements.
4. Inbound logistics involves ocean freight to North American distribution centres in Canada and the United States.
5. Outbound fulfillment and distribution to customers is managed from our warehousing facilities in Canada and the United States.

## **Code of Conduct**

California Innovations Inc. is committed to maintaining the highest standards of ethical and responsible business practices. Our Code of Conduct serves as a foundational policy document, outlining our expectations for all suppliers and business partners and ensuring alignment with our corporate values and global human rights principles.

California Innovations Inc. explicitly prohibits the use of forced labour and child labour across all levels of our supply chain. Adherence to these standards is a mandatory requirement for doing business with California Innovations.

Key provisions include:

1. **Prohibition of Forced Labour:** Suppliers and business partners must not engage in, or benefit from, any form of forced, bonded, or indentured labour. This includes involuntary prison labour, human trafficking, debt bondage, or any other form of modern slavery. Employment must be offered on a voluntary basis, and workers must be free to leave their employment upon reasonable notice.

2. **Prohibition of Child Labour:** Suppliers must ensure that no child labour is used at any stage of manufacturing, sourcing, or distribution. The minimum age for employment shall comply with the higher of local legal requirements or internationally recognized guidelines such as those established by the International Labour Organization.
3. **Freedom of Employment:** Workers must be able to terminate their employment freely and without coercion. Practices such as withholding passports or identity documents, imposing recruitment fees, or enforcing unreasonable debt as a condition of employment are strictly prohibited.
4. **Safe and Fair Working Conditions:** Suppliers are required to provide safe and hygienic working conditions, fair wages, reasonable working hours, and respect for workers' rights to freedom of association and collective bargaining.
5. **Compliance and Monitoring:** All suppliers and partners must implement robust internal procedures to ensure compliance with these standards. California Innovations reserves the right to conduct audits, assessments, and site visits to monitor adherence and to address non-compliance with appropriate corrective actions.

## **Policies and Due Diligence Processes**

California Innovations Inc. employs a risk-based approach to ensure ongoing compliance with our Code of Conduct, particularly the prohibition of forced labour and child labour throughout our supply chains. Our due diligence program includes:

1. **Supplier Agreements:** All suppliers are required to commit to compliance with California Innovations' Code of Conduct as a mandatory condition of establishing and maintaining a business relationship with us.
2. **Audits and Assessments:** We reserve the right to conduct audits, which may be scheduled or unannounced, to assess supplier compliance with our standards. These audits may be carried out internally or by independent auditors. Audits focus on identifying risks or instances of forced or child labour, as well as evaluating working conditions, employment practices, and supply chain transparency.
3. **Risk Assessment and Management:** We assess supplier risk based on factors including geographic location, industry sector, and past compliance performance. Suppliers in higher-risk regions, or those supplying higher-risk product categories may be subject to enhanced review or monitoring. The nature, frequency, and extent of evaluations are determined on a case-by-case basis.
4. **Supplier Questionnaires:** We utilize supplier questionnaires to gather information on labour practices, working conditions, and compliance with our Code of Conduct. These questionnaires support our ongoing risk identification and due diligence activities.
5. **Corrective Action and Remediation:** When instances of non-compliance are identified, we work closely with suppliers to develop and implement corrective action plans. In cases involving forced or child labour, California Innovations requires immediate remediation and may terminate the business relationship if the supplier fails to demonstrate compliance within agreed timelines.
6. **Continuous Improvement:** We are committed to continuously improving our monitoring and compliance systems. This includes regular review and refinement of our risk assessments, audit methodologies, and supplier engagement processes to reflect evolving global standards and best practices.

## Risk Areas and Risk Management

California Innovations has identified the following areas of its business and supply chain as carrying a risk of forced labour or child labour:

1. **Manufacturing Operations:** Most finished goods are manufactured by third-party factories. Prior to our partnership, California Innovations reviews countries that are flagged by the international human rights organizations and government bodies. If a factory falls within a country with elevated risk of forced labour we may implement additional testing procedures.
2. **Raw Material and Component Sourcing:** The sourcing of raw materials, including textiles, foams, plastics, and hardware components, involves multiple upstream suppliers.
3. **Recruitment Practices:** The use of third-party labour recruiters by our manufacturing partners creates risk of debt bondage or recruitment fee practices.

To manage these risks during the reporting period of October 1, 2024 to December 31, 2025, California Innovations took the following steps:

- Maintained supplier purchase order agreements requiring compliance with our Code of Conduct.
- Conducted risk-based review of key manufacturing partners in compliance including audits with our retail partners.
- Completed the transition to a calendar year fiscal cycle effective January 1, 2026, and used the transition period to review and strengthen our supplier due diligence framework for the calendar year 2026 reporting cycle.

## Employee Training

During the reporting period of October 1, 2024 to December 31, 2025, California Innovations continued to develop its internal training framework on forced labour and child labour awareness.

Training activities during this period included:

1. Awareness communication to the supply chain and procurement teams regarding forced labour risks in our key sourcing regions, including the requirements and expectations under Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act.
2. Internal review with supply chain leadership of the indicators of forced labour and child labour, including warning signs related to recruitment fees, restriction of movement, document confiscation, and irregular payment practices.
3. Incorporation of forced labour compliance expectations into onboarding discussions with new and prospective suppliers during this period.

## Assessment of Effectiveness

California Innovations assesses the effectiveness of its efforts to prevent and reduce the risk of forced labour and child labour through the following processes:

- **Supplier Agreement Tracking:** All suppliers have a commitment to comply with California Innovations' Code of Conduct. This is a mandatory requirement for establishing and maintaining a business relationship.
- **Audit Completion:** Where audits are conducted, we review findings and corrective action closure rates as an indicator of the health of our supplier compliance program.
- **Incident Review:** We track and review any identified instances of non-compliance or concerns raised through our supplier engagement processes.
- **Annual Report Review:** Preparation of this annual report serves as a structured review of our compliance activities, identifying gaps and opportunities for improvement.

## Remediation

California Innovations has not identified any instances of forced labour or child labour within our operations or supply chains during the reporting period of October 1, 2024 to December 31, 2025. As such, no remediation measures have been required to date.

If forced or child labour is identified in our supply chain, California Innovations' remediation approach includes:

1. **Corrective Action Plans:** Suppliers found in violation of our Code of Conduct are required to develop and implement comprehensive corrective action plans with clear timelines and milestones. We monitor progress and conduct follow-up assessments to ensure full compliance is achieved and sustained.
2. **Termination of Contracts:** In cases of violations such as confirmed use of forced or child labour, or where suppliers fail to implement corrective actions, California Innovations will terminate the business relationship. Our commitment to an ethical supply chain leaves no room for tolerance of such practices.
3. **Remediating Loss of Income:** If action taken to eliminate forced or child labour results in loss of income for vulnerable workers, California Innovations would take reasonable steps to mitigate harm, including engaging with the supplier on remediation obligations and cooperating with relevant authorities.

## Collaboration and Advocacy

California Innovations recognizes that addressing forced labour and child labour requires a collective and collaborative approach. Our key activities include:

1. **Industry Partnerships:** We work collaboratively with our manufacturing partners to promote compliance with global labour standards and ethical sourcing.
2. **Stakeholder Engagement:** California Innovations engages with workers, suppliers, and governmental bodies to strengthen our approach to responsible sourcing.
3. **Transparency and Accountability:** We are committed to maintaining transparency in our efforts to combat forced and child labour. This includes public disclosure of our annual report, which details our structure, policies, risk assessments, and compliance activities. We make our report readily accessible on our website and submit it as required to Public Safety Canada.

## Attestation

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act, including Section 11 thereof, I hereby attest that I have reviewed the information contained in this report for the entity identified above. Based on my knowledge, and having exercised reasonable diligence, I confirm that the information presented in this report is true, accurate, and complete in all material respects for the purposes of the Act, for the reporting period of October 1, 2024 to December 31, 2025.

A handwritten signature in black ink, appearing to read 'Jesse Lyddiatt', is written over a horizontal line.

Jesse Lyddiatt

VP, Supply Chain

California Innovations Inc.

Date: May 31, 2026

I confirm that I have the authority to bind California Innovations Inc.