



**Report under the**  
***Fighting Against Forced Labour and***  
***Child Labour in Supply Chains Act***

**Fiscal Year 2023**

## Introduction

This report is produced by Crescita Therapeutics Inc. (“Crescita”) for its fiscal year ending December 31, 2023, and describes the steps taken to prevent and reduce the risk that forced labour or child labour is used in our manufacturing or importation supply chains.

This report is the first prepared by Crescita pursuant to Canada’s new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”).

## Steps to Prevent and Reduce Risks of Forced and Child Labour

Crescita is proud to uphold the principles of human rights within all elements of our operations, recognizing the intrinsic value and dignity of every individual involved in our supply chain. We are committed to ensuring that our business practices, as well as those of our suppliers, are conducted with respect for human rights.

Our ongoing goal is to ensure that our imported and domestic products and supply chain materials are sourced and manufactured in a manner that is fully compliant and respectful of human rights. We comply with all Canadian employment, immigration, and human rights requirements in our domestic operations, we partner with organizations in the United States and Europe who have robust human rights compliance policies and practices.

We are committed to strengthening our own compliance program related to forced labour and child labour. In the coming year, we anticipate taking steps to improve tracking and monitoring of supplier contracts, and to enhance our procurement process to include the use of clauses requiring our suppliers to take steps to prevent and reduce forced and child labour.

## Structure, Activities & Supply Chains

Crescita is a growth-oriented, innovation-driven Canadian commercial dermatology company with in-house R&D and manufacturing capabilities.

We offer a portfolio of high-quality, science-based non-prescription skincare products and a commercial stage prescription product, primarily serving two subsets of the Canadian aesthetic market: aesthetic skincare and medical aesthetics.

We develop and manufacture creams, liquids, gels, ointments, and serums both for our commercial skincare business and for our contract manufacturing business, under our contract development and manufacturing infrastructure, using full “Current Good Manufacturing Practice” conditions. Formulations manufactured by or for Crescita include cosmetics, natural health products, and products with Health Canada-issued Drug Identification Numbers (“DIN”s).

For our imported products, we primarily rely upon European-based suppliers who adhere to EU rules and legislation regarding human rights, forced labour and child labour. We are the exclusive Canadian distributor for NCTF® BOOST 135HA anti-aging complex, and ART FILLER®, a collection of hyaluronic acid-based dermal fillers, which are both produced in France in ISO certified facilities. Similarly, our lead prescription product, Pliaglis®, is produced by top-tier manufacturers in the United States and in Spain.

Over 90% of our manufacturing and import supply chain is sourced from Canada, the United States, and Europe, while the remainder comes primarily from China, where we source many of our packaging materials.

## Policies and Due Diligence Processes

Before the coming into force of the new Act, Crescita did not have a formal compliance program in this area. Now that the legislation is operative, we are in the early stages of developing policies and due diligence processes in relation to forced labour and child labour.

We are fully committed to ensuring that our imported products and supply chain materials are sourced and manufactured in a manner that is fully compliant and respectful of human rights.

To date, we have primarily reduced or eliminated human rights risk in our supply chain by partnering with established suppliers from Canada, the United States, and Europe, who have robust human rights compliance policies and programs. For example, you can view the compliance policies of Taro Pharmaceuticals Inc. and Industrial Farmacéutica Cantabria S.A., our U.S. and European manufacturers of Pliaglis here:

- [Taro Pharmaceuticals Code of Conduct](#)
- [Cantabria Labs Code of Conduct](#)

Over the next year we anticipate making progress on developing our own compliance program. At this time, we expect this program will include some or all of the following elements:

- improving tracking and monitoring of supplier contracts;
- enhancing our procurement process to include the use of contractual clauses requiring our suppliers to take steps to prevent and reduce forced and child labour; and/or
- undertaking a risk assessment based on the information gathered through the above activities.

Longer-term we also anticipate making progress in the following areas:

- creation of a Vendor Code of Conduct;
- training for Crescita employees; and
- supplier questionnaires to identify potential risk areas.

## Assessing & Managing the Risk of Forced Labour or Child Labour

As noted above, in our supply chains we primarily partner with businesses that fully respect human rights requirements, including the reduction and elimination of forced labour and child labour, in their own operations and supply chains. We have not identified any specific instances of forced labour or child labour in our supply chains. However, presently we assess the highest risk of such activities to be posed in our procurement of packaging materials for our products. This will be an area of focus for our compliance efforts on a go-forward basis.

## Remediation Measures

As Crescita has not identified any instances of forced labour or child labour in our business activities or supply chains, we have not had to take any remediation measures.

## Employee Training

We are currently exploring options for a third-party service provider to conduct training for our relevant personnel. We anticipate we will be in a position to report on our progress on this topic in our 2024 report.

## Assessing Our Effectiveness

As noted above, we are currently in the process of developing our compliance program with regard to forced labour and child labour in our supply chains. As part of that effort, we intend to assess the effectiveness of our efforts once that program is more fully established. This will be an area where we will have more information to provide in future reports.

## Approval and Attestation

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

In accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, I attest I have reviewed the information contained herein. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act for the reporting year listed above.

I have the authority to bind Crescita Therapeutics Inc.

(signed) Serge Verreault

**Full Name:** Serge Verreault

**Title:** President and CEO and Director

**Date:** May 30, 2024