



FORCED LABOUR IN SUPPLY CHAINS – CIRQUE DU SOLEIL ENTERTAINMENT GROUP 2023 REPORT

Canada considers that it is essential to contribute to fighting modern slavery and has, with the enactment of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”), imposed reporting obligations on certain Canadian companies regarding the steps they’ve taken to prevent and reduce the risk that forced labour or child labour be included in their supply chains.

The Canadian entities of the Cirque du Soleil Entertainment Group, namely Spectacle BidCo Holdings Inc., Cirque du Soleil Inc., Cirque du Soleil Canada Inc., CDS Canadian Holdings, Inc., and CSI General Partnership, (collectively, the “**Cirque Entities**”), are subject to the Act and hereby present their 2023 report requested by the Act.

1. Delivery Model

The Cirque Entities are members of the *Cirque du Soleil Entertainment Group* (“**Cirque du Soleil**”), headquartered in Montréal, Québec, Canada. Cirque du Soleil is an international circus-type live entertainment company which was founded in 1984 by a troupe of street performers, who first started their circus work in the city of Baie-Saint-Paul, Québec. The Cirque du Soleil founders distinguished themselves by offering a traveling show with a unique take on the circus arts, notably by creating a captivating environment where outrageous costumes, magical lighting, and original music were showcased, the whole without the presence of any live animal on stage.

Since its debut, Cirque du Soleil has been a notable reference in the circus art industry, which resulted in an increased international presence: Cirque du Soleil now presents various touring shows who tour the world year-long, has developed relationships with various international partners for the creation of year-long resident shows, its most notable ones being located in Las Vegas, Nevada, USA, and also has developed custom client event and experiences worldwide. Cirque du Soleil has over 3,900 employees worldwide.

The Cirque Entities’ corporate structure is as follows: (i) Spectacle BidCo Holdings Inc. is the parent entity of the Cirque du Soleil group, and is the parent company of CDS Canadian Holdings, Inc.; (ii) CDS Canadian Holdings, Inc. is the parent company of Cirque du Soleil Canada Inc.; (iii) Cirque du Soleil Canada Inc. is the parent company of Cirque du Soleil Inc., and (iv) Cirque du Soleil Inc. acts as CSI General Partnership’s partner.

Operating as a live entertainment focused business, the Cirque Entities’ supply chain model does not focus on reselling/distributing goods as part of a greater supply chain model where third parties may be involved. Rather, the Cirque Entities are involved in a supply chain where they are, more often than not, acting as the “end recipient” of the goods, whereas the goods they receive on behalf of third-party suppliers are not generally meant to be resold, subject to certain exceptions. Instead, the goods received are incorporated, whether in their original form or transformed form, in Cirque du Soleil’s greater realm of activities, namely show support-related activities (ex. set builds, costume creation, prop builds, accessories builds, merchandise, etc.).

In examining the Cirque Entities’ various supply chains, two supply chains have been identified as presenting a greater risk of possible use of forced labour and/or child labour, namely: (1) the supply chain related to the textile procurement for the creation of show costumes and accessories, and (2) the supply chain related to the provision of themed merchandise items. To address these risks, Cirque du Soleil has implemented policies, protocols and interventions as further described below. The Cirque Entities’ other supply chains, such as office supply provision and set build and equipment provision, do not present a risk of forced labour and/or child labour.

2. Policies and Protocols

In the early 2000s, Cirque du Soleil adopted a responsible procurement policy (the “**Responsible Procurement Policy**”) applicable to all of its entities, including the Cirque Entities. One of the Responsible Procurement Policy’s goals is to implement principles and measures to ensure that the products and services that Cirque du Soleil puts on the market, as well as the products and services that it purchases from suppliers, are manufactured in a manner that is respectful of the rights of workers. To this effect, the Responsible Procurement Policy includes two sections which explicitly refer to (i) the restrictions and measures to follow in the event of use of child labour in supply chains, and (ii) the total prohibition of all use of forced labour in all supply chains. The Responsible Procurement Policy is available online at the following link: <https://www.cirquedusoleil.com/citizenship/procurementpartnerships>.

3. Risk Identification

In conducting a risk assessment of the presence of forced labour and/or child labour in the Cirque Entities' supply chains, there are two key elements which were considered: (1) in a vast majority of cases, when the Cirque Entities receive goods from third-party suppliers, these goods need to be subsequently transformed/reworked/modified by employees located at the Cirque Entities' headquarters in Montréal, where local labour regulations are quite strict when it comes to forced labour and/or child labour, thus minimizing the risks of inclusion of forced labour and/or child labour in the Cirque Entities' overall supply chains; therefore, (2) to facilitate and accelerate business dealings with suppliers and clients, the Cirque Entities try to use suppliers who are located and produce goods within North America, where the standards with regards to forced labour and/or child labour are, once again, quite strict.

In light of the above, there are two main supply chain sectors which carry a potential risk of exposure to forced labour and/or child labour for the Cirque Entities: (1) the Cirque Entities' supply chain for themed merchandise items, and (2) the Cirque Entities' supply chain related to textile procurement. The Cirque Entities are aware that both of these supply chain sectors are areas where there can be an increased risk of forced labour and/or child labour, namely when goods produced come from the Asian and African markets where labour regulations – or lack thereof – and access to supplier data can be challenging.

With regards to its themed merchandise items supply chain, the Cirque Entities work with a third-party supplier who is responsible for producing the vast majority of themed merchandise items sold to the public. This third-party supplier is located in the United States of America. As of the date of this report, it is the Cirque Entities' intention to obtain from its supplier a more detailed outlook on the risk of presence of forced labour and/or child labour in its merchandise sub-suppliers' supply chains.

With regards to the textile procurement supply chain, the vast majority of the textiles purchased by the Cirque Entities are purchased for the purpose of transforming such materials into the show costumes and accessories. Most of the transformation work is done in Montreal. Over 98% of all textiles purchased originate from suppliers located within North America and Europe. As far as the level of severity of labour regulations are involved, North America and Europe have strict legislations to cover this matter, including regulations applicable to forced labour and child labour. In ensuring that a vast majority of its textiles are purchased from such strictly regulated continents, the Cirque Entities' risks of having forced labour and/or child labour in its textile procurement supply chains are significantly diminished.

For the purposes of this report, the risk assessment performed by the Cirque Entities was done using the data it possesses with regards to its various suppliers in its systems (ex. ERP system).

4. Remediation Actions

In the absence of known forced labour and/or child labour in their supply chains and in light of the very low risks identified above, the Cirque Entities have not taken any actions to remediate the potential presence of forced labour and/or child labour in their supply chains.

5. Loss Mitigation

In the absence of known forced labour and/or child labour in their supply chains and in light of the very low risks identified above, the Cirque Entities have not taken any measures to remediate the potential loss of income to vulnerable families resulting from actions taken to eliminate the use of forced labour and/or child labour in the Cirque Entities' supply chains since no such actions have been taken by the Cirque Entities.

6. Training

Forced labour and child labour are human rights issues and, as such, are addressed by the Cirque Entities' broader initiatives regarding increasing awareness over diversity, equity and inclusion (DEI) amongst its employees. Various DEI activities are currently being developed by internal committees. However, due to the Cirque Entities' service-oriented line of business and due to the low level of risk of forced labour and/or child labour in its supply chains, there are no "forced labour and/or child labour" focused training initiatives currently addressed to the Cirque Entities' employees.

7. Continuous Improvement

In order to assess the effectiveness of the measures in place to ensure that forced labour and/or child labour is not being used in the Cirque Entities' supply chains, the Cirque Entities mainly rely on two (2) factors:

- (1) The information collected from suppliers with whom the Cirque Entities work with: The Cirque Entities maintain a supplier information repertory where information about each supplier with whom the Cirque Entities do business with is kept. This repertory namely includes information about each supplier's main place of business.
- (2) Contractual provisions requiring compliance with the Responsible Procurement Policy: When the Cirque Entities enter into agreements with suppliers, the Cirque Entities request the inclusion of a clause in each contract by which the supplier undertakes to abide by the Responsible Procurement Policy. By incorporating this clause directly in its contracts, the Cirque Entities have a contractual right of action in the event it is found that any given supplier is not respecting the Responsible Procurement Policy. This right of action ensures a level of protection against use of forced labour and/or child labour in the suppliers' supply chains in violation of the Responsible Procurement Policy.

8. Proactive Interventions

In addition to the initiatives mentioned above, the Cirque Entities have embarked on the following projects aiming at ensuring greater transparency in its relations with its suppliers:

- (1) Implementation of a *Supplier's Code of Conduct* applicable to all suppliers. The *Supplier's Code of Conduct* will act as a stronger expression of the Cirque Entities' expectations with regards to supplier's behavioural and strategic standards accepted by the Cirque Entities, including with respect to the minimum applicable standards for the protection of workers in its supply chains. The intention behind this project is to ensure that all suppliers who wish to do business with the Cirque Entities must comply with the *Supplier's Code of Conduct* as it will be added to contracts signed by the Cirque Entities' procurement team with their suppliers. The Code of Conduct will namely include a provision stating that suppliers should not use forced labour and/or child labour in their supply chains. All suppliers who violate this restriction must promptly disclose this information in writing to the Cirque Entities.
- (2) Developing the "ESG library" tool. The Cirque Entities' procurement team is currently working on elaborating a comprehensive tool which will be shared with internal and external stakeholders, referred to as the "ESG library". This tool will include a list of questions about the Cirque Entities' stance on various ESG issues. A section of this library will also include answers to questions about forced labour and/or child labour in supply chains. Potential suppliers will be invited to read through this tool before submitting their application for future RFP processes.
- (3) Adding a forced labour and child labour section in its request for proposal ("**RFP**") questionnaire to be filled out by all suppliers interested in participating in future RFPs. In order to obtain a more transparent relationship between the Cirque Entities and its suppliers, suppliers interested in doing business with the Cirque Entities will need to answer the questions about the presence and risks of forced labour and/or child labour in their supply chains. This information will be kept by the Cirque Entities in its database and will serve as a tool to help mitigate the Cirque Entities' risk of incorporating forced labour and/or child labour in its various supply chains.

All projects mentioned herein are currently ongoing and will be finalized in the upcoming years. Their scope of application will target all of the Cirque Entities' and their supply chains.

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 or entities 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.

Name : Stéphane Lefebvre

Title : President and CEO

Date : May 30, 2024

Signature : 
(I have the authority to bind Spectacle BidCo Holdings, Inc.)