



Canadian Statement Against Forced Labour and Child Labour in Supply Chains 2023

Canadian Statement Against Forced Labour and Child Labour in Supply Chains according to an Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff referred to as Canada’s “Modern Slavery Act” (the “Act”) for the year ending December 31, 2023.

1. INTRODUCTION

This is a statement made by Ashley Furniture Industries, LLC. in respect of the Act, as referenced above.

2. REPORTING ENTITY

Ashley Furniture Industries, LLC., is a limited liability company incorporated under the laws of Wisconsin, USA.

3. STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Ashley Furniture Industries, LLC. (“Ashley”) is the largest furniture manufacturer in the world with major manufacturing facilities in the United States and abroad. Ashley supplies furniture to more than 20,000 storefronts across 155 countries. Ashley is the number one retail brand in the United States and one of the world’s best-selling furniture store brands with more than 1,100 locations in over 60 countries.

Residential bedding, case goods, and upholstered furniture comprise the three major manufacturing divisions at Ashley that support our customer’s needs. Regionally located to save the customer time and money, we have manufacturing facilities in Wisconsin, Mississippi, North Carolina, Pennsylvania and Texas, as well as international manufacturing locations abroad.

Using state-of-the-art equipment (often designed and built in-house), proprietary and patented assembly methods, streamlined systems and strict quality control processes, these facilities produce more than 10,000 product SKUs in 20 product categories annually.

Ashley’s in-house designers and engineers react quickly to consumer tastes and have conquered the ability to make style and selection affordable. Talented and ambitious, they travel the world to gain an understanding of the latest trends and discover emerging materials, constructions, and technologies, and work closely with multiple departments to ensure products are produced efficiently. This approach contributes to Ashley’s ease of manufacturing, cost control, and speed to market.

Ashley’s clear and comprehensive approach to improving the quality of our products adds to our reputation as a “World-Class Furniture Manufacturer.” At Ashley, we appeal to the first



impression of our customers and aim for the highest out-of-box quality. Nine state-of-the-art worldwide testing labs fuel the development of the products, packages, and processes that make up the world's best furniture values.

Raw materials and finished products undergo extensive evaluations for durability, appearance, feel (hand), and overall performance. Tests and product standards are executed and monitored in our laboratories, on our production floors, in our warehouses, and at the point of delivery.

Drawing from over 75 years of innovation, Ashley has become the largest manufacturer of quality furniture products. With worldwide physical testing labs in Arcadia, WI; Ecrú, MS Leesport, PA; Shanghai, China; and Vietnam it allows us to continually analyze the quality of our raw materials, construction methods, and finished products.

Ashley continues to have the most agile operations in the industry, combining a highly skilled workforce, the most advanced equipment available, and incredible computer optimization to schedule our facilities for maximum speed and flexibility.

Information Technology has created an integrated business systems environment in support of all business functions. Systems include supply chain management, warehouse management, business-to-retailer, customer service, and retail management, including point-of-sale systems and e-commerce.

In keeping with our vision to be the best furniture company, Ashley pays close attention to our supply chain – the network between us and the suppliers involved in producing and distributing quality furniture for our clients. Our global supply chain blends and optimizes both domestic and foreign production efforts to the maximum benefit of our customers. Ashley's supply chain management system directs every variable that goes into making and moving products.

Planned inventory levels ensure a constant, timely supply of products. Our system is one of the most sophisticated, efficient, and dynamic logistics systems in the world. With it, we can continue to fulfil our mission to reduce costs and provide quality products on time and at an exceptional value.

For more information please visit our website www.ashleyfurnitureindustriesllc.com/corporate-brochure.

4. POLICIES AND DUE DILIGENCE PROCESSES IN RELATION TO FORCED LABOR AND CHILD LABOR

Ashley constantly assesses risk areas in operations, supply chains and business relationships to the best of our knowledge and will continue to strive to identify emerging risk areas, if the case.



Ashley requires all our suppliers to confirm that the goods that they manufacture (including the inputs and components that they incorporate into their goods) comply with all applicable laws, rules, standards, regulations, bans, and treaties in the countries where we do business, and receive certificates and/or statements from our suppliers proving and/or certifying that they comply with such applicable laws.

Currently, some of our processes include keeping a vendor verification system and only source from those suppliers who can prove compliance with its chain of custody, including requesting our tier one and tier two vendors to sign annually a Vendor Guarantee Letter, which is stored in a quality information system; screening our prospective suppliers against the US Department of Treasury, Office of Foreign Assets Control, Sanctions List and against a third-party licensed software platform; providing and requiring our suppliers to acknowledge and approve our International Purchase Order Standard Terms and Conditions, and our Standards for Vendors, which include prohibiting our suppliers from using of any form of forced labor, including in their supply chains. Ashley's quality control inspectors visit our vendors' facilities regularly, where they can witness in-situ the working conditions of their employees, and will report any situation of concern to their managers to define further action if required; and maintain a reliable system to verify the eligibility of all Ashley's workers, including age eligibility and the legal status of foreign workers.

As Ashley recognizes the importance and evolution that the subject matter has experienced recently, our new Supplier Code of Conduct is under development and implementation to reflect those changes.

5. PARTS OF BUSINESS AND SUPPLY CHAINS THAT CARRY A RISK OF FORCED LABOR AND CHILD LABOR AND STEPS TAKEN TO ASSESS AND MANAGE THAT RISK

The parts of Ashley's business and supply chains that we have identified that may carry a risk of forced labor and child labor are the following:

- The raw materials or commodities used in our supply chains;
- Tier two suppliers;
- Tier three suppliers; and
- Suppliers further down the supply chain than tier three.

The steps Ashley has taken to assess and manage that risk are the following:

- Mapping risk areas and activities;
- Mapping tier one and tier two supply chain primary manufacturing components;
- Developing and implementing a new Supplier Code of Conduct addressing forced labor and/or child labor;



- Gathering information on Ashley’s workers' recruitment and maintaining internal controls to ensure that all workers are of age, recruited voluntarily, and verify the immigration status of foreign workers;
- Requiring suppliers to sign Ashley’s supplier platform terms and conditions, where our suppliers represent that all goods are sourced, produced, manufactured, assembled, labeled, packaged, and transported in compliance with all applicable laws; and
- Implement the execution by our suppliers of the Vendor Guarantee Letter on an annual basis, provide to our vendors, and include provisions in our purchase and sale agreements related to Ashley’s International Purchase Order Standard Terms and Conditions, and our Standards for Vendors.

6. MEASURES TAKEN TO REMEDIATE FORCED LABOR AND CHILD LABOR

This is not applicable since we have not identified any forced labor or child labor in our activities and supply chains.

7. MEASURES TAKEN TO REMEDIATE LOSS OF INCOME TO MOST VULNERABLE FAMILIES THAT RESULT FROM MEASURES TAKEN TO ELIMINATE USE OF FORCED LABOR AND CHILD LABOR

This is not applicable since we have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labor or child labor in our activities and supply chains.

8. TRAINING PROVIDED TO EMPLOYEES ON FORCED LABOR AND CHILD LABOR

Ashley is developing training and awareness materials on forced labor and/or child labor to be implemented during the financial year of 2024.

9. HOW DOES THE ENTITY ASSESS ITS EFFECTIVENESS IN ENSURING THAT FORCED LABOR AND CHILD LABOR ARE NOT BEING USED IN ITS BUSINESS AND SUPPLY CHAINS


Ashley will assess the implementation of the training and awareness materials on forced labor and/or child labor after the completion of the financial reporting year of 2024.



ATTESTATION

This report has been approved by the Sole Member of Ashley Furniture Industries, LLC. .

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. For clarity, I am providing this attestation in my capacity as a Chief Legal and Administrative Officer and Secretary of Ashley Furniture Industries, LLC., and not in my personal capacity.

Signature: 
Name: Stephen R. Calkins
Title: Chief Legal and Administrative Officer and Secretary
I have authority to bind Ashley Furniture Industries, LLC.
Date: May 31, 2024