

Comark Holdings Inc. 2023 Modern Slavery Act Report

1. INTRODUCTION

This is the joint Modern Slavery Report (“**Report**”) prepared by Comark Holdings Inc. for its financial year ending February 24, 2024 (“**Reporting Period**”), as required under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). This joint report covers the activities of Comark Holdings Inc. and its wholly owned subsidiaries, namely: Ricki’s Fashions Inc., cleo fashions Inc. and Bootlegger Clothing Inc. (collectively the “**Reporting Entities**” or “**we**” or “**our**”).

2. STEPS TAKEN TO PREVENT AND REDUCE RISKS OF FORCED LABOUR AND CHILD LABOUR

In general terms, the steps we have taken during the Reporting Period to prevent and reduce the risks of forced labour and child labour in our operations and supply chains includes the ongoing implementation and enforcement of our Vendor Code of Conduct. Our Vendor Code of Conduct is used for specifically addressing forced labour and child labour, and for identifying and mitigating the use of forced and child labour in our activities and supply chains.

The Reporting Entities also maintained the right to audit facilities and conduct factory inspections to assess prospective vendors and monitor existing vendors’ conformance to the Vendor Code of Conduct.

3. STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Structure

The Reporting Entities are privately held companies, incorporated under the *Canada Business Corporations Act*, with registered offices in Vancouver, British Columbia. The administrative office and distribution centre for all of the Reporting Entities is located in Winnipeg, Manitoba.

Comark is a holding company that operates through Bootlegger Clothing Inc. (“**Bootlegger**”), Ricki’s Fashions Inc. (“**Ricki’s**”) and cleo fashions Inc. (“**cleo**”), all of which are wholly owned subsidiaries of Comark. In total, the three brands employ about 3000 people and operate approximately 250 stores in all provinces except Quebec.

Activities

The Reporting Entities are fashion merchandise retailers.

Ricki’s, cleo and Bootlegger sell primarily to the Canadian marketplace through brick and mortar stores located in shopping malls or power centers across Canada, and via e-

commerce website sales. Additional information on each of these brands is provided below.

As noted, Comark operates as a holding company and does not otherwise manufacture or sell fashion merchandise under a Comark-specific brand.

Bootlegger – Bootlegger is a retailer of women’s and men’s denim apparel, including jeans, shorts, skirts and vests. All of Bootlegger’s products are designed in Canada. Founded over 50 years ago in Vancouver, British Columbia, Bootlegger prides itself on its core values of trust, teamwork, passion, entrepreneurship and growth.

Ricki’s – Founded in 1939, Ricki’s is a clothing retailer based in Winnipeg, Manitoba. Ricki’s retails a range of apparel for women in sizes 0 to 18, including tops, dresses, skirts and pants.

cleo – cleo retails apparel including dresses, pants, tops and jackets, with a focus on workwear for women in both regular and petite sizing.

Supply Chain

The Reporting Entities endeavor to maintain long term relationships with a trusted network of vendors, based on the principles of fair and honest workplace practices and adherence to the Vendor Code of Conduct.

Throughout the Reporting Period, the Sourcing department at a related shared services entity was responsible for procuring merchandise, including apparel and accessories, for the Bootlegger, cleo and Ricki’s brands. The Reporting Entities’ Sourcing function was consolidated during the Reporting Period to streamline operations and leverage vendor relationships across the Reporting Entities’ brands.

Retail merchandise that is sold by the Reporting Entities is sourced worldwide, with the majority being procured in Asia, and the remainder through North American vendors. Suppliers are selected according to a variety of criteria, including quality, reputation, timely delivery and compliance with the Vendor Code of Conduct.

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

The Reporting Entities strive to foster mutual respect and support among those involved in their activities and supply chains, and safety for all at every step of the process. The Reporting Entities have robust due diligence processes and policies in place for onboarding new vendors and managing existing vendor relationships, as described below.

Vendor Code of Conduct

The Reporting Entities require that all vendors review and acknowledge full understanding of and compliance with the Vendor Code of Conduct (“**Vendor Code**”), which is administered by Comark. The Vendor Code applies to vendors, as well as subcontractors that are engaged by vendors in the course of manufacturing products retailed and sold by the Reporting Entities. Our sourcing team is responsible for ensuring the Vendor Code is acknowledged by a vendor prior to engagement and also track compliance and re-acknowledgement.

The Vendor Code principles include:

- **Wages & benefits** – vendor must comply with applicable law or match prevailing local industry practices, whichever is higher; and must provide legally mandated benefits.
- **Working hours** – vendors not to exceed prevailing local work hours, except for appropriately compensated overtime.
- **Child labour** – use of child labour not permissible in the manufacture of our products.
- **Forced labour** – forced labour not permissible in the manufacture of our products.
- **Discrimination** – the Reporting Entities will not engage vendors who discriminate in hiring, salary, benefits, advancement, discipline, termination, or retirement based on gender, race, religion, age, disability, sexual orientation, nationality, political opinion or social/ethnic origins.
- **Disciplinary practices** – vendors must treat every employee with dignity. The Reporting Entities will not use Vendors who use corporal punishment or other form of mental or physical coercion.
- **Freedom of association** – vendors shall respect the rights of employees to free association and seek collective bargaining.
- **Health and Safety** - vendors shall provide a safe and healthy working environment to prevent accidents and injury.

The above principles must be posted in the vendor workplace, and must be visible and accessible to all workers.

Consequences for violations to the Vendor Code range from suspension of current activity, requirement to provide confirmation of rectification of breach(es) of the Vendor Code to termination of working relationships with the vendor by the Reporting Entities, at the Reporting Entities’ discretion.

Factory Inspections

Prior to engaging a new vendor, the Reporting Entities require a factory inspection to be performed in order to assess, among other things, the working conditions at a facility. These are typically performed by the Reporting Entities in person or virtually. If the Reporting Entities are satisfied, they may onboard the prospective vendor, including having the vendor review and acknowledge the Vendor Code.

The Vendor Code also allows the Reporting Entities the right to both announced and unannounced factory inspections for existing vendors.

Facility Audits

The Reporting Entities also have the right to audit facilities both prior to onboarding a new vendor and throughout a vendor relationship. Facility audits are conducted by third party experts as a means of monitoring the risks of forced labour and child labour and to ensure overall compliance with the Vendor Code.

Following a facility audit, an audit report is prepared and presented to the Reporting Entities. The Reporting Entities then review the audit reports as part of the initial vendor onboarding process, as well as at indefinite intervals throughout the vendor relationship lifecycle depending on when a facility audit is performed.

The Reporting Entities may use audit reports to determine if a new vendor will be onboarded. Audit reports may also be used to determine if any disciplinary measures need to be undertaken on existing vendors to address potential infractions and violations of the Vendor Code discovered as part of an audit.

5. FORCED LABOUR AND CHILD LABOUR RISKS IN OUR BUSINESS OPERATIONS AND SUPPLY CHAINS

As noted, the Reporting Entities maintain an ongoing Vendor Code with robust compliance requirements to reduce the risk of forced labour and child labour in our activities and supply chains. Outside of the Vendor Code, the Reporting Entities did not initiate a formal process of identifying risks of forced labour and child labour in our activities and supply chains within the Reporting Period.

The Reporting Entities recognize that they have a global supply chain, and collectively acknowledge that no sectors or industries involved in the production or importation of goods are assumed to be entirely free of child labour and forced labour risks. The Reporting Entities also recognize that sourcing goods from vendors located in certain regions, including Asia, may carry a higher risk of forced labour or child labour,

Going forward, the Reporting Entities intend to commence a formal analysis of forced and child labour risks in our business operations and supply chains.

6. REMEDIATION MEASURES

Within the Reporting Period, the Reporting Entities did not identify any specific incidences of forced labour or child labour in our activities and supply chain. As such, no remediation measures are necessary at this time. The Reporting Entities intend to assess appropriate remediation measures, commensurate to a violation, as part of forced labour and child labour risk initiatives going forward.

7. REMEDIATION OF LOSS OF INCOME

The Reporting Entities have not taken any measures with respect to remediating 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 no specific measures are necessary at this time. If forced or child labour is identified within the Reporting Entities' operations going forward, appropriate strategies will be considered.

8. EMPLOYEE TRAINING

Throughout the Reporting Period, the Reporting Entities provided training to our Sourcing team on the Vendor Code, which specifically addresses forced labour and child labour as described above. Training was also provided on other vendor onboarding requirements, including factory inspections and third-party audit reports.

Going forward, the Reporting Entities intend to expand training initiatives specific to forced labour and child labour to other employees involved in contracting or purchasing decisions, including those in ancillary functions such as the Finance department.

9. ASSESSING EFFECTIVENESS

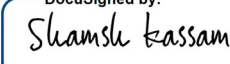
The Reporting Entities did not take any actions throughout the Reporting Period to assess our effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chains. However, we recognize the importance of identifying and rectifying any instances of forced labour or child labour in our operations and supply chain networks. Going forward, the Reporting Entities will consider adopting appropriate measures to assess the effectiveness of policies and processes to achieve that end.

10. APPROVAL AND ATTESTATION

This Report was approved by the board of directors of Comark for the financial year ended February 24, 2024, pursuant to paragraph 11(4)(b)(ii) of the Act.

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 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.

I make the above attestation in my capacity as a director of Comark, for and on behalf of the board of Comark.

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Shamsh Kassam, Director
Comark Holdings Inc.
Date: May 30, 2024

I have the authority to bind Comark Holdings Inc.