

# Crate and Barrel Canada, Inc.

Crate&Barrel Crate&kids  HUDSON | GRACE

## FORCED LABOUR REPORT 2023

### Introduction

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “**Act**”) requires that businesses report actions taken to prevent and reduce the risk of forced and child labour within their operations and supply chains. This report was prepared by Crate and Barrel Canada, Inc., which does business in Canada as Crate & Barrel, Crate & Kids, CB2, and Hudson Grace (collectively, the “**Company**”) to describe its actions in that regard for the fiscal year period from March 2023 to February 2024.

The Company takes seriously its responsibility to ensure that its economic activities are in line with and support its social and environmental standards and to require that both the Company and its agents and vendors (collectively, its “**Business Partners**”) treat individuals they employ or engage with the highest level of respect and regard for their rights. The Company’s commitment to prevent and reduce the risk of forced and child labour applies to all of its locations and throughout its worldwide supply chains. The Company expects its Business Partners (and each of their contractors, agents, subcontractors, sub-agents and labour agencies) to uphold these same principles within their operations and to adhere to applicable human rights and employment standards laws.

### Structure, Activities, and Supply Chains

Crate and Barrel Canada, Inc. is a private company that opened its first location in Canada in 2008. The Company imports furniture, housewares, and home décor into Canada from the United States, and employs more than 1,700 associates across more than 12 store and warehouse locations throughout Canada. As a subsidiary of Crate & Barrel Holdings, Inc., the Company’s brands are international destinations for contemporary and modern furniture, housewares and home décor that offer inspired living through high-quality products, exclusive designs, and timeless styles. The Company’s products are manufactured across the globe, including throughout the Americas, Africa, Asia and Europe.

### Policies and Due Diligence Processes Related to Forced Labour and Child Labour

The Company has adopted the [amfori BSCI Code of Conduct](#) for its own operations and requires its Business Partners to comply with that code in relation to their production of goods for the Company. The amfori BSCI Code of Conduct's principles focus on labour protection and on improving the working conditions of workers in, and eliminating forced and child labour from, supply chains. Such principles include:

- No Bonded, Forced Labour or Human Trafficking:<sup>1</sup> Business Partners shall not engage in any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour.
- No Child Labour:<sup>2</sup> Business Partners shall not employ, directly or indirectly, children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless the exceptions recognised by the International Labour Organization apply.

## Steps Taken to Prevent and Reduce the Risk of Forced Labour and Child Labour

The Company has taken specific actions as it strives to ensure compliance with the amfori BSCI Code of Conduct and to prevent and reduce the risk of forced and child labour in any step in the production of its goods, whether in Canada or elsewhere. These actions include:

- **Business Partner Code of Conduct:** Business Partners were required to certify in writing that they have read and will abide by the terms of the amfori BSCI Code of Conduct.
- **Supply Chain Social Audits:** During the 2023 reporting period, the Company worked with third-party auditors to conduct social audits of our Business Partners. These audits are designed to evaluate a Business Partner's compliance with the amfori BSCI Code of Conduct. In addition to social audits, the Company also conducts audits to evaluate a Business Partner's compliance with U.S. Customs Trade Partnership Against Terrorism ("**C-TPAT**") Program.
- **Internal Accountability:** The Company requires prompt notification from its Business Partners of any violation of the amfori BSCI Code of Conduct. It maintains a confidential reporting platform and incident management process to

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1 amfori BSCI, amfori BSCI Code of Conduct,

[https://www.amfori.org/media/10130/download/amfori%20BSCI%20Code%20of%20Conduct%20-%20English%20-%20December%202021\\_v2%20%282%29%20%281%29.pdf](https://www.amfori.org/media/10130/download/amfori%20BSCI%20Code%20of%20Conduct%20-%20English%20-%20December%202021_v2%20%282%29%20%281%29.pdf) (last visited May 7, 2024), 7.

2 amfori BSCI, amfori BSCI Code of Conduct,

[https://www.amfori.org/media/10130/download/amfori%20BSCI%20Code%20of%20Conduct%20-%20English%20-%20December%202021\\_v2%20%282%29%20%281%29.pdf](https://www.amfori.org/media/10130/download/amfori%20BSCI%20Code%20of%20Conduct%20-%20English%20-%20December%202021_v2%20%282%29%20%281%29.pdf) (last visited May 7, 2024), 6.

collect and respond to notifications of potential noncompliance. The Company evaluated notifications received and took follow up action accordingly, and strictly prohibited retaliation or discipline of any kind, whether by an associate of the Company or a Business Partner, against any person or entity as a result of making a report or raising a concern about compliance.

## **Risk of Forced Labour or Child Labour Being Used and Steps Taken to Assess and Manage that Risk**

The Company is aware that its global supply chains and the industries in which it operates present a risk of forced and/or child labour. In 2023, the Company worked with third-party auditors to monitor and audit its supply chains in amfori BSCI-identified risk countries, including conducting verification activities to identify, assess and manage the risks of forced and/or child labour.

As part of this process, each Business Partner was required to identify to the Company in writing the production sites used in or tangential to the production of goods or services of any kind for the Company. On a periodic basis, at the Company's request, each Business Partner submitted itself and each of its production sites to social audits and/or audits of books and records and/or to a review of its, and its suppliers', compliance with the amfori BSCI Code of Conduct. Such audits and reviews were conducted by the Company or by an approved third-party auditor, and were sometimes announced and sometimes unannounced. The Company required immediate remedial action of any material non-compliance discovered. The Company reserved the right (a) to terminate its relationship with any Business Partner that was unable or unwilling to comply or that had material or repeated non-compliance and to require the Business Partner to terminate its relationship with any non-compliant suppliers or vendors working on or within supply chains for the Company's products or services.

## **Remediation of any Forced Labour or Child Labour**

The Company had no identified or reported instances of forced or child labour in its operations or supply chain during the reporting period. Accordingly, no remediation was taken or required.

The Company has established an incident management and escalation process to ensure it responds effectively and on a timely basis. If the Company becomes aware of forced or child labour, the Company will require immediate remedial action. If a Business Partner is unable or unwilling to comply, or if non-compliance was material or repeated, the Company reserves the right to terminate its relationship with any Business Partner or to require the Business Partner to terminate any of its suppliers working for such partner on the Company's products or services.

## **Remediation of Loss of Income to the Most Vulnerable Families that Results from any Measures Taken to Eliminate the use of Forced Labour or Child Labour in Company's Activities or Supply Chains**

The Company had no identified or reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced or child labour in its activities or supply chains during the reporting period. Accordingly, no such measures were taken or required.

## **Training Provided to Employees on Forced Labour and Child Labour**

The Company provided mandatory ethics training to all employees. The Company also provided mandatory C-TPAT training (which includes topics on forced labour) to warehouse employees.

## **Effectiveness Assessments to Ensure that Forced Labour and Child Labour are Not Being Used in Company's Business and Supply Chains**

Using the results of its Business Partner audit program, the Company engages in ongoing evaluation of its practices to identify, reduce, and eliminate forced and child labour throughout its supply chains.

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## **Approval and Attestation**

The Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Sole Shareholder of Crate and Barrel Canada, Inc.

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.

**Victoria Donati**

A handwritten signature in cursive script that reads "Victoria Donati".

**Secretary**

**May 28, 2024**

I have the authority to bind Crate and Barrel Canada, Inc.