

Edwards®

— EST. 1867 —



Forced Labor in Canadian Supply Chains

Updated May 24, 2024

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Introduction

This report is Edwards Garment Co.'s response to comply with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act ("the Act") for the financial year ending December 31, 2023. The reporting entities covered by this statement are Edwards Garment Co, business number 822572483.

For the purposes of the Act, Edwards Garment Co. meets the entity definition as it has a place of business in Canada, does business in Canada, has assets in Canada and meets the threshold for revenue and assets. Edwards Garment also meets the definition of reporting entity as it produces and sells goods outside Canada, distributes goods in and outside of Canada and imports goods produced outside Canada into Canada.

Edwards Garment Co. is a wholly owned subsidiary of Seminole Manufacturing Company and is obligated to submit a report to the Minister of Public Safety and provide a public report in response the Supply Chains Act by May 31, 2024.

Edwards Garment Co. is committed to maintaining the highest standards of honesty and integrity in all its business operations. In accordance with Bill S-211, this report outlines the measures implemented by Edwards Garment Co. over the previous financial year to mitigate risks associated with forced and child labour in its business framework.

1. Structure, Activities and Supply Chain

Established in 1867, Edwards Garment Co. ("Edwards Garment") provides full solutions for uniform programs, including product, decoration, and fulfillment services to support businesses of all sizes in their apparel needs. Edwards Garment products and services are key to multiple industries including assisted living, automotive, non-clinical healthcare, security, transit, hospitality, entertainment, food service and retail.

Edwards Garment is a leading distributor of men's and women's career and casual apparel with a Custom Design Center based in Vancouver, British Columbia, Canada, and Headquarters based in Kalamazoo, Michigan, United States. The company has over 40 production partners in 18 different countries globally, 193 employees and 22 temporary contract workers and is a 100% wholly owned subsidiary of Seminole Manufacturing Company, a privately owned S-Corporation incorporated in Oklahoma.

The North American Industry Classification System (NAICS) Canada 2022 Version 1.0 was used to classify the sectors applicable to Edwards Garment's operations, supply chain and related activities.

Edwards Garment operates in the following sectors, sub-sectors, and related industry groups:

- (31-33) manufacturing, (315) apparel manufacturing, (3151) apparel knitting mills, (3159) apparel accessories and other apparel manufacturing,
- (42) wholesale trade, (424) merchant wholesalers, nondurable goods and (4243) apparel, piece goods and notions merchant wholesalers.

Edwards Garment supply chain consists of fabric mills, garment factories, freight forwarders, a distribution center, an alternate warehouse, and multiple transportation companies that support its operations. With a business-to-business (B2B) model, shipments go directly to distributor warehouses and/or directly to end users, there are no retail stores in Edwards operations.

Environmental Commitment

Edwards Garment is committed to a supply chain that can provide continuity of garments while minimizing the environmental footprint of its products.

In May 2018, Edwards Garment joined Cascale (formerly the Sustainable Apparel Coalition (SAC)), a group of nearly 200 global brands, retailers, and related organizations (non-profit environmental organizations, academic and scientific institutions) committed to improving supply chain sustainability in the apparel and textile industries. As part of its Cascale membership, Edwards Garment uses the group's sustainability measurement tool, the Higg Index, to drive environmental and social responsibility throughout its supply chain. All garments produced are Proposition 65 compliant.

Proposition 65 also known as the Safe Drinking Water and Toxic Environment Act of 1986 became law in California in 1986 and requires businesses to:

- provide warnings to Californians about significant exposures to chemicals that cause cancer, birth defects or other reproductive harm,
- prohibits California businesses from knowingly discharging significant amounts of chemicals into sources of drinking water.

2. Policies and Processes in Relation to Forced and Child Labour

Edwards Garment Vendor Manual

This manual governs the relationship between Edwards Garment and its vendors and acts as a legally binding agreement which covers social compliance, business code of conduct, product development and approvals, quality assurance, production planning, shipping, and invoicing. All Edwards Garment vendors are required to sign an agreement and acknowledgement slip for the Vendor Manual when onboarding.

Code of Business Conduct

Edwards Garment vendors and suppliers must adhere to a Code of Business Conduct, which outlines the following:

- **Child Labour** – no one under the legal minimum age is employed in any stage of manufacturing; that a minimum of 16 applies in all circumstances.
- **Forced Labour** – no forced or prison labour is employed, that workers are free to leave once their shift ends and that guards are posted only for normal security reasons.
- **Harassment or Abuse** - Employees are treated with dignity and respect, and that no employee shall be subjected to any physical, sexual, psychological, or verbal harassment or abuse.
- **Wages and Benefits** - Vendors must recognize that wages are essential to meeting employees' basic needs. Wage and overtime pay practices must comply with the standards set by law. Including the payment of compensation for overtime hours at such premium rates as is legally required in that country, but not less than at a rate equal to their regular hourly compensation rate.
- **Working Hours and Overtime** - That working hours must not exceed prevailing local work hours in the country where the work is to be performed, except with respect to appropriately compensated overtime; must not

require more than a 60-hour week on a regularly scheduled basis and must permit at least one day off in every 7 days.

- **Health and Safety** - Vendors shall provide a safe and healthy working environment for their employees and comply with or exceed all applicable local laws concerning sanitation and risk protection in order to prevent accidents and injury to health arising out of, linked with or occurring in the course of work, or as a result of the operation of employer facilities.
- **Environmental Protection** - Vendors shall comply with all applicable environmental laws and regulations. In addition, we proactively select and work with vendors that use higher standards than those enforced locally.
- **Other Laws** - Vendors shall comply with all applicable laws and regulations, including those pertaining to the manufacture, pricing, sale, and distribution of merchandise, as well as voluntary industry standards.

Edwards Garment acknowledges that there are different legal and cultural environments throughout the world, but this Code sets forth the basic requirements with which the Vendor must comply.

Health and Safety and the Work Environment

It is Edwards Garment's policy to provide a safe and healthful work environment for all company employees and representatives. Protecting human life from harm and property from damage is a key responsibility of every employee and representative. The objective of the Safety and Health Management Program is to reduce work-related accidents and illness and to promote safety and health in every task undertaken. This comprehensive safety and health training program is available for all employees.

Edwards Garment requires all vendors manufacturing its product to provide a safe and healthy working environment for their employees and comply with or exceed all applicable local laws concerning sanitation and risk protection within their facilities. This includes:

- Working conditions aligned to local and international standards for compensation, working hours, benefits, and harassment-free environment.
- Adequate medical assistance available in emergencies, and that designated employees are trained in first aid procedures.
- That there are adequate and well-identified emergency exits, and that all employees are trained in emergency evacuation.
- That protective safety equipment is available, and employees are trained in its use.
- That the factory is properly lighted and ventilated, and that aisles and exits are accessible at all times.
- That safeguards and other protective equipment on machinery meet or exceed local laws.
- That there are adequate toilet facilities which meet local hygiene requirements, and that they are properly maintained.
- That there are facilities or appropriate provisions for meals and other breaks.
- If a factory provides housing for its employees, it will ensure that dormitory rooms and sanitary facilities meet basic needs, are adequately ventilated and meet fire safety and other local laws.
- That all employees are treated with dignity and respect, and that no employee shall be subjected to any physical, sexual, psychological, or verbal harassment or abuse.
- Drug Interdiction: Vendor will cooperate with local, national, and foreign customs and drug enforcement agencies to guard against illegal shipments of drugs.
- Freedom of Association: Vendor will recognize and respect the right of its workers to exercise lawful rights of free association, including joining or not joining any association.

General Ethical Standards

Edwards Garment respects the moral and ethical standards and beliefs of all people and cultures, with which it does business. All vendors are expected to respect the rules and procedures outlined in the Vendor Manual. Vendors are expected to operate their business in full compliance with all international laws, as well as the laws of their respective countries, and with all other applicable laws, rules and regulations.

Edwards Garment vendors are expected and acknowledge they will not engage in any activity that violates applicable custom laws or regulations, international agreements or laws governing the international sale of goods, including, but not limited to false documentation, counterfeit visas, or illegal transshipments to evade duties, quotas or other restraints or fees negotiated between the country of export and the country of import. Vendors are also expected to comply with all applicable laws, rules or regulations governing the international sale of goods, and where applicable, owns or may legally purchase rights to export under the mandatory agreements in effect between the country of export and country of import.

Vendors must also agree to not to source any, and all raw materials and components made of cotton from Xinjian Uyghur Autonomous Region that will be incorporated into Edwards products.

All vendors are expected to obtain and maintain documentation that establishes the source of their entire supply chain and must provide this to Edwards upon request. Vendors are expected to ensure their supply chain does not allow the employment of Uyghur workers for any components that go into Edwards Garment products.

Labour

- Wages and overtime pay practices comply with the standards set by law, including the payment of compensation for overtime hours at such premium rates as is legally required in that country, but not less than at a rate equal to their regularly hourly compensation rate.
- Working hours must not exceed prevailing local work hours in the country where the work is to be performed, except with respect to appropriately compensated overtime; must not require more than a 60-hour week on a regularly scheduled basis; and must permit at least one day off in every 7 days.
- No one under the legal minimum age is employed in any stage of manufacturing; that a minimum age of 16 applies in all circumstances, but notwithstanding the foregoing, that C138 Minimum Age convention (1973) and C182 Worst forms of Child Labor Convention (1999) of the International Labor Organization apply.
- No forced or prison labour is employed, that workers are free to leave once their shift ends and that guards are posted only for normal security reasons.
- All workers are entitled to sick and maternity benefits as provided by law.
- They will not discriminate based on gender, race, or cultural differences.
- Employment is based on ability, and not on beliefs or any other personal characteristics.

3. Identification of Risks

To understand where in the supply chain forced or child labour risks may exist, Edwards Garment recently carried out a supply chain risk assessment. This assessment was informed by insights provided by the Walk Free Global Slavery Index, the OECD Due Diligence Guidance for Responsible Business Conduct, and by the US Department of Labor's List of Goods Produced by Child Labour or Forced Labour. In conducting a supply chain forced and child labour risk analysis, Edwards Garment was able highlight potential risks of forced or child labour associated with certain goods and certain countries.

This risk identification exercise does not presuppose the actual use of forced or child labour within operations or supply chains, rather, it is aimed at recognizing potential scenarios where such risks might arise, thereby further enabling the organization to strengthen existing preventative measures. Our assessment acknowledges that no industry is entirely exempt from the risks of forced and child labour and there are inherent vulnerabilities within certain sectors of our supply chain, particularly in regions where regulatory frameworks and enforcement mechanisms might not be robust.

Our analysis considered specific geographic regions that, according to the Walk Free Global Slavery Index and other credible sources, present a higher risk of forced and child labour practices. This geographic risk assessment, was combined with an assessment of at-risk-goods categories, further enabling us to apply a targeted lens to our risk assessment.

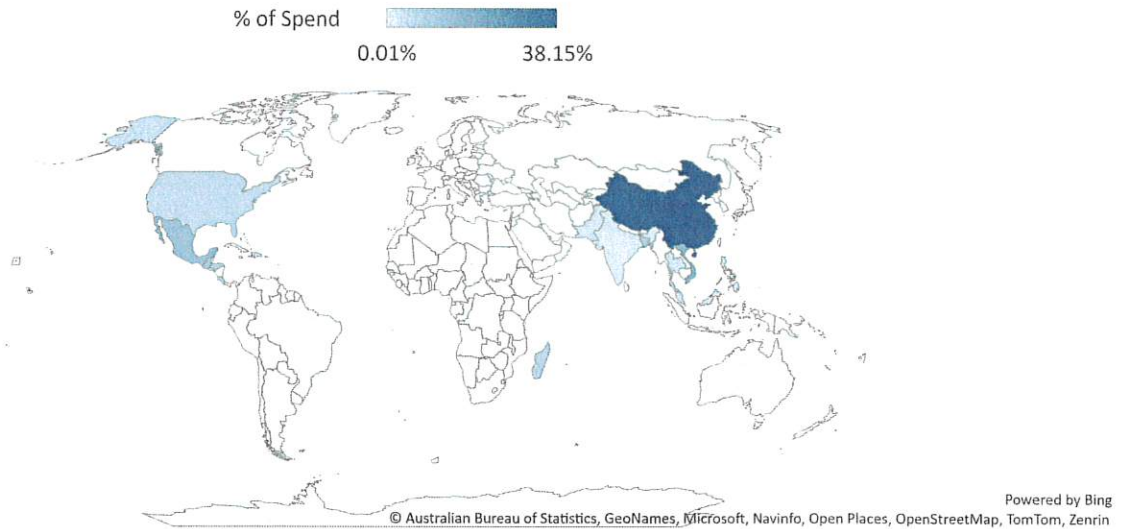
Risk Assessment Findings

Through comprehensive analysis, Edwards Garment identified suppliers in Bangladesh, China, India, Mexico, Pakistan, Philippines, Thailand, Vietnam, and the United States as having a heightened risk of forced or child labor. The exercise was conducted on information that was best available for scrutiny at the time of the assessment, and Edwards Garment understands that the proportion of expenditure by country can change as it works together with its suppliers to gather more information on sourcing for transparency and compliance. Edwards Garment, nonetheless, evaluates this risk seriously. In contrast, 37% of procurement spend is associated with countries that have a significantly lower estimated prevalence of forced or child labour.

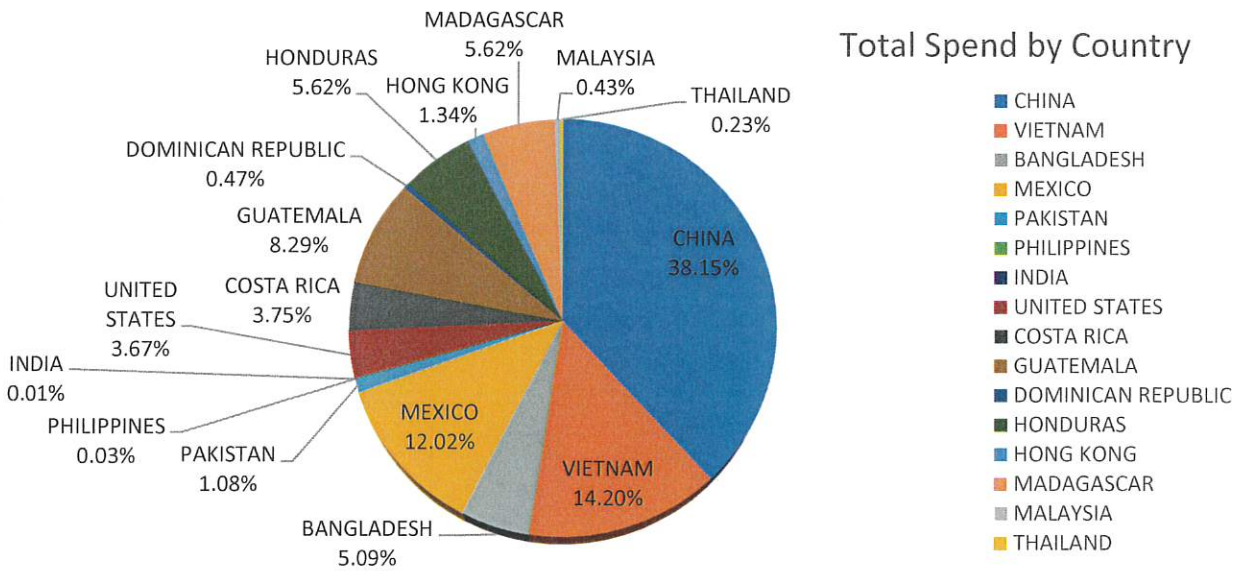
Edwards Garment also considered the data from the US Department of Labor's List of Goods Produced by Child Labour or Forced Labour. This is an important step in isolating specific goods from its import portfolio that may be susceptible to forced or child labour. By considering this data against the products imported, it became apparent that some imports from China, India and Pakistan are subject to an elevated risk of being associated with forced or child labour practices providing a critical insight that will direct our attention for enhanced due diligence and analysis.

In response to the specific risks identified, Edwards Garment is currently contemplating various strategies to address suppliers who carry a higher risk profile. Edwards Garment aims to further mitigate and manage the risks of forced and child labor in our supply chain, ensuring that its business practices remain ethical and responsible.

Total Spend by Country



Total Spend by Country



4. Remediation of Forced and Child Labour

For this reporting period, no incident of forced or child labour was identified in Edwards Garment’s supply chain, therefore no remediation was required.

Edwards Garment is actively undergoing an internal evaluation to determine if a forced or child labour remediation process or policy would be necessary in the event any incident is identified in the future.

5. Remediation of Loss of Income

For this reporting period, no loss of income due to forced or child labour was identified in Edwards Garment's supply chain, therefore no remediation of loss of income was required.

Edwards Garment is actively undergoing an internal evaluation to determine if a loss of income remediation process or policy would be necessary in the event any incident is identified in the future.

6. Employee Training

For this reporting period, no training was delivered or administered to employees or vendors on the issue of forced or child labour. Edwards Garment is actively undergoing an internal evaluation of its existing employee training to determine what training, if any, would be beneficial to offer to employees in the future to ensure compliance and ensure adherence to its values.

7. Assessing Effectiveness

Social Compliance Audits and Certification

To confirm alignment to the code of business conduct, all vendors are subject to periodic audits by a qualified third-party auditing company that meets Edwards Garment approval. This audit will cover labour practices, employee personnel and pay records, health and safety, and general compliance to Edwards Garment Code of Conduct. Any non-conformance will need to be corrected for a follow-up audit within 90 days.

All sub-contractors are also subject to factory audits. In the case of multiple factories being used then the vendor will be responsible for payment of initial and follow-up audits at these factories. Vendors are expected to have a Social Compliance on file once per year and follow-up audits at these factories.

Vendors are only able to subcontract work with the express written permission of Edwards Garment, and if express written permission is granted, subcontractors must also abide by the Code of Conduct. Failure to comply with the Code or to implement a corrective action plan on a timely basis is a breach of contract for which the contract may be canceled.

Monitoring vendor compliance for social compliance, Edwards uses a combination of visits by company staff, audits by qualified third-party firms and certifications like Worldwide Responsible Apparel (WRAP), an independent, objective team of global social compliance experts dedicated to promoting safe, lawful, humane, and ethical manufacturing around the world through certification and education. Certified factories undergo regular checks on work conditions, adherence to social compliance standards and the execution of manufacturing in a safe, humane, and respectful environment for employees. WRAP has over 2,700 factories certified worldwide which translates to almost 2.5 million employees covered with certification in those locations.

Escalation Process when not meeting Social Compliance Audit Requirement

Vendors who are unable to provide a "Passed Audit" at least in a 2-year period will enter a risk assessment review. Risk level 1 will be higher priority and require factory to complete a passed audit within 6 months to avoid termination of transactions and engagement with vendor. Risk level 2 will be of lower priority and will require factory to provide a passed audit within 12 months before considering termination of transactions.

Product Safety

To ensure products are safe, Edwards Garment has defined guidelines on the materials and processes that are acceptable for their construction. Monitoring vendor compliance for product safety, Edwards uses a combination of testing in certified laboratories and certifications such as Oeko-Tek. OEKO-TEX® is a worldwide, independent testing and certification system for textile products that contribute to ensuring high and effective product safety levels. Certified mills undergo extensive product checks and regular on-site visits to monitor sustainable awareness of the responsible use of chemicals and adherence to test criteria and limit values that in many cases are more strict than applicable local and international standards. Because of these strict testing standards, we prefer to source materials from vendors that are STANDARD 100 by OEKO-TEX*#174; certified. STANDARD 100 is a highly known certification that tests for harmful substances and stands for customer confidence and high product safety. As a result of its efforts, Edwards Garment has been recognized by PPAI as an ambassador of product safety.

8. Approval and Attestation of the Report

In accordance with the requirements of the Act, and in particular Section 11, 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 due 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.

Full Name: Anthony Violante

Title: VP Finance & Administration

Date: May 28, 2024

Signature:  _____

"I have the authority to bind Edwards Garment Co."