



May 31, 2024

Ennis Fabrics Ltd Bill S-211 Report – 2024 - Fighting Against Forced Labour and Child Labour in Supply Chains

This report outlines the policies and procedures implemented by J. Ennis Fabrics Ltd. (ENNIS) to comply with the ethical and legal obligations of the Federal Government of Canada regarding the prevention of forced labour and child labour within the corporation's global supply chain.

Where ENNIS meets the criteria of an Entity as described in Bill S-211 as a Canadian federally registered corporation that imports goods into Canada from outside the country, with assets exceeding \$20 million and annual revenue exceeding \$40 million.

Subsidiaries of ENNIS do not meet the criteria specified in Bill S-211 and will be mentioned in the corporate structure but excluded from this report.

As required by the Act, this report will be published on ENNIS's website for public access, attached as an addendum to ENNIS's annual financial statements to be shared with shareholders, and submitted to Public Safety Canada by May 31, 2024.

ENNIS has performed its due diligence throughout 2023 to mitigate the risk of any forced labour or child labour practices in its global supply chain. There were no occurrences of vendor malpractice in this regard, with no need for vendor or most vulnerable families' remediation.

ENNIS considers its preventative policies and procedures against forced labour and child labour to have been effective for 2023.

Sincerely

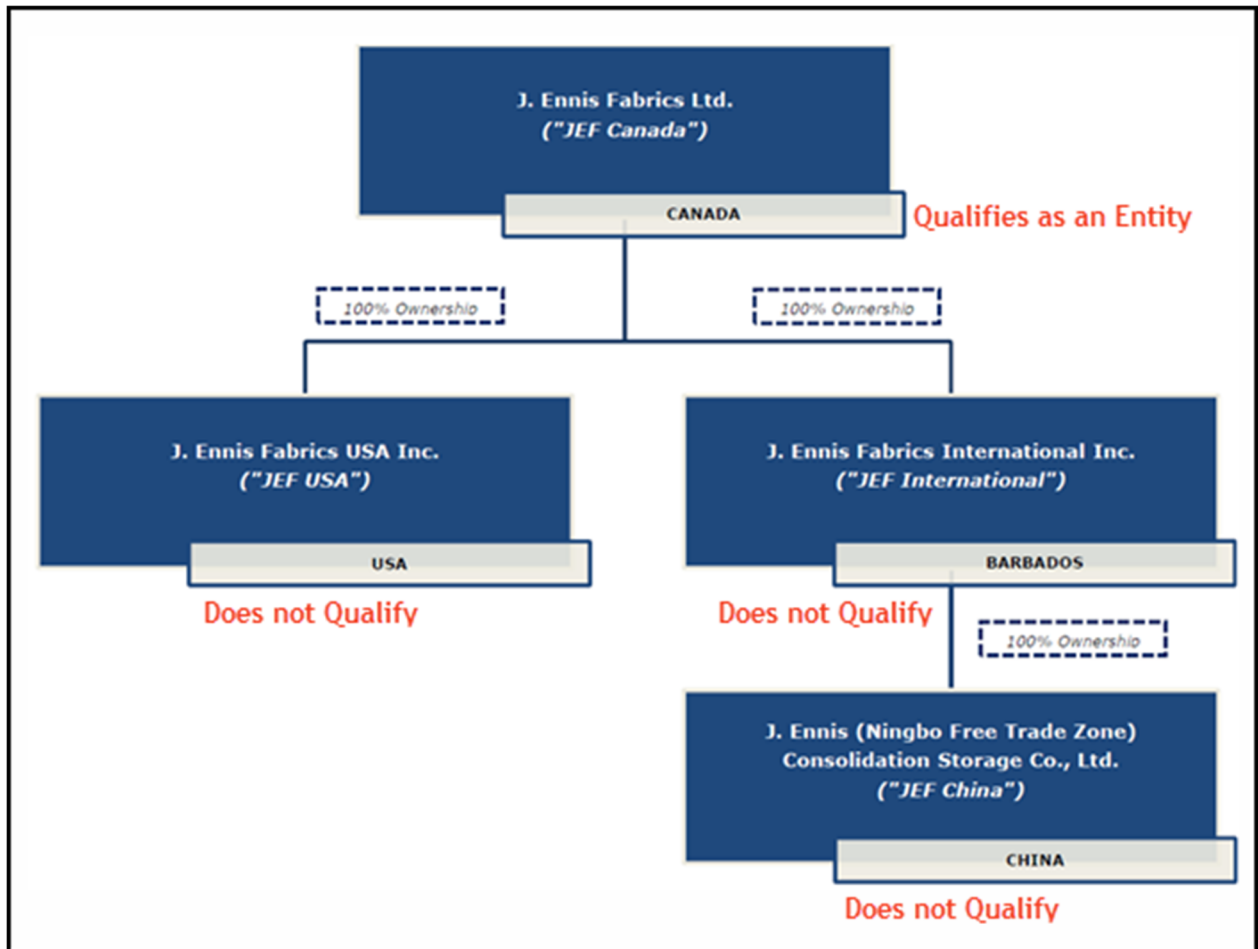
A handwritten signature in blue ink, appearing to read "Victor Jensch".

Victor Jensch
Vice President of Operations and Market Development
J. Ennis Fabrics Ltd.



Structure:

ENNIS is the holding company and 100% shareholder of J. Ennis Fabrics Barbados Ltd and J. Ennis Fabrics USA Ltd. J. Ennis Fabrics Barbados Ltd is the holding company and 100% shareholder of J. Ennis (Ningbo Free Trade Zone) Consolidation Storage Co., Ltd. This structure is shown in the structural tree below:





Reporting entity's legal name: J. Ennis Fabrics Ltd.

- Entity categorization according to the Act: Qualifies for Bill S-211
- Financial reporting year: January 31st, 2024
- Business number: CRA Business# 10262 8534
- Legal structure: Corporation
- Jurisdiction: Canada
- Identification of reporting obligations in other jurisdictions: None
- Identification of a joint report: N/A
- Number of employees: 131
- Sector/industry : Wholesale Trade: North American importer and distributor of globally sourced textile fabrics and supplies.
- Locations: (HQ) 6111 91 Street NW, Edmonton, AB T6E 6V6, Canada
(Warehouse) 6300 Kenway Drive, Mississauga, ON L5T 2N3, Canada
(Warehouse) 13911 Bridgeport Road, Richmond, BC V6V 1J6, Canada

Reporting entity's legal name: J. Ennis Fabrics USA Ltd.

- Entity categorization according to the Act: Excluded
- Financial reporting year: January 31st, 2024
- Business number: EIN# 35-2111028
- Legal structure: Corporation
- Jurisdiction: USA
- Identification of reporting obligations in other jurisdictions: None
- Identification of a joint report: N/A
- Number of employees: 16
- Sector/industry: Captive Service Provider of:
 - Warehousing support services
 - Sales and marketing services
 - Management and administrative support services
- Location: (HQ and Warehouse) 853 Columbia Rd #125, Plainfield, IN 46168, United States



Reporting entity's legal name: J. Ennis Fabrics Barbados Ltd.

- Entity categorization according to the Act: Excluded
- Financial reporting year: January 31st, 2024
- Business number: Federal Tax# 1000006340686
- Legal structure: Corporation
- Jurisdiction: Barbados
- Identification of reporting obligations in other jurisdictions: None
- Identification of a joint report: N/A
- Number of employees 3
- Sector/industry : International Wholesale Distribution
- Location: 1st Floor Hastings House, Balmoral Gap, Hastings, Christ Church, , BB14034

Reporting entity's legal name: J. Ennis (Ningbo Free Trade Zone) Consolidation Storage Co., Ltd.

- Entity categorization according to the Act: Excluded
- Financial reporting year: January 31st, 2024
- Business number: Federal Tax# 91330201753288635T
- Legal structure: Corporation
- Jurisdiction: China
- Identification of reporting obligations in other jurisdictions: None
- Identification of a joint report: N/A
- Number of employees 16
- Sector/industry : Warehousing / Consolidation / Expediting / Quality Control services.
- Location: Gang Xi Da Dao #23 NBFTZ (West) Beilun | Ningbo, Zhejiang, 315800

Steps taken by ENNIS to prevent and reduce risks of Forced Labour and Child Labour, as per subsection 11(1).

ENNIS has proactively prevented and mitigated the risks of Forced Labour and Child Labour by strictly adhering to company policies and procedures established in 2013. These measures not only ensure compliance with Canadian and international laws but also uphold the company's ethical and cultural standards. The policies extend beyond regulating fair Labour practices with vendors to encompass best practices within ENNIS and its subsidiary companies, as well as other aspects of corporate social responsibility such as health and safety, and environmental sustainability practices.



Subsection 11 (3): Actions taken to meet the requirements of Subsection 11 (1):

a) ENNIS Structure, Activities and Supply Chains:

- I. Structure: The corporate structure is described earlier in this document.
- II. Activities and supply chains: ENNIS imports textiles and supplies directly from the following countries: USA, Mexico, Columbia, Costa Rica,
 - **North America:** Canada, Mexico, USA.
 - **South America:** Brazil, Colombia, Costa Rica.
 - **Africa:** South Africa.
 - **Europe:** Austria, France, Germany, Netherlands, Spain, Switzerland, Turkey, UK.
 - **Asia:** Bangladesh, China, Hong Kong, India, Indonesia, Japan, Pakistan, Philippines, South Korea, Thailand, Taiwan, Vietnam.

b) ENNIS policies and Due Diligence Processes in relation to Forced Labour and Child Labour:

- I. All vendors undergo pre-qualification through an initial in-person audit before onboarding. Pre-qualification includes an in-depth assessment of factory processes, cleanliness, health and safety policies, and fair labour practices including working hours and age restrictions.
- II. Existing vendors are periodically audited based on the size of their business with ENNIS, with a focus on vendors in lower-income countries where labour laws are at times less strict, to ensure ongoing compliance with labour standards.
- III. Bi-annual vendor scorecards are completed with each vendor, followed by online meetings with ENNIS market managers. These scorecards include a corporate social responsibility section where vendors confirm their adherence to forced labour and child labour laws.



Example of a bi-annual vendor scorecard

ENNIS FABRICS LTD - VENDOR SCORECARD (Overseas)		Co. Example	
SCORING CRITERIA			
1-2 = Very Poor 3-4 = Needs Improvement 5-6 = Meets Minimum Standard 7-8 = Very Good 9-10 = Exceptional Quality			
Main Category		Score 1-5	Comments provided where score is less than 6
<p>Overall min QC, social responsibility, sustainability, production processes and supply chain setup</p> <p>Value pricing and efforts to drive down cost The average value of product supplied by Vendor versus price. Continued effort to reduce product costs. 2</p> <p>Sustainability and Corporate Social Responsibility Vendor drive towards lower carbon footprint. Sustainability accreditations. Recycled product offerings. Sustainable production Methods. 7</p> <p>Total 19</p>			<p>Need to reduce prices.</p> <p>28 out of 43 points on the sustainability survey. What efforts can you make to improve this next year?</p>
Scoring Summary		Trend Analysis:	
Operations	57%	Q1 Q2 2023	Q3 Q4 2023
Communications	55%	Op's	57%
QC and Inspection	60%	Comm's	55%
Account Support	90%	QC and Inspection	62%
Easy to Deal with	58%	Acc Support	90%
Vendor Support	63%	Easy to Deal with	63%
TOTAL	Grade A 64%	Vendor Support	73%
		TOTAL	67%
Supplier Performance Analysis		QBR Scores - Trend Analysis	



- IV. Since September 2022, all Chinese factories have provided sworn affidavits confirming compliance with the Uyghur Forced Labour Prevention Act, confirming that they are neither situated in, nor have any connection with the government or any trading entity of the Xinjiang Uyghur Autonomous Region of the People's Republic of China.

Example of Vendor Forced Labour Template

Trade and Manufacturing Affidavit – UYGHUR Forced Labor Prevention Act (UFLPA)
Section 307 – Prohibition of the manufacturing of products with forced labor:

This letter serves to confirm that _____ (full company name) manufactures all products for Ennis Fabrics Ltd in compliance with the requirements of UFLPA. No products/raw materials utilized in the manufacture of these products are manufactured in the Xinjiang Uyghur Autonomous Region (Xinjiang Region) of China. Also, no products have received any exposure to forced labor of any kind throughout the manufacturing and supply chain cycle.

Supply Chain Stages:

	Manufacturer Name	MID #	Address	Email Address	Phone #	Stage Description	Compliance
1						Yarn manufacturing	Compliant
2						Weaving/knitting	Compliant
3						Dyeing	Compliant
4						Finishing	Compliant
5						Shipper	Compliant
						<i>Products to not contain COTTON, POLYSILICON OR TOMATOES FROM XINJIANG.</i>	

Signed by Authorized Officer: _____

Name: _____

Signature: _____

Company Position: _____

Date: _____

Company Official Stamp:



ENNIS Sworn Affidavit to comply with Fair Labour Practices:



November 10, 2022

Sworn Affidavit

Uyghur Forced Labor Prevention Act (UFLPA) Section 307 – Prohibition of the manufacturing of products with forced labour:

I, Victor Jensch, authorised officer of Ennis Fabrics Ltd, of 6111 91 Street, Edmonton, Alberta, T6E 6V6, Canada, do solemnly declare that all products purchased from China are in full compliance with the requirements of the Uyghur Forced Labor Prevention Act (UFLPA) Section 307.

Ennis Fabrics Ltd follows a strict Corporate Social Responsibility management procedure with respect to its vendors, including full inspection of fair labour practices: conditions of labour, health and safety practices, hours worked per week, fair wages and treatment of employees.

All products meet UFLPA compliancy requirements based on the following factors:

- All products are manufactured with fair labour practices
- No products purchased originate from the Xinjiang Uyghur Autonomous Region (Xinjiang Region) of China.
- No raw materials utilized in the manufacture of Ennis products are sourced from the Xinjiang Region of China.
- No products purchased from China include UFLPA banned substances: including cotton, tomatoes, or polysilicon.
- The majority of Ennis products contain no cotton.
- All remaining products containing cotton, are manufactured with cotton staple fibre from the Jiangsu Province of China, postal code 215500.
- No products or inputs were procured or manufactured, at any point in the supply chain, using forced labor or coercive labor practices.

I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

SWORN BEFORE ME at the City of Edmonton, in the Province of Alberta, this 10 day of November, 2022.

Name: Victor Jensch

Vice President, Market Development

A Notary Public in and for the Province of Alberta
ADAM H. BLAIBEL
Student-at-Law
In and For the Province of Alberta

Signature:

HEAD OFFICE 6111-91 Street NW, Edmonton, AB, CANADA T6E 6V6
CANADA ENGLISH 800.663.6647 FRENCH 888.663.6647 | USA 887.953.6647
inquiries@ennisfabrics.com | www.ennisfabrics.com



- V. ENNIS has mapped its supply chain and implemented a policy to avoid sourcing from regions at elevated risk of forced labour or child labour.
- VI. ENNIS also implemented a strict policy to immediately discontinue business with any organization described in the UFLPA Entity List as updated by Homeland Security of the US Government. <https://www.dhs.gov/uflpa-entity-list/>
- VII. In 2023, ENNIS introduced an annual corporate social responsibility and sustainability questionnaire for vendors to confirm their compliance with international Labour laws. (demonstration version link below):
(<https://forms.office.com/Pages/ResponsePage.aspx?id=7pxnCWZHSUK7qOfEEuCveZQh2JP58nxEm9cCnC1LiMBUMVRTMzNaNEFEUTAxMERYMII5TEZLRzM2RC4u>)

CSR and Sustainability Survey (DEMO) ⋮

* Required

Social Compliance

10. Do you comply with all applicable local, state, federal, national laws, rules, regulation related to wages, work hours, employment, labor, health and safety? *

Yes

No

11. Do you employ anyone younger than 16 or who is under the age for completion of compulsory education in the country of manufacturing? *

Yes

No

12. Do you provide a safe and hygienic work environment, minimized work hazards and ensuring occupational health of your employees? *

Yes

No



c) The parts of ENNIS business and supply chains that carry a risk of forced labour or child labour being used and steps taken to assess and manage that risk:

- I. ENNIS's policy is to cease trade with any organization posing a risk of forced labour or child labour within a 6-month period.
- II. ENNIS proactively mitigates this risk through thorough due diligence prior to the onboarding of any new vendor and providing clear guidance on fair labour practices.

d) Measures taken to remediate any forced labour or child labour:

- I. No instances of forced labour or child labour were reported in 2023, thus no remedial actions were necessary.

e) Measures taken to remediate the loss of income to the most vulnerable families that resulted from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains:

- I. No measures were required in 2023 as no vendors were impacted.

f) Employee Training on Forced Labour and Child Labour:

- I. ENNIS employees directly involved with vendors, follow Canadian fair labour practices as the foundation for assessing whether vendors are using fair labour practices.
- II. Managers and the purchasing team directly involved with vendors receive formal training on identifying and addressing forced Labour and child Labour issues, including audits, risk assessment, and vendor management. This is accompanied by informal training in the form of mentorship and coaching on an ongoing basis.
- III. All ENNIS staff receive formal training on fair Labour practices based on Canadian laws, with subsidiary companies trained according to their respective local labour regulations..
- IV. ENNIS also provides awareness-raising activities and communications, promoting a culture of respect, work-life balance, and awareness through training and communication activities.



- V. Formal end-to-end training for all vendor facing staff ranges from 4-6 weeks (purchasing team) to 3 months (market managers). This formal training is followed by ongoing informal coaching and mentoring for a further 6-9 months.
- VI. Assessments of understanding are performed as follows:
 - Individual quizzes for specific topics requiring an 80% pass rate.
 - Initial 3-month review
 - Monthly measurement against KPI's
 - Monthly / quarterly 1:1's with that employee's direct report
 - Annual reviews.

g) ENNIS assessment of its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains:

- I. Results of all policies, procedures and actions as described earlier in this document have confirmed positive fair labour practices.
- II. ENNIS considers its measures effective, with all vendors confirming compliance with forced labour and child labour laws through various processes outlined in the report.



Signed Attestation:

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.

Signature, having the authority to bind J. Ennis Fabrics Ltd.

A handwritten signature in black ink, appearing to read "James Ennis", written over a light blue horizontal line.

Full name: James Ennis
Title President, CEO, and Board member of J. Ennis Fabrics Ltd.
Date May 31, 2024