

Introduction

This report has been prepared for KEEN Canada Outdoor, ULC for the reporting year 2023 (January 1, 2023 – December 31, 2023). KEEN Canada Outdoor, ULC is wholly owned by KEEN International, Inc. which itself is wholly owned by KEEN, Inc, a United States corporation. This is KEEN’s first report and submission for Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff.

KEEN has a place of business in, does business in, and has assets in Canada. KEEN is a footwear brand which distributes and sells product in Canada. KEEN Canada Outdoor, ULC imports the footwear products into Canada and sells the products through wholesale retailers and direct-to-consumer via keenfootwear.ca. KEEN, Inc.’s global headquarters is based in Portland, Oregon, USA. KEEN Canada Outdoor, ULC’s headquarters is located in Brampton, Ontario.

Supply Chain

In 2023, KEEN worked with suppliers across nine countries utilizing the skills of 24 finished goods manufacturers (also called Tier 1 Suppliers). In addition, KEEN’s own Tier 1 factories contributed to 33% of its 2023 production. These factories are in Thailand, the Dominican Republic, and Portland, Oregon.

Policies and due diligence

KEEN assesses the risks related to our supply chain at the country and factory levels. Risk assessment is performed by KEEN’s internal sourcing, corporate responsibility, and legal teams. KEEN works closely with affiliated entities that conduct local sourcing and production activities, and we regularly visit our Tier 1 and Tier 2 suppliers. All Tier 1 manufacturers are pre-screened prior to producing KEEN products. Tier 1 suppliers manufacture products that they sell to KEEN. Tier 2 suppliers provide components or materials to Tier 1 suppliers.

KEEN operates under a [Code of Conduct](#) that is issued to each Tier 1 supplier and major Tier 2 suppliers and must be posted on the production floor in the local language. KEEN conducts routine visits and audits, both announced and unannounced, to evaluate compliance with KEEN’s standards. Audits are performed by KEEN staff and KEEN affiliates. KEEN works with suppliers to remediate issues identified during audits.

KEEN’s Tier 1 suppliers sign a manufacturing agreement, which requires them to operate in full compliance with all laws applicable to their performance under the agreement, and explicitly prohibits forced or involuntary labor. Upon KEEN’s request, the supplier must provide written certification of compliance with the law and with KEEN’s Code of Conduct, as well as any additional information about the relevant goods.

KEEN maintains internal accountability procedures for employees and contractors regarding company standards on slavery and human trafficking. In the case of non-compliance, KEEN will examine the specific situation and develop a strategy for resolution. If cases of non-compliance are not resolved within a timely manner, KEEN may terminate the business relationship. KEEN has a dedicated corporate responsibility team and maintains a hotline that allows employees to anonymously report potential ethics violations. Reports can be sent to codeofconduct@keenfootwear.com, which goes directly to the US-based corporate responsibility team.

KEEN collaborates with a number of non-governmental organizations and trade associations to raise awareness of social compliance issues, including the Outdoor Industry Association (KEEN has been a member since 2008). KEEN regularly monitors reports and follows developments from leaders in the industry, such as the Footwear Distributors and Retailers of America and American Apparel and Footwear Association, specifically as they relate to slavery and human trafficking, among others.

Risk of Forced Labor

KEEN operates as part of the global economy by designing, developing, and manufacturing high quality men's, women's and children's footwear. In 2023, KEEN's supply chain included suppliers from 9 different countries and 24 Tier 1 factories. As with most global manufacturing, this vast supply chain contains risk of forced labor. KEEN condemns and strictly prohibits forced labor within our supply chain. Actions taken in 2023 to avoid forced labor in our supply chain included:

- When onboarding new factories, KEEN's vendor set up process includes both Denied Part and Kharon screening. Any results from either source will halt the onboarding process until the issue is addressed. Once vendors are successfully screened, they must review and sign KEEN's manufacturing agreement which includes the Code of Conduct.
- Maintained a robust [Code of Conduct](#), which includes the below clauses related to forced labor:
 - **FOLLOW THE RULES** - Suppliers will operate in full compliance with all applicable laws, rules, and regulations where they do business. Suppliers will conduct their business with a high degree of integrity and will not tolerate or engage in bribery, corruption, fraud, or unethical business practices in dealing with business partners, public officials, or any KEEN representatives.
 - **VOLUNTARY WORK** - Suppliers will not use any forced or involuntary labor, including forced labor of ethnic minorities such as Uighers and Rohingya. Additionally, suppliers will not process or procure materials or components sourced from the XinJiang Province in China or cotton materials or components made from cotton sourced in Uzbekistan due to concerns of forced labor. Slavery or trafficking of persons in any form is expressly prohibited. All work must be voluntary, and all workers must be free to terminate their employment at any time. Suppliers will not unreasonably restrict workers' freedom to move into, out of, or at working facilities. Holding or destroying worker identity or immigration documents, passports, or work permits is prohibited (ILO Conventions [29](#) and [105](#)).
 - **WORKERS ARE MINIMUM AGE 18 OR OLDER** - Suppliers will not hire a person under the age of 18. If the local legal minimum age for employment is higher than 18, then the higher age shall apply. KEEN will not tolerate the economic exploitation of children (ILO Conventions [138](#) and [182](#)).
 - **RECRUITMENT, HIRING, AND TERMINATION** - Suppliers will not require workers to pay recruitment fees or other fees for their employment, either directly or through third parties, and are expected to repay any worker that has paid such fees. As part of the hiring process, suppliers are expected to give each worker a written agreement describing the worker's terms of employment in a language understood by the worker, and, if internationally relocating, the written agreement will be provided before they leave their country of origin. Suppliers will implement a fair and transparent discipline and termination process.
 - **WORKING HOURS ARE NOT EXCESSIVE** - Suppliers will not require workers to work in excess of 60 hours per week (48 regular hours and 12 overtime hours), or the regular and overtime hours allowed by local law, whichever is less. Suppliers shall allow workers at least one day off in every seven-day period. All overtime work shall be consensual and not be used to replace regular employment. Suppliers must maintain adequate time records

which include overtime, breaks, and leave and provide meal and rest breaks to workers in compliance with the local law.

- Conducted a 3rd-party social audit at our owned Tier 1 factory in Thailand
- Joined the [Industry Commitment to Responsible Recruitment](#) through the American Apparel & Footwear Association and Fair Labor Association.
- Reduced production in China for finished footwear and by end of year, it was KEEN's lowest volume country of origin.
- Confirmed full address and postal code for all China-based suppliers, ensure none were location in XUAR.
- Engaged service provider Kharon and utilized Kharon Clear View to screen finished goods and component suppliers for forced labor risk.
- Developed an internal escalation protocol for entities flagged by Kharon.
- KEEN employees actively engage in the Outdoor Industry Association's Trade Advisory Council, a multi-association led Forced Labor Working Group and has connection to the Canadian Apparel Foundation. All these groups have prioritized addressing risks of forced labor in supply chains.
- Keen's sourcing and quality assurance teams visited and inspected Tier 1 and Tier 2 facilities across the supply chain, assuring ongoing continuous improvements to our manufacturing Code of Conduct.
- KEEN's Chief Supply Chain Officer made regular visits throughout 2023 to Tier 1 and Tier 2 suppliers.

Remediation Measures

We did not identify any forced labour or child labour in our activities and supply chains in 2023, so there was no need for remediation measures.

Remediation of Loss of Income

We did not identify any loss of income to vulnerable families as we did not find cases of forced labour or child labour in our activities and supply chains in 2023, so there was no need for remediation measures.

Training

KEEN expects key members of our supply chain management staff to be knowledgeable and aware of the risks and issues surrounding our supply chain, including concerns about slavery and human trafficking. KEEN also conducts supplier trainings to ensure that our suppliers understand our Code of Conduct and to set clear expectations around the treatment of workers, as well as their health and safety.

Assessing Effectiveness

KEEN measures our efforts to address slavery and human trafficking within our supply chain by monitoring the following metrics: (1) completion of visits to and audits of suppliers' facilities by KEEN staff and staff of our affiliates; (2) each Tier 1 and major Tier 2 supplier's posting of the KEEN Code of Conduct on the production floor in the local language.

Approval & 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 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.

Robert Brydges
Name

Director and General Manager
Title

May 28, 2024
Date

Rob Brydges
Signature & Statement

I have the authority to bind KEEN Canada Outdoor, ULC

For reference, below is a copy of KEEN’s Code of Conduct which suppliers must adhere to.

ABOUT KEEN

KEEN is a values-led, family-owned brand making consciously created hybrid footwear for humankind. We believe in the power of togetherness to enact change, and that bigger steps forward start with better footwear. Our brand is guided by five markers: Live Together; Be Original in Everything; Make Original Goods that Last, Do the Right Thing, and Create with Conscience. From how we source materials and manufacture our products, to how we treat the people who craft our shoes, we are conscientious about what we make and how we do it.

*This **Code of Conduct (“Code”)** is the foundation for ensuring we create consciously, and that social and environmental responsibility remains a priority throughout our supply chain. We expect all our suppliers to both abide by our Code and continuously improve our shared supply chain. This Code applies to all suppliers of KEEN products – our owned factories, contract manufacturing partners and raw material suppliers (“**Suppliers**”).*

TRANSPARENCY

Suppliers will embrace systems for disclosure and transparency about their business practices. KEEN shares information publicly about its social and environmental practices with consumers and retail business partners. Suppliers will not penalize or discriminate against workers for participating in inspections or audits or providing information/feedback to third-party auditors.

FOLLOW THE RULES

Suppliers will operate in full compliance with all applicable laws, rules, and regulations where they do business. Suppliers will conduct their business with a high degree of integrity and will not tolerate or engage in bribery, corruption, fraud, or unethical business practices in dealing with business partners, public officials, or any KEEN representatives. Suppliers will comply with the U.S. Foreign Corrupt Practices Act.

VOLUNTARY WORK

Suppliers will not use any forced or involuntary labor, including forced labor of ethnic minorities such as Uighers and Rohingya. Additionally, suppliers will not process or procure materials or components sourced from the XinJiang Province in China or cotton materials or components made from cotton sourced in Uzbekistan due to concerns of forced labor. Slavery or trafficking of persons in any form is expressly prohibited. All work must be voluntary, and all workers must be free to terminate their employment at any time. Suppliers will not unreasonably restrict workers' freedom to move into, out of, or at working facilities. Holding or destroying worker identity or immigration documents, passports, or work permits is prohibited (ILO Conventions [29](#) and [105](#)).

WORKERS ARE MINIMUM AGE 18 OR OLDER

Suppliers will not hire a person under the age of 18. If the local legal minimum age for employment is higher than 18, then the higher age shall apply. KEEN will not tolerate the economic exploitation of children (ILO Conventions [138](#) and [182](#)).

RECRUITMENT, HIRING, AND TERMINATION

Suppliers will not require workers to pay recruitment fees or other fees for their employment, either directly or through third parties, and are expected to repay any worker that has paid such fees. As part of the hiring process, suppliers are expected to give each worker a written agreement describing the worker's terms of employment in a language understood by the worker, and, if internationally relocating, the written agreement will be provided before they leave their country of origin. Suppliers will implement a fair and transparent discipline and termination process.

ZERO DISCRIMINATION

Suppliers will hire, pay, train, promote, discipline, and terminate workers based on their ability to do the job, rather than based on personal characteristics or beliefs, including gender, race, religion, age, disability, sexual orientation, marital status, pregnancy, nationality, political opinion, social or ethnic origin or any other status protected by local law (ILO Conventions [100](#) and [111](#)).

COMPENSATION IS PAID TIMELY

Suppliers recognize that wages are essential to meeting workers' basic needs. Suppliers will pay workers timely at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and Suppliers shall provide all benefits mandated by local law. Regular wages shall be paid to workers at least monthly and receive documentation with each wage payment. In addition to compensation for regular working hours, workers must be compensated for overtime hours at the rate legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate by at least 125%. Salary deductions are only permitted as allowed by law and any applicable collective bargaining agreement. Loans and wage advances made to workers shall comply with local legal requirements.

WORKING HOURS ARE NOT EXCESSIVE

Suppliers will not require workers to work in excess of 60 hours per week (48 regular hours and 12 overtime hours), or the regular and overtime hours allowed by local law, whichever is less. Suppliers shall allow workers at least one day off in every seven-day period. All overtime work shall be consensual and not be used to replace regular employment. Suppliers must maintain adequate time records which include overtime, breaks, and leave and provide meal and rest breaks to workers in compliance with the local law.

THE RIGHT TO DIGNIFIED TREATMENT

Suppliers will treat each worker with respect and dignity, and will not subject any worker to any physical, sexual, psychological, or verbal harassment or abuse. Fines or penalties may not be used as a disciplinary measure. Workers should be able to express their concerns about workplace conditions to superiors or to the factory management without fear of retribution or the termination of employment.

RESPECT FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Suppliers will respect the rights of workers to associate, organize and bargain collectively in a lawful and peaceful manner, without penalty or interference. Suppliers will permit workers to discuss any job-related grievances with Suppliers' representatives without penalty or reprisal. Where the right to freedom of association and collective bargaining is restricted under national law, Suppliers shall encourage and not hinder the development of safe and parallel means for collective bargaining and worker organization (ILO Conventions [87](#) and [98](#)).

HEALTH AND SAFETY REQUIREMENTS

Suppliers will provide a safe and hygienic working environment in safe and secure buildings, including written safety and health policies and procedures, and training and adequate equipment to ensure workplace safety practices. This includes access to clean drinking water, clean toilets, and facilities for food storage as well as protection from fire (emergency exits, first aid equipment), accidents and toxic substances. Women in the workplace shall be provided with adequate sanitary facilities, with privacy, and additional protection from workplace hazards during pregnancy (ILO Conventions [155](#) and [187](#)).

HOUSING IS RESPECTABLE

Any Supplier-provided housing, childcare facilities, and schools have fire escapes, extinguishers, and exit routes that are maintained, marked, and accessible, and residents/children know how to use them. In such housing, there are clear and established responsibilities and constraints on security guards assigned to factory grounds and employer-controlled dormitories. Housing rules do not impose any restrictions beyond those necessary for safety. Supplier-provided housing is structurally safe and affords workers a minimum level of decency, hygiene, and comfort as defined by local law. If children of workers live on-site, access to primary education is facilitated by Supplier.

COMMUNITY AND ENVIRONMENT

Suppliers will have environmental standards in place and conduct operations consistent with all applicable environmental laws and regulations. Suppliers will take a proactive approach to reducing environmental impacts, including beginning with spring 2023 production procurements KEEN is specifically prohibiting the purchases of any Leather hides sourced from the country of Brazil, waste reduction, use of recycled and non-toxic materials whenever possible, improved energy and water efficiency, as well as working toward zero discharge of hazardous effluents. Suppliers are encouraged to engage directly or through partnerships in projects that improve the social well-being of workers and their families in local communities.

RESPONSIBLE CHEMICAL MANAGEMENT

Suppliers will comply with the requirements set forth in KEEN's Chemical Management Policy & RSL to enable continuous advancement of best practices by identifying substances to phase out and replace with safe alternatives suitable for our sourcing requirements.

SUBCONTRACTING

KEEN does not permit subcontracting without our prior written approval. All sample and bulk production orders must be placed within facilities that have been pre-approved by KEEN, without exception. Direct Suppliers are required to continuously monitor approved subcontractors and sub-suppliers for social and environmental responsibility using standards that meet or exceed the Code.

COMMUNICATING THE CODE OF CONDUCT

Suppliers are required to post this Code and contact information (codeofconduct@keenfootwear.com) in a conspicuous place frequented by all workers in the local languages spoken by workers, supervisors, and managers. Suppliers shall undertake annual, documented training efforts to educate current and new workers about this Code. If, however, it can be confirmed that the Supplier is otherwise providing staff with sufficient training and resources in accordance with international laws and best practices, the Supplier will not be expected to duplicate these efforts with a training specific to this Code.

MONITORING, ENFORCEMENT, AND COMPLIANCE

As a condition of doing business with KEEN, each Supplier must comply with this Code. KEEN will continue to develop monitoring processes to assess and ensure compliance, such as third-party inspections or audits. If KEEN determines that any factory has violated this Code, KEEN may at its discretion either terminate its business relationship and/or require the factory to implement a corrective action plan. If corrective action is advised but not taken, KEEN will suspend placement of future orders and may terminate current production. KEEN strongly encourages factories to define and implement a policy for social accountability and to adopt or establish a management system to ensure that the requirements of this Code can be met in a consistent way.

CONTACT US

KEEN would like to know if any of our suppliers are violating this Code. Please email us at codeofconduct@keenfootwear.com in your local language. All information that we receive will be kept in strict confidence and your identity protected.

SUPPLIER CODE OF CONDUCT – COMPLIANCE DECLARATION

We, the undersigned hereby confirm:

1. That we have received and taken due note of the KEEN Supplier Code of Conduct (the "Code") and commit ourselves to fully comply with its principles and requirements.
2. That we agree that KEEN or a third party appointed by KEEN may carry out periodic, unannounced inspections / audits of our facilities to verify our compliance with the Code.
3. That we effectively communicate the contents of the Code to our workers, agents, subcontractors and suppliers and ensure all measures required are implemented accordingly.

We also confirm that we have noted that compliance to the Code is an essential component of business relations between KEEN and us as a Supplier for KEEN.

Name & Title:	
Company:	
Signature:	
Date:	

Please sign and date this declaration and send to codeofconduct@keenfootwear.com. We ask that you return a signed copy along with the Code and retain one for your own records.