

## 1. INTRODUCTION

- a. This document constitutes the first report (“**Report**”) made by Logistik Unicorp Inc. (hereinafter “**Logistik**”, “**we**”, “**us**” or “**our**”), pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”), covering our fiscal year ended May 31, 2024 (the “**Reporting Period**”).
- b. We also report under the *Australian Modern Slavery Act 2018*<sup>1</sup>.

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

- a. Within the Reporting Period, Logistik maintained policies specifically addressing forced labour and child labour, including our Ethical and Social Policy and Supplier Code of Conduct.
- b. We also upheld our procedure of analyzing prospective domestic and international suppliers – either via an internal analysis or through the use of a recognized third-party agent – prior to onboarding.
- c. Through our thorough and extensive audit procedures, Logistik also maintained the right to conduct on-site visits of our suppliers to audit compliance with social and ethical policies, in conjunction with completing on-site evaluations of a suppliers’ quality and process programs. If issues are noted within site audits, Logistik maintained the right to conduct follow-up visits at sites to determine if remediation measures via prepared action plans were implemented (if applicable).

## 3. STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

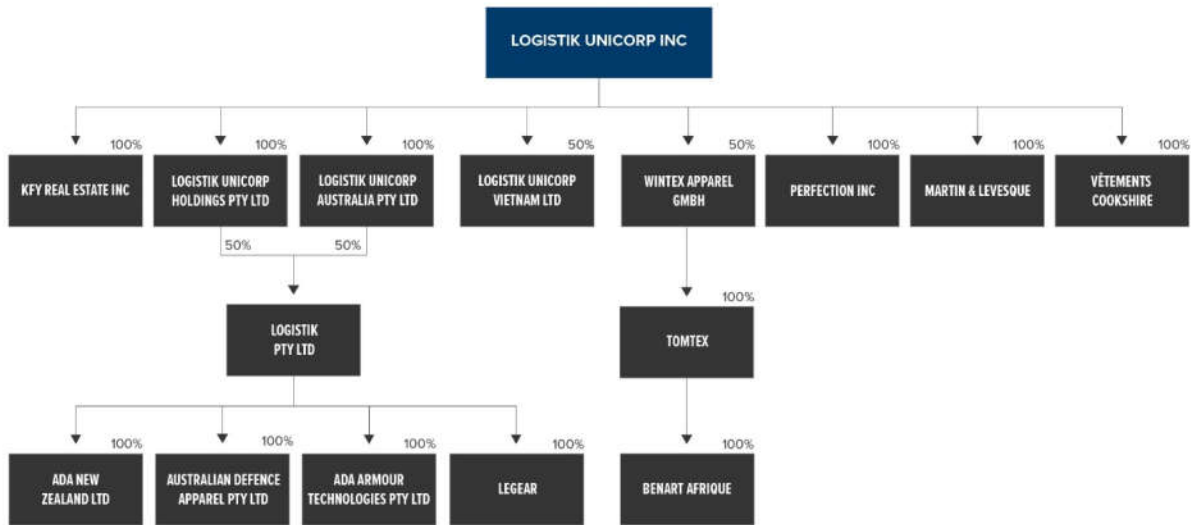
### **Structure**

- a. Logistik is a corporation existing under the laws of the Province of Quebec. Our registered office is in Saint-Jean-sur-Richelieu, Quebec.
- b. All of Logistik’s stakeholders noted at **Table 1** (including its subsidiaries, affiliates, subcontractors and service providers) fall under the control of Logistik.

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<sup>1</sup> Report available here: <https://www.ada.com.au/wp-content/uploads/2023/03/Modern-Slavery-Statement-2023-1.pdf>

**Table 1: Logistik Unicorp Structure**



- c. Logistik employs over 580 employees in its Canadian operations, with operations and offices in Quebec and Ontario, including employees of Logistik Unicorp Inc. and its wholly owned subsidiaries Perfection Inc. and Martin & Levesque.
- d. Globally, Logistik employs more than 1,500 employees located in Vietnam, Australia and New Zealand.

**Activities**

- e. As the Canadian leader in MCS, Logistik provides the comprehensive management of uniform programs for a wide variety of large and complex Canadian organizations. Our programs are personalized to our clients’ exact needs, covering all aspects of uniform requirements, including fabrics, colours, patterns, styles, identifiers, Order Uniform Systems, entitlement systems, websites, distribution modalities, reporting, invoicing, and all related business rules.

**Supply Chain**

- f. Logistik manufactures and imports garments and raw materials through both local and offshore supply chains. We choose our suppliers based on geographic location with a low risk of forced labour or child labour.
- g. **Local production** – Considering our context and our contractual obligations, Logistik has maintained a very high Canadian content for raw materials sourcing and manufacturing of finished goods. Local production is sourced from Logistik’s factories in Quebec, or from its extensive Canadian supply chain mostly located in Ontario and Quebec.
- h. **Offshore production** – Offshore production is mainly sourced and purchased from our two factories operated by Logistik’s subsidiary, Logistik Unicorp Vietnam Ltd., located in Vietnam.

Logistik owns manufacturing facilities in Vietnam. Remaining offshore production needs are serviced through a network of subcontract manufacturers mostly located in Asia.

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

- a. In the context of globalization, the ethical dimension occupies an ever-increasing place in the strategy of Logistik. Logistik has policies and procedures in regards to social compliance assessments, which are used for our supply chain.

##### **Policies**

- b. **Ethical and Social Policy** – Logistik has an ethical and social policy governing, among other things, our procurement process and our selection of local and international subcontractors.
- c. **Supplier Code of conduct** – The Supplier Code of Conduct is part of our Ethical and Social Policy and we use a Preliminary Factory Evaluation report document that Logistik uses when onboarding new suppliers.

##### **Due Diligence Processes**

- d. **Social Compliance** – Only recognized suppliers are considered within our supply chains. Depending on contract requirements, either our own personnel or a recognized third-party agent, such as Intertek or SGS, will undertake an analysis of a prospective supplier as part of our onboarding diligence processes prior to Logistik engaging with the supplier
- e. **Initial Assessment** – Local and international suppliers are initially assessed against the information they provide. They must acknowledge and sign the Supplier Code of Conduct prior to onboarding, which is part of the Preliminary Factory Evaluation audit documents. We also request they provide any international certifications (e.g. OHSAS, WRAP) that may support our assessment.
- f. **Overseas Operations** – Logistik owns manufacturing facilities in Vietnam. We have an established complete sourcing facility in Vietnam to identify and audit potential suppliers of raw materials and/or finished goods in Vietnam. Logistik’s Vietnamese production sites are certified OEKO- TEX STeP, Worldwide Responsible Accredited Production (“**WRAP**”) GOLD and SGS Social (WRAP).

Our commitment to Ethical Sourcing from foreign sources establishes that we require that our supplier comply with the following:

- Forced labour in any form shall not be used.
- Child labour shall not be used.
- All workers shall be fairly compensated and be provided with appropriate benefits and leave time.
- Healthy and safe working conditions shall be provided to all employees at all times.
- All building facilities shall fully comply with all local building laws, codes, and regulations.

- All environmental laws and regulations shall be complied with.
- There shall be no employee harassment, abuse or discrimination on any basis, including gender, age, race or worker representation and association.

Subcontractor social compliance for our overseas manufacturing is also assessed by our own personnel by visiting the manufacturing site or engaging with a recognized third-party agent such as Intertek or SGS. International raw material suppliers are required to respect our Supplier Code of Conduct prior to an order being placed. Logistik personnel may visit suppliers during production to ensure ongoing compliance with the Supplier Code of Conduct.

**On-site Visit** – Any local or international suppliers are subject to an on-site visit and evaluation conducted by Logistik employees or accredited personnel to report compliance with social and ethical policies, including health and safety; this step occurs in conjunction with the on-site evaluation of a suppliers’ quality and process programs. A Preliminary Factory Evaluation document is completed by the potential supplier and Logistik representative(s) during the audit. The Preliminary Factory Evaluation document has three sections:

- (1) General Information;
- (2) Logistik Code of Supplier Conduct; and
- (3) A checklist, which includes a section detailing numerous social compliance requirements

If the report indicates points to improve, an action plan or remedial action plan will be established to rectify them. The report covers the following aspects: local laws, hours worked, health and safety at work, dormitories (if applicable), human resources practices and forced child Labour, etc.

**Action plan follow-up (if applicable) / Punctual visits to Domestic and Overseas suppliers**

Logistik personnel then follow-up on the action plan with the supplier and conduct further visits (for overseas factories, this is done by personnel from our Vietnam subsidiary, in most cases). An annual site visit (or prior to the next production, if there is no annual production) is made to ensure continued compliance with established standards.

- g. **Local Operations** – Logistik also operates manufacturing sites in three manufacturing sites in Quebec. Subcontractor social compliance for local manufacturing is assessed by our own personnel visiting auditing the manufacturing site or engaging with a recognized third-party agent such as Intertek (if required). Logistik personnel frequently (2-3 times a year) visit key suppliers during production to ensure ongoing compliance with the Supplier Code of Conduct.

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

- a. While Logistik did conduct some risk assessment activities during the Reporting Period of forced labour and child labour in our business activities and supply chains, Logistik did not identify any specific situations of forced or child labour within this assessment.

- b. Logistik recognizes the current inherent modern slavery risks of operating within the textile industry. Modern slavery risks may exist within our subcontractors, raw material and finished goods suppliers as well as our value-add processes such as embroidery and badging. Third-party representatives continue to play an important part in our response to our modern slavery risks by acting on Logistik’s behalf.
- c. Country of manufacture and product sector all need to be considered in the assessment of modern slavery risk. Offshore workers may be impacted by inadequate or poorly enforced national laws, with corruption hindering any improvements of workers’ rights and conditions. Forced labour is an issue in many regions where individuals are held in debt bondage, and the potential for child labour exists in areas of high poverty.

**Forced Labour and Child Labour Risks in our Business Operations**

- d. Given that Logistik operates out of Canada, we consider the risk of forced labour and child labour occurring within our business operations to be relatively low.

**Forced Labour and Child Labour Risks in our Supply Chains**

- e. Within the Reporting Period, Logistik personnel visited domestics and overseas suppliers’ factories and conducted inspections at key suppliers’ factories. The reports from these visits, in conjunction with third-party ethical audit reports, were used to assess our suppliers for the Reporting Period.
- f. While Canada is generally considered to be a low-risk country for forced labour and child labour, Logistik acknowledges that the risk of modern slavery still exists. Within Canada, outworkers are at an increased risk of abuse.
- g. Visibility of Tier 1 suppliers remains high, however, complex supply chains and a lack of transparency beyond Tier 2 suppliers prevent identifying and remediating issues that may arise further down the supply chain.
- h. Our current practices of procurement and our supply business model consider the risks within our supply chain included those that Logistik may cause, risks that Logistik may contribute to and risks that Logistik may be directly linked to through our supply chain. Also considered within our assessments were:
  - High-risk countries and their geographic locations;
  - Higher-risk business models (such as those using labour hire or outsourcing arrangements); and
  - Vulnerable groups, such as those supply chains using a high percentage of migrant labour.

As noted above, Logistik chooses their suppliers based on geographic location with a low risk of forced labour or child labour.

**6. REMEDIATION MEASURES**

- a. Within the Reporting Period, Logistik did not find specific situations of forced or child labour in its business operations or supply chain. As such, there is nothing to specifically report with respect to remediation measures at this time.
- b. As noted above, Logistik has documented policies and procedures that establish controls and a framework for managing broader human rights and the risk of modern slavery within our business and supply chains. These policies and procedures will continue to be implemented going forward to ensure the risks of forced labour and child labour in our activities and supply chains are managed accordingly.
- c. Logistik personnel will also continue to visit overseas suppliers' factories and conduct inspections and audits at key suppliers' factories. These visit reports, in conjunction with third-party ethical audit reports, will continue to be used to assess our suppliers going forward.

**7. REMEDIATION OF LOSS OF INCOME**

- a. There is nothing to report 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 Logistik's activities and supply chains, as no specific measures are necessary at this time.
- b. Logistik has developed a risk-based approach to addressing the modern slavery risks within our business operations and supply chain. Considerable progress has been made through training employees to ensure good governance and due diligence are followed.

**8. EMPLOYEE TRAINING**

- a. Training of Logistik personnel is a priority to raise awareness of modern slavery risks for all employees working in the purchasing department. Increasing employee awareness and providing tools to enable risks to be reported encourage proactive liaison with suppliers to address modern slavery risks.
- b. Throughout the Reporting Period, training was also conducted with the procurement group to raise awareness of modern slavery risks within all areas of Logistik's supply chain, including services. More specifically, all members of the procurement teams underwent training to assist them to:
  - Understand the risks of modern slavery.
  - Identify any indicators of modern slavery when dealing with their supply contacts.
  - Develop responses in instances where any identified or increased risks were reported.

**9. ASSESSING EFFECTIVENESS**

- a. Logistik did not take any actions in the Reporting Period to assess our effectiveness in preventing and reducing the risks of forced labour and child labour in our activities and supply chains.

- b. As noted, while Logistik did not conduct any on-site audits during the Reporting Period, Logistik maintains the right to conduct on-site visits to report their suppliers' compliance with social and ethical policies, and such a report can be completed directly by Logistik or through an external third-party agent. On-site visits are key to Logistik assessing our effectiveness in preventing and reducing the risks of forced labour and child labour in our activities and supply chains.

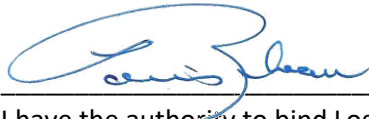
## 10. APPROVAL AND ATTESTATION

This Report was approved by the board of directors of Logistik Unicorp Inc. for the financial year ended May 31, 2024, pursuant to subparagraph 11(4)(a) 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 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.

I make the above attestation in my capacity as a President and CEO of Logistik Unicorp Inc., for and on behalf of the board of Logistik Unicorp Inc.

Louis Bibeau



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I have the authority to bind Logistik Unicorp Inc.

Louis Bibeau, President and CEO

Logistik Group

May, 2024