

Modern Slavery Statement



MONOS:

Introduction

Monos is proud to create our first Modern Slavery Statement pursuant to paragraph 11(4)(a) of Fighting Against Forced Labour and Child Labour in Supply Chains Act . As an organization, we are committed to fostering ethical and fair practices across all of our internal and external operations and partnerships. By implementing the appropriate policies, practices, and structures, we aim to continue to pave the way for success while ensuring mindful and compliant operations.

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In 2023, we embarked on our journey to uphold ethical standards by initiating our first BCorp application. This application served as an invaluable tool, guiding us towards best practices and aligning our operations at Monos with our authentic values while also setting a precedent for others to follow. Moving forward, our commitment to both Anti-Slavery and Child Labor initiatives and BCorp principles will bolster our efforts to operate responsibly.

The primary objectives of this report are threefold:

- To pinpoint areas of heightened risk within our operations and fortify them.
- To raise awareness among both our internal team and external partners regarding best practices and our partnership expectations.
- To develop a comprehensive approach within our organization to support us in strengthening our efforts to identify and prevent the risk of all forms of modern slavery in our operations and business relationships.

We advocate strongly for transparency and collaboration in order to address the risks associated with modern slavery.

This statement pertains to the fiscal year 2023, spanning from January 01 to December 31. The report's purpose for this period is to conduct an in-depth risk assessment and identify our most significant vulnerabilities. Our aim is to formulate a strategic plan for 2024 and beyond that will enable us to make a positive impact on our colleagues, customers, and communities.

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 Modern Slavery Statement for Monos. Based on my knowledge, I have exercised reasonable diligence , I attest that the information in this statement is true, accurate and complete in all material respects for the purpose of the act, for the reporting year listed above.



Victor Tam CEO

Our Business

Monos is a Canadian company with a strong focus on sustainability, specializing in travel and lifestyle products. We offer high-quality luggage and travel essentials at affordable prices. As proud members of 1% for the Planet and one of the pioneering luggage brands to achieve Climate Neutral Certification, we are dedicated to preserving the environments we cherish.

Established in 2018 by three entrepreneurs, our headquarters are located in Vancouver, Canada, with manufacturing operations in China. Our business is built on principles of sustainability, affordability, and durability. Presently, we have 61 employees situated in North America. Each of these individuals plays a pivotal role in supporting the operations of three facets of our business:

- Wholesale Partnerships
- Our one retail outlet located in Vancouver, Canada
- Our ecommerce business which operates in Canada, US, Australia and the UK

While we do not currently maintain physical stores in other regions outside of Vancouver, we utilize third party logistics worldwide to facilitate our distribution efforts to support our ecommerce sales.

Our partnerships beyond our internal team are highly valued and purposeful. Our aim is to guarantee that our trade relationships with individuals in the countries we source from result in a positive impact, creating jobs and nurturing opportunities for people worldwide.

We collaborate with numerous direct and indirect suppliers who play a vital role in supporting our business operations. These suppliers encompass various aspects of our supply chain, including upstream and downstream partners, manufacturers of both hard and soft goods, as well as an offshore team based in the Philippines. Additionally, we engage with other service providers who assist us in various areas such as marketing, technology providers, and more.

We separate our business operations into five segments - HQ, Offshore, Retail, Sourcing and Manufacturing and Supply Chain.

We have recognized that prioritizing people and culture is paramount to our business. Our aim is for every action and decision to be centered around people. In addition to being honored as one of the 2023 Great Places to Work in Canada, we have also been acknowledged for having one of Canada's Most Admired Cultures. We believe it's crucial for this focus, along with our core values, to permeate throughout our operations and partnerships.

Analysis of Modern Slavery Risk

Monos has dedicated efforts to thoroughly vetting our key suppliers to confirm the presence of robust anti-slavery practices that permeate throughout our supply chain. We maintain ongoing vigilance over our partners, with many on-site visits conducted to personally assess their operations. These visits have not only allowed us to monitor practices firsthand but have also fostered strong and trusting relationships with our partners.

HQ & Retail

Monos currently has 55 people at the corporate office and a further 8 people in retail.

From the outset, our hiring and selection process prioritizes fairness and places a strong emphasis on diversity. We've integrated a video interviewing platform enabling us to interview every applicant, rather than solely focusing on those with outstanding resumes.

At Monos, prioritizing people means placing significant emphasis on our onboarding process. Upon joining the company, employees receive a comprehensive handbook, which they are required to review before their first day. This handbook meticulously outlines all our policies and provides essential information for a successful employment experience at Monos and an expectation of behaviours.

Our People & Culture team serves as the initial point of contact, ensuring that all employees, whether at headquarters or in retail, are familiar with the team and understand how and when to reach out to them.

We conduct our business operations with fairness, integrity, and transparency. It is mandatory for all Monos employees to adhere to these principles, which are regularly emphasized by our C-suite across the organization. Any employees who feels they are not treated with respect, fairness, or integrity have the option to confidentially communicate with our People & Culture team. Additionally, we offer a third-party whistleblowing integrity line for employees to report any concerns.

We conduct two confidential employee satisfaction surveys per year which really helps us understand our areas of opportunity and areas of strength as well as People & Culture conducts 1:1 confidential meetings per year to hear from employees directly.

We prioritize our expectations regarding employee conduct, firmly addressing discrimination, harassment, bullying, and abuse. Our zero-tolerance policy toward these behaviours mandates immediate termination for any violations. Employees are required to sign copies of the handbook and policies, affirming their commitment to these requirements. Annually, we prioritize specific areas of our business to uphold fairness and compliance standards. We engage a third-party firm to conduct a thorough assessment to ensure pay equity across both our headquarters and retail operations.



Offshore

Our offshore workforce is managed by a third-party agency that assists Monos with the human resources administration (recruitment, payroll and terminations) whilst Monos supports with all training and onboarding.

Currently, we have 43 employees based in the Philippines, handling Customer Happiness services on behalf of Monos as well as two employees supporting Supply Chain, four employees supporting creative/marketing production, three employees supporting influencer marketing and one employee supporting accounts payable in the finance team. We maintain close engagement with each of these team members through weekly Zoom meetings and annual performance evaluations to ensure they feel integrated into the Monos North America team.

All recruits for our Philippines team are 18 years old or above, meeting legal employment criteria, verified with two government-issued IDs during the hiring process.

Although these agents are contracted through the agency, we conduct interviews with them prior to onboarding to ensure alignment with our values. Our headquarters team also makes annual visits to the Philippines team to nurture strong relationships.

Our offshore employees work full-time, with a standard 40-hour workweek. Any additional hours are compensated at double the regular rate to incentivize and exceed regulatory standards. We also ensure compensation for statutory holidays, providing 8 hours of pay plus additional hours worked.

Our offshore teams receive three weeks of paid vacation and five sick days annually. Timekeeping and leave are meticulously tracked by the consulting company and our HRIS BambooHR to ensure fair and accurate compensation. While offshore employees typically work remotely, we cover co-working space expenses if preferred. Monos maintains direct communication with all employees through the consulting company, including performance discussions, grievances, and investigations.

The offshore team was visited in person in March 2024 by the Monos team.



Sourcing & Manufacturing

Monos partners with 10 tier 1 vendor partners. 4 of these are luggage and bag partners, 2 are fabric and trims partners, 2 are luggage parts manufacturers and one is for packaging. We also have 1 partner in Canada who we partner with for clothing. From these 10 tier 1 partners, our Monos team has visited 7 of them in the last year on site in China. Our Monos team has direct contact with each of these partners on a very frequent and consistent basis.

We have employed one on the ground employee at a senior level (Director, Sourcing & Manufacturing) who has worked with our leadership team not only at Monos but in businesses prior. This team member has a very clear understanding of the expectations that we have not only for sourcing and producing the highest quality goods but also cultural expectations and expectations that we have in all of our partnerships. This employee speaks the local language, he selects and visits our tier 1 partners frequently.

Monos employs 11 individuals based in China, including our Director of Sourcing & Manufacturing and a complete team of Quality Specialists. We prioritize treating these teams as integral parts of our headquarters. Last year, Monos arranged for the team to visit Disneyland, fostering connections and ensuring they felt adequately supported.

We deliberately uphold a streamlined and carefully selected supply chain, evaluating all potential suppliers based on financial stability, reputation, as well as their adherence to human and labour rights standards. As a result of our extensive due diligence, we have not found any risks of forced labour or child labour in the operations of our sourcing and manufacturing partners. Below is a breakdown of our sourcing and manufacturing partners.

Partner 1: Luggage Manufacturer

There are 68 employees working in the office, and an additional 280 employees are stationed at the factory location in China. The factory has been in operation for 23 years.

Monos last visited the site in November 2023 and maintains frequent communication with this group.

Our luggage manufacturing partner has obtained WRAP certification for 2024, which signifies adherence to safe, humane, and ethical manufacturing standards. Monos has been provided with a copy of this certification.

Partner 2: Apparel Manufacturer

There are 5 employees working in the office, and an additional 16 employees are stationed at the factory location in Vancouver, Canada. Monos last visited the site in February 2024 and maintains frequent communication with this group.

Our apparel manufacturing partner produces the product in their factory in Vancouver, Canada, while all fabrics and materials are sourced from China. This partner conducts regular audits with their fabric suppliers and maintains documentation to support these audits. All employees are hired in compliance with local labor laws regarding citizenship and age, as SIN numbers are required during the hiring process, along with employment documentation. Copies of employee contracts are kept on file by the partner.

Currently, one staff member is sponsored through the temporary foreign workers visa program, and the partner is in the process of employing more staff through this avenue. WorkSafe BC conducts regular audits with this partner to ensure safe working conditions for employees. To date, there have been no issues related to workplace safety.

Partner 3: Luggage Manufacturer

There are 37 employees based in the office, with an additional 400 employees situated in the factory, all located in China. Monos last visited the site in March 2023.

Established in 2010, this factory is a privately-owned enterprise specializing in luggage design, development, production, and sales. It houses production lines within its premises. The partner has been certified by Sedex Members Ethical Trade Audit Report.

Monos has obtained copies of the Sedex Members Ethical Trade Audit Report, along with their policies regarding non-compulsory work control programs and child labor policies. The partner ensures compliance with laws and regulations concerning working hours, salaries, and holiday work, and maintains copies of their salary management and control program policies.

The partner provides avenues for employees to express opinions and concerns through complaint channels, such as employee opinion collection boxes or with the assistance of trade union representatives. Additionally, all workers are provided with employment contracts in their native language, and clean and safe accommodation is offered to employees.

Partner 4: Luggage Manufacturer

Haimen Office: 35 Employees

Shanghai Office: 56 Employees

Haimen Factory: 323 Employees (4 years old)

Shanghai Factory: 174 Employees (24 years old)

Monos last visited the sites in March 2023. This partner serves as one of Monos's primary luggage manufacturers, located in Shanghai and Haimen. The Haimen facility, a newer establishment, comprises of four assembly lines for zipper suitcases and two for frame suitcases.

In contrast, the Shanghai factory, operational for 24 years, features two assembly lines for zipper suitcases and one for frame suitcases. While the Shanghai factory underwent a Sedex Members Ethical Trade Audit Report on November 1, 2023, the Haimen facility is yet to undergo certification. Partner 4 sources materials from Chinese suppliers located in Shanghai, Guangdong, and Zhejiang.

Regarding employee hiring, this supplier meticulously verifies all employee IDs to ensure legal working age compliance. New hires undergo a probationary period before securing permanent employment. They diligently adhere to employment laws, ensuring any overtime is mutually agreed upon and not coerced. Employment contracts are provided to employees in their native language for clarity and compliance.

At the Haimen location, accommodation is offered to workers, whereas it is not provided at the Shanghai site. Accommodations undergo regular safety and cleanliness checks. Health and safety inspections are conducted routinely, with a dedicated security patrol officer ensuring factory premises safety.

Employees are aware of their option to address grievances to the administration, which conducts thorough investigations.

Partner 5: Bags & Luggage Manufacturer

This partner has 33 people in the office and 181 employees in the factory. They have two factory locations in China which have recently been set up.

The first is 3 years old whilst the second has been set up within the last year each with two production lines. This partner is certified for ISO 9001 audits. They purchase most of their materials from designated suppliers who they audit annually however no third party audits have been conducted.

ID checks are required to ensure employees are of minimum working age when joining the company. Contracts are provided in the employees native language and employees are hired and employed following all labour laws- hours of work, pay and time off. They have a policy that any employee relation issues are dealt with within 24 hours of an issue being raised by the supervisory committee.

All workers are permanent and are offered clean and safe dormitories to reside in. They are provided with bucket water, a canteen for meals and medical coverage.

Monos has regular contact directly with this supplier and they were last visited by Monos in November 2023.

Partner 6: Bags & Luggage Parts Manufacturer

Monos conducted a site visit to this partner in November 2023. Located in China, this partner consists of 90 employees at the office level and 200 in the factory, boasting six assembly trolley lines and four wheel assembly lines.

Recognized for their ethical practices, the partner holds ISO9001 and SA8000 certifications, endorsing ethical sourcing and fair trade initiatives. While they source aluminum materials from China and plastic materials from China Mainland and Taiwan, they are in the process of implementing audits to ensure compliance with anti-slavery standards starting this year.

Additionally, the partner has undergone audits to verify adherence to labor practices, resulting in ISO14001:2015 and GRS certifications. Their HR team oversees hiring procedures, ensuring compliance with labor laws such as hiring above the minimum age of 16, providing weekly days off and statutory holiday leave, and ensuring timely wage payments. Employment contracts are provided in Chinese for clarity.

The partner provides accommodations in two buildings, maintaining cleanliness and offering fresh water, key access, and access to a dining hall for employees. Furthermore, all workers are covered by social medical insurance, provided by the company.

Partner 7: Water Bottle Manufacturer

In the office, there are 5 employees, and an additional 20 employees work in the factory, all located in China. Monos last visited the site in October 2022.

Established in 2011, this partner specializes in stainless steel insulated water bottles, vacuum flasks, cups, kettles, mugs, and tumblers, operating with 5 production lines. All materials are sourced from China, and independent audits with suppliers are not conducted to ensure compliance with all standards. The supplier strictly adheres to labor laws, policies, and regulations, refraining from employing children and controlling overtime hours.

Monos acknowledges the opportunity to visit this partner to confirm adherence to all standards.

Workers are ensured freedom in their work and protected from exploitation, facilitated by a complaints box checked weekly. The partner follows all employment laws and provides employees with contracts in their native language.

The factory premises are patrolled 24/7 by security personnel for safety. The offices undergo weekly cleaning and health and safety inspections. Accessible 24/7, fresh water is provided to employees, along with clean accommodation.

A canteen offers breakfast, lunch, and dinner, with sleeping areas available for two employees to rest at one time. Additionally, the partner offers employees physical health exams and provides medical insurance for all.

Partner 8: Zipper Manufacturer

Location 1 employs 365 individuals, while Location 2 has 407 employees. They have garnered recognition from a third party for their ethical sourcing and commitment to fair trade practices, as evidenced by their adherence to SLCP and SMETA audits.

Their supplier auditing process ensures that ethical standards are upheld, with a strict prohibition against the use of child or forced labor anywhere in their supply chain. Suppliers seeking partnership must sign a social responsibility commitment letter as a prerequisite. In alignment with their recruitment policy, all employees must be at least 16 years old, and once hired, the partner strictly adheres to employment laws, including regulations pertaining to working hours and leave entitlements. Furthermore, employees receive contracts in their native language for clarity and comprehension.

The partner ensures employee well-being by providing accommodation, conducting frequent safety inspections, and organizing annual fire drills. Each floor is equipped with a water dispenser, and accommodation cleaning services are arranged regularly. Additionally, employees have access to a whistleblowing system, providing them with a reliable avenue to report any concerns or grievances.



Supply Chain

Our Monos supply chain encompasses various components, including production, procurement, logistics, inventory management, and fulfilment, all of which support our direct-to-consumer business model.

In certain cases, we opt for air shipping to expedite delivery times, although sea freight from China is typically our preferred method. Upon arrival, we collaborate with eight third-party logistics companies located across North America, the UK, and Australia.

Within the past year, Monos has visited two of these partners. We maintain direct contact with each of them and remain in regular communication.

We recognize the potential risk of modern slavery within our supply chain, particularly concerning our logistics partners, as we do not have direct ownership or frequent exposure to their operations. To mitigate this risk, we prioritize responsible supplier selection and uphold stringent procurement practices throughout our operations.

Partner 1: 3PL

This international freight broker partner assists Monos in arranging shipments via sea and air throughout Canada and the US. Based in Vancouver, BC, near Monos's corporate headquarters, Monos conducted an on-site visit to this partner in January 2024.

While the site has been visited, it was not specifically for the purpose of reviewing fair practices. Therefore, it is recognized that more effort is required to thoroughly review compliance with anti-slavery measures in all areas.

Partner 2: 3PL

Location: Mexico

Monos has not physically visited this 3PL location but maintains direct communication with this partner and regularly engages with them.

According to the information provided by the partner, they adhere to the Ethical Trading Initiative's (ETI) base codes to uphold ethical standards. Additionally, they comply with local labor laws, employing individuals of legal age under at-will contracts and identifying as an equal opportunity employer. They refrain from discrimination based on race, religion, color, or any other protected class. To ensure comprehension, offer letters and onboarding documents are presented in Spanish.

In cases of labor standard non-compliance, thorough investigations and corrective measures are conducted in collaboration with their legal team. During the peak period from October to January, the company hires seasonal workers, maintaining all employment records in an HRIS system in accordance with federal and state laws.

Partner 3: 3PL

This partner has locations in Washington, BC, Utah, Ontario and Tennessee. They have been in business for over 30 years. Due to its extensive global presence, Monos has not conducted a site visit to this partner's facilities but maintains frequent communication with them for operational purposes.

They have 300 employees with operations in US and Canada. They have 6 distribution centres.

Partner 4: 3PL

Location: Australia

Monos conducted a visit to this site in November 2022. The provider has issued a Modern Slavery Statement, and all of their tier 1 suppliers, primarily freight carriers, have also published Anti-Slavery and Human Trafficking statements.

They have diligently performed their due diligence from the commencement of employment.

Their hiring process mandates proof of identity during onboarding, ensuring legal age employment. Recruitment practices are founded on merit-based selection, and the employment contract, along with company policies and procedures, furnish information for grievance handling.

Partner 5: 3PL

This partner operates a facility in Milton Keynes, UK, which was visited by Monos in 2023. As a UK-based facility, they have implemented an anti-slavery policy. Their operations include a central B2C warehouse and distribution hub with approximately 30-50 employees.

The partner maintains a strict policy against employing individuals under the age of 18, which is verified through government-issued ID checks. They maintain close relationships with their suppliers, with anti-slavery provisions included as standard clauses in UK contracts to ensure compliance.

An HR team is in place to oversee employee relations and ensure workplace satisfaction. They adhere to labor laws and provide all staff with a comprehensive company handbook outlining regulations and policy expectations.

Partner 6: Freight Forwarder

This logistic partner has over 56,000 employees worldwide in over 104 countries. Monos relies on this company for transportation of our containers carrying finished goods from China to our warehousing facilities where product is stored until ready for delivery.

Being such a large global company, Monos has not visited this partner for a facilities and site check but is in frequent contact with them for operational purposes.

Partner 7: Streamline

This logistics partner boasts a workforce of over 22,000 employees worldwide, operating in more than 144 countries. Monos depends on this company for ocean freight services, transporting goods from China to our warehousing facilities where products are stored until ready for delivery.

Due to its extensive global presence, Monos has not conducted a site visit to this partner's facilities but maintains frequent communication with them for operational purposes.

Partner 8: Streamline

This logistics partner operates globally, serving clients in over 113 countries. Monos depends on this company to transport containers carrying finished goods to the warehousing facility.

Despite its expansive global reach, Monos has not conducted a site visit to this partner's facilities but maintains regular communication with them for operational needs.

Partner 9: Logistics Partner

With a workforce exceeding 13,000 across Canada and annual revenue surpassing a billion dollars, Monos depends on this company to deliver products to our customers promptly and efficiently.

Despite being a sizable global entity, Monos has not yet visited the facilities of this partner.

Partner 10: Wholesale Partner

A longstanding fashion retailer with over a century of experience, currently boasting 93 retail outlets, operates across the United States. Monos has forged a partnership with this retailer to showcase Monos luggage in a select number of their stores.

Despite being a major global entity, Monos has yet to visit the facilities of this partner. However, it's worth noting that the partner is based in North America and adheres to all relevant employment laws in the states where they operate.

Monos Policies

Monos has implemented some key policies aimed at prohibiting and preventing modern slavery and human trafficking within our business

- Global Code of Conduct
- Diversity, Equity and Inclusion
- Accessibility and Accommodation
- Human Rights
- Non Discrimination
- Harassment or Abuse
- Modern Slavery Prevention Policy
- Employer Pay Principles
- Health, Safety and Environment
- Hours of Work
- Code of Ethics

Training

We're presently enhancing our training program to provide comprehensive training beyond the introductory level offered during onboarding. Our aim is to ensure that our employees possess the knowledge and skills to identify and report instances of modern slavery within our organization.

The training topics will include:

- Understanding Modern Slavery
- Recognizing indicators
- Legal and ethical obligations
- Reporting procedures
- Continuous Improvement
- Scenarios

Due Diligence

Monos intentionally keeps all operations tightly controlled so that we can maintain personal relationships with our partners at all times and throughout our operations. Our fundamental strategy for mitigating supply chain risk revolves around forging enduring partnerships with suppliers who align with our values. We are convinced that continual engagement allows us to gain insight into on-the-ground issues, foster robust relationships with suppliers, promote transparency, and work collaboratively to tackle challenges proactively.

Monos will mandate all tier 1 partners to execute a Vendor Compliance Agreement, a legally binding contract that delineates the terms of engagement with Monos.

Recognizing that policies alone are insufficient safeguards, we will continue to enforce to Monos employees to fully comprehend our zero-tolerance stance against forced labor, child labor, trafficking, discrimination, and harassment.

Our Monos headquarters teams conduct annual visits to our factories, third-party logistics facilities, and offshore teams to ensure direct interaction with all primary partners.

Monos has built a comprehensive list of vendors that we partner with on a tiered basis. Over the next 18-24 months Monos will put emphasis on ensuring we are fully compliant with our Tier 1 vendors. We have identified areas of opportunity to ensure we are following best practices. Our 2025-2026 onwards plan will be to ensure best practices are implemented in our tier 2 onwards partners.

Remediation Measures

Monos recognizes that any forced labour or child labour found in an organization's business or supply chain should be addressed on a first priority basis. To date, we have not identified any instances of forced labour or child labour in our business or supply chain, therefore no remediation measures have been needed.

Assessing Effectiveness

Monos maintains a strict zero-tolerance policy towards forced labor, human trafficking, child labor, discrimination, and harassment in all aspects of our operations. We prioritize human rights, and address discrimination and harassment rigorously at every level of our organization. We expect full compliance with these principles from everyone associated with Monos, including our Board of Directors, employees, third-party partners, and operations, with a steadfast focus on these matters.

To date, we have not taken any actions to assess the effectiveness of our actions in preventing and reducing risks of forced labour and child labour in our business operations and supply chains. Going forward, we will assess the effectiveness of our actions by:

- Tracking relevant performance indicators, such as the percentage of employees trained, the number of cases reported and resolved, the number of suppliers assessed for forced/child labour risk, the number of contracts containing anti-forced and -child labour clauses
- Periodically reviewing our policies
- Working with suppliers to measure the effectiveness of our actions

Our Board of Directors reviews all of our governance once a year ensuring all of our programs, policies and practices are in compliance and they hold the entire Monos team accountable to upholding standards.