

# Entreprises Nolk Inc. Report on Bill S-211 (the “Act”)

## An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff

### Description of Entreprises Nolk Inc.’ s Activities, Structure and Supply chain

Entreprises Nolk Inc. (hereinafter “Nolk”) is a corporation which operates in retail trade and is headquartered in Saint-Bruno-de-Montarville, Québec, Canada. Nolk is a steward for e-commerce brands. Nolk finds growing direct-to-consumer businesses selling goods and helps them scale. Nolk’s organizational structure follows a departmentalization framework. Nolk operates within the geographical boundaries of Canada and engages in commercial activities within and outside of the Canadian territory. Nolk possesses financial and physical assets situated within Canada.

Nolk has 11 subsidiaries, none of which meet any of the requirements individually for the Act, as they are not entities within the meaning of the Act. The supply chain of Nolk’ s subsidiaries is located in Canada, the United States, Sweden, Italy, China.

Nolk engages in the production of goods through its subsidiaries, which includes manufacturing and processing activities. Nolk is involved in the sale and distribution of goods, facilitating transactions where products are exchanged for monetary value. To do so, Nolk imports goods into Canada that have been produced outside of Canadian borders. Therefore, Nolk is considered an entity for the purposes of the Act and meets the criteria of section 9 of the Act. Nolk checks the following two conditions of the Act:

- \$20 million or more in assets
- \$40 million or more in revenue

In the last two financial years, Nolk had less than 250 employees, with 127 employees as of the time this report was signed.

The entity is not subject to reporting requirements under supply chain legislation in another jurisdiction.

## Policies, Measures and Due Diligence Processes regarding Forced Labour and Child Labour

To prevent forced labour and child labour within its operations and supply chain, Nolk has implemented policies and due diligence processes through the code of conduct and frequent audits specifically addressing this issue. Nolk has integrated responsible business conduct principles into its policies ensuring that ethical labor practices are upheld across all aspects of its operations.

The following steps have been undertaken by Nolk in the previous financial year to prevent and mitigate the risk of forced labour or child labour at any stage of the production process, both within Canada and internationally, including the importation of goods into Canada by Nolk.

The measures are as follows:

- Nolk has conducted an internal assessment to evaluate the risks associated with forced labour and/or child labour within its operations and supply chains.
- Nolk engaged independent third-parties to perform external assessments of the risks related to forced labour and/or child labour within its operations and supply chains. The audits happen frequently and all tier 1 suppliers are subject to them.
- Nolk has gathered comprehensive information on its worker recruitment processes and has established robust internal controls to ensure that all workers are recruited voluntarily. The code of conduct shared with suppliers ensures that no forced labour and/or child labour will be employed.
- Nolk requires all suppliers to establish and enforce their own policies and procedures aimed at identifying and prohibiting the use of forced labour and/or child labour within their operations and supply chains.
- Nolk has developed and implemented stringent anti-forced labour and anti-child labour standards and codes of conduct.
- Regular audits of suppliers are conducted to verify their compliance with Nolk's anti-forced labour and anti-child labour policies.
- Nolk maintains continuous monitoring of its suppliers to ensure ongoing adherence to anti-forced labour and anti-child labour standards.

From previous audits and monitoring of its suppliers, Nolk has no cause to believe that forced labour and/or child labour is present in its supply chain. Nolk will continue to monitor compliance with its anti-forced labour and anti-child labour standards and improve its policies.

## Identification of Risks of Forced Labour or Child Labour

Nolk acknowledges that while efforts have been made to identify potential risks of forced labour or child labour within its activities and supply chains, there are still areas where assessments remain incomplete or require further scrutiny. Nolk is committed to addressing these gaps and enhancing its risk identification processes to ensure comprehensive coverage and effectiveness in mitigating the risk of forced labour or child labour.

## Measures Taken to Remediate Loss of Income to Vulnerable Families

Nolk confirms that no instances of loss of income to vulnerable families have been identified as a result of measures taken to eliminate the use of forced labour or child labour within its activities and supply chains. Therefore, no specific measures for remediation in this regard have been undertaken.

## Training on Forced Labour and Child Labour to Employees

Nolk provides training to its employees regarding forced labour and child labour. This training aims to educate employees on the signs and risks associated with these issues, and promote a culture of ethical conduct and compliance. However, the training provided on forced labour and child labour is not mandatory; it is available for employees who wish to participate voluntarily.

## Assessing Effectiveness in Preventing Forced Labour and Child Labour

Nolk has established policies and procedures to evaluate its effectiveness in preventing the use of forced labour and child labour within its activities and supply chains. These policies and procedures are designed to monitor compliance, identify areas for improvement, and ensure ongoing adherence to ethical labor practices. Nolk conducts regular reviews or audits of its policies and procedures concerning forced labour and child labour.

## Approval and 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 Nolk Entreprises Inc. 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, Alexandre Renaud, Chief Executive Officer, have the authority to bind Entreprises Nolk Inc. and I have signed on:

Date: May 30, 2024

Signature:

A handwritten signature in black ink, appearing to be 'A. Renaud', written in a cursive style.