



Modern Slavery Report
Roots Corporation and its subsidiary Roots International ULC
For the period January 29, 2023 to February 3, 2024 (“Fiscal 2023”)

1. Introduction

Since its founding in 1973, Roots has been a manufacturer as well as a retailer. Roots operates a leather factory in Toronto, Canada which produces most of the leather goods we sell. Our 50-year heritage as a product maker provides us with a true understanding of the skill, craft and effort involved in the production process, and the importance of supporting the workers that make our products.

Roots is committed to ensuring that the people who make our clothes are treated fairly. Roots has implemented a social responsibility program which is aimed at identifying, preventing and reducing the risk of forced labour (including modern slavery and human trafficking) and child labour in our supply chain, and protecting and promoting healthy and sustainable working conditions.

Roots has had a strong and long track record of ensuring ethical standards across its supply chain, both in support of our retail business as well as wholesale and licensing partners with high social compliance standards, including professional sports leagues, entertainment companies and a variety of prominent global retailers. As industry standards have evolved, Roots has periodically revisited its approach. In 2017, we required that vendors provide social compliance audits from internationally recognized independent third party firms, and demonstrate social compliance on an annual basis. Roots joined the Fair Labor Association (“FLA”) as a participating member in 2022. The FLA is a multi-stakeholder initiative and international network of companies, universities, and civil society organizations collaborating to ensure that millions of people working at the world’s factories and farms are treated with dignity and respect, protected from risks of forced and child labour, and that their health, safety, and well-being is ensured. We are proud to be pursuing FLA accreditation, a process which verifies that Roots has systems in place to improve conditions for manufacturing workers in our global supply chain, based on FLA’s principles for responsible sourcing and international labour standards. Our work with the FLA means that we are a part of a coordinated global movement to protect millions of workers throughout international supply chains.

This Modern Slavery Report (“Report”) describes our structure, activities and supply chains; policies, practices and due diligence processes in relation to forced labour and child labour; forced labour and child labour risks and our risk assessment and management framework; and the steps we have taken to prevent and reduce the risk of forced labour and child labour and our efforts to ensure the protection of worker rights as outlined in our published Vendor Workplace Code of Conduct and Supplemental Expectations.

The Report has been approved by the Board of Directors of Roots Corporation in connection with the activities of Roots Corporation and its wholly owned subsidiary Roots International ULC, whose activities are also addressed by this Report. The Report is intended to comply with *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* (Canada), the *California Transparency in Supply Chains Act* (California, USA), *The Modern Slavery Act* (United Kingdom) and the *Modern Slavery Act 2018* (Australia).

2. Structure, Activities and Supply Chains

a. Structure

Roots Corporation is a publicly traded Canadian corporation headquartered in Toronto, Ontario. Roots Corporation does business as “Roots” and “Roots Canada”. Roots International ULC, a wholly owned subsidiary of Roots Corporation, is engaged in trademark licensing and distribution of Roots merchandise outside of Canada, including in connection with Roots’ wholesale business in Asia. This Report applies to both entities.

More information about Roots’ structure may be found at investors.roots.com or Roots’ profile on SEDAR+ at www.sedarplus.ca.

b. Activities

Roots is a global brand with over 100 corporate retail stores in Canada, two stores in the United States, and an eCommerce platform, roots.com. We have more than 100 partner-operated stores in Taiwan, and we also operate a dedicated Roots-branded storefront on Tmall.com in China. We design, market, and sell a broad selection of products in different departments, including women’s, men’s, children’s, and genderfree apparel, leather goods, footwear, and accessories. We also wholesale through business-to-business channels and license the brand to a select group of licensees selling products to major retailers such as Costco and Amazon.

As at February 3, 2024, we had 1,824 employees (including active employees and inactive employees, but excluding seasonal employees), of which 1,395 were employed in our stores, 270 were employed at our head office, 101 were employed at our leather factory and 58 were employed at our distribution facility.

More information about Roots’ activities may be found at investors.roots.com or Roots’ profile on SEDAR+ at www.sedarplus.ca.

c. Supply Chains

Most of Roots’ leather products are made in our factory in Toronto, Canada. In addition to manufacturing the majority of our leather goods in this factory, we enter into direct relationships with third-party finished goods facilities in Canada and around the world to procure apparel and accessories. The raw materials in our products are primarily comprised of cotton, polyester, man-made cellulose, wool, down, acrylic and trims (i.e., zippers and buttons). Typically, finished goods facilities with whom we contract purchase raw materials on our behalf, however in some cases, Roots nominates its own raw materials for use by finished goods facilities. Currently, we have business relationships with more than 100 third-party vendors in North America, Asia, Europe and South America that supply products to us. In Fiscal 2023, our top ten vendors, outside of our own leather factory, accounted for approximately 69% of our total inventory purchases. The tenure of our relationships with our top ten vendors averages over 10 years.

3. Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour

a. Policies

i. Vendor Workplace Code of Conduct

Roots recognizes its responsibility to all of its stakeholders including workers in our supply chain. Roots' most important principles are summarized in our Vendor Workplace Code of Conduct (the "Code"). The Code lists the basic requirements for vendors and vendor factories doing business with us, which requirements include prohibiting forced labour (including prison labour, indentured or bonded labour, or labour under government compulsion that is part of an assimilation program) and child labour, complying with local laws, and paying fair wages.

Our Code is directly distributed to all vendors and their factories and with specialty vendors with whom we maintain a relationship. Each vendor must certify compliance with the Code, and the Code forms part of our binding agreements with vendors. In addition, each vendor must execute a separate forced labour affidavit that certifies that its facilities and commercial partners in their supply chains do not use forced labour or child labour of any kind. The Code is also applied to our own leather factory. Companies that license our brand to manufacture and distribute products to retailers must also certify that their supply chains comply with our Code.

The Code has been translated into 11 languages and each vendor factory is required to post the Code in their local language at accessible locations so that all workers can read it. Additionally, the factories are required to ensure all workers are aware of the core elements of the Code that apply to their work environment. The Code includes a link to an ethics and compliance portal in which workers employed by Roots or by vendors can anonymously raise grievances or other concerns directly to Roots.

The Code is available at <https://www.roots.com/ca/en/roots-vendor-code-of-conduct.html>.

The ethics and compliance portal is available at <http://opendoor.roots.com>.

ii. Supplemental Expectations

In support of the core requirements provided in the Code, Roots has developed more detailed Supplemental Expectations with the support of the FLA. The purpose of the Supplemental Expectations is to provide better guidance to our vendors' factories on what it means to meet the core expectations of the Code. Furthermore, the Supplemental Expectations form the basis under which we evaluate the performance of each vendor factory using our third-party assessment system.

The Supplemental Expectations are available at <https://www.roots.com/ca/en/roots-vendor-code-of-conduct.html>.

iii. Critical Issues Policy

Our goal is to work with vendors that are willing and able to continuously improve working conditions for their workers. While all of Roots' expectations are important, taking a stance on critical issues is important because these may have an immediate and severe impact to the rights and safety of an individual. Discovery of any critical issues – which are defined to include forced labour, child labour, and other serious labour and health and safety concerns – will automatically result in a failed assessment, and therefore no possibility of a vendor producing Roots' products as long as the critical issue(s) remain. However, where possible and in support of any workers affected, Roots will diligently engage the applicable vendor to develop and

implement a sustainable remedial action plan. Roots will only permanently exit a vendor in these circumstances when they are unable or unwilling to remediate.

iv. Responsible Purchasing Practices

Roots understands that sales, design, development and production timelines and processes all impact workers. Accordingly, Roots has implemented a Responsible Purchases Practices (RPP) policy designed to ensure that costing, lead-times, and capacity planning processes do not have negative impacts on workers. The RPP policy is intended to support vendors' ability to meet the Code, Supplemental Expectations, and other requirements.

v. Employee Code of Conduct

Roots maintains an Employee Code of Conduct, which requires that employees act lawfully and ethically. Roots' Employee Code of Conduct is available at: <https://investors.roots.com/governance/governance-documents/default.aspx>. Roots maintains internal accountability standards and procedures for employees failing to meet its Employee Code of Conduct.

b. Due Diligence Processes

i. Internal Risk Assessment

Roots has an established process for onboarding vendors, which includes conducting a thorough risk assessment that evaluates, among other factors, the risk of forced labour and child labour in the country of manufacture. Following onboarding, Roots continues to monitor risks associated with vendors and countries of manufacture, and Roots conducts regular assessments of vendors based on risk profiles.

ii. Third Party Audits

Prior to onboarding vendors, and during the course of Roots' relationships with vendors, Roots conducts audits of vendor practices to ensure compliance with local laws and Roots' requirements. Roots only uses local, professional, independent, third-party assessors to conduct such audits. The type and frequency of audits are based on a variety of risk factors, including risk factors associated with the jurisdiction in which the vendor operates and prior assessment performance (where applicable). Onsite audits, which may or may not be announced, must include confidential worker interviews, review of documentation and records, and visual inspection of safety conditions.

Roots has adopted a policy that outlines the operational expectations of third-party auditors with respect to assessment type, coordination, time allocation, record review, worker interviews and meetings with management, reporting and record keeping. The purpose is to ensure consistent and credible performance of auditors in line with Roots' requirements.

iii. Non-Compliance Remediation

Audits may reveal social compliance deficiencies that need to be corrected in the form of a Corrective Action Plan ("CAP"). Upon receipt of a CAP, each factory will be provided with a specific time period in which to respond to each outstanding issue with an action plan. Roots will seek CAPs that: address the immediate and root cause of the issue directly; are realistic and pragmatic; include a management system plan to ensure the issue does not reoccur; designate a responsible person within the vendor organization to be responsible for execution on the CAP; and include an appropriate timeline for action.

In the event that a vendor does not cooperate with the remediation process in a sincere and timely manner, the matter will be escalated to Roots' management. Noncooperation related to remediation may be grounds for termination of the business relationship.

4. Steps Taken in Fiscal 2023 to Prevent and Reduce the Risk that Forced Labour or Child Labour is Used at Any Step of the Production of Goods in Canada or Elsewhere by Roots or of Goods Imported into Canada by Roots

In Fiscal 2023, Roots:

- Updated our Code and translated it into 11 languages with a verified requirement that it be posted for workers;
- Required forced labour affidavits to be executed in addition to our Code;
- Implemented Supplemental Expectations to the Code with the support of the FLA, which Roots joined as a participating member in 2022, to provide guidance to vendors on what it means to meet the Code;
- Implemented a Responsible Purchasing Practices framework, which is aimed at ensuring Roots' costing, lead-times, and capacity planning decisions do not have negative impact on working conditions in the supply chain;
- Conducted employee training on our policies and practices;
- Conducted vendor and factory training on our policies and practices; and
- Conducted a factory mapping exercise of sub-tier suppliers in high-risk sourcing countries.

These changes are aimed at further reducing the risk that forced labour and child labour is used in Roots' supply chain.

5. The Parts of Roots' Business and Supply Chains that Carry a Risk of Forced Labour or Child Labour Being Used and the Steps Taken to Assess and Manage that Risk

According to the International Labour Organization, 27.6 million people were in forced labour worldwide in 2021.¹ A report by the US government found that cotton and garments represented some of the goods with the most forced labour and child labour listings by number of countries.² Given the potential presence of forced labour and child labour in sectors involved in the apparel supply chain, we understand the need for heightened vigilance in vendor factory selection and assessments.

The steps that Roots takes with respect to assessing and managing the risk of forced labour or child labour in our supply chains are described in Section 3 of this Report, but are summarized as follows:

- Review proposed country/region of manufacture to determine risks of forced labour, child labour, and related issues.
- Examine available documentation.
- Determine which type of assessments are required based on the nature of the vendor relationship with Roots (i.e., new vendor or historic vendor), and engage professional, third-party monitoring firm providers.
- Conduct analysis, audit results and provide scoring to the vendor.

¹ International Labour Organization, *Global Estimates of Modern Slavery: Forced Labour and Forced Marriage*, https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_854733.pdf.

² United States Department of Labor, *2022 List of Goods Produced by Child Labor or Forced Labor*, https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2021/2022-TVPR-List-of-Goods-v3.pdf

- If applicable, engage with the vendor on corrective action plan and track compliance with corrective action plan.
- Determine frequency of future assessments and/or other engagement activities based on identified risk factors.

Roots has taken steps to align its risk assessment and mitigation activities with best practices, and expects that its processes will continue to evolve in response to identified risks.

6. Any Measures Taken to Remediate any Forced Labour or Child Labour

Not applicable as Roots is not aware of any forced labour or child labour in its supply chain.

7. Any Measures Taken to Remediate the Loss of Income to the Most Vulnerable Families that Results from any Measure Taken to Eliminate the Use of Forced Labour or Child Labour in Roots' Activities and Supply Chains

Not applicable as Roots is not aware of any forced labour or child labour in its supply chain.

8. Training Provided on Forced Labour and Child Labour

a. Employees

Roots' employees responsible for maintaining vendor relationships are required to take part in social compliance training at least once per year. The goal of this training is to ensure employee understanding of the Code and Roots' Supplemental Expectations (including with respect to forced labour and child labour) and share best practices. Additional training is provided to employees responsible for maintaining vendor relationships about Responsible Purchasing Practices. Extensive documentation and resources are circulated and made available to employees in connection with this training.

b. Vendors

Representatives of vendors are expected to take part in Roots-led training at least once per year. The goal of this training is to ensure vendors understand Roots' expectations with respect to the Code and share best practices. Pursuant to Roots' Supplemental Expectations, vendors are also responsible for training workers on a variety of topics including their rights and how to engage grievance channels. The completion of such training is also verified during our onsite assessment process.

9. How Roots Assesses Effectiveness in Ensuring that Forced Labour and Child Labour are Not Being Used in its Business and Supply Chains

Roots' social responsibility program, which covers our efforts to identify and remediate any instances of child or forced labour, is evaluated by the FLA each year. The FLA validation process includes verification of a self-assessment that includes recommendations for continual improvement. In addition to the foregoing, the FLA also conducts spot visits to select vendor factories by an FLA direct assessment firm, provides approval for each remedial action plan, and posts such plans on their publicly available website.

10. Attestation

In accordance with the requirements of the *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* (the “Act”), and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the 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.

Meghan Roach
President and CEO, Board of Director, Roots Corporation
Date: May 27, 2024

Per: Meghan C. Roach
“I have the authority to bind Roots Corporation”






Modern Slavery Report (2023) - vF

Final Audit Report

2024-05-27

Created:	2024-05-27
By:	Michael Rosenstock (mrosenstock@roots.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAhc80wgdYYY1TWuZitLrDI1isbq_Blz2y

"Modern Slavery Report (2023) - vF" History

-  Document created by Michael Rosenstock (mrosenstock@roots.com)
2024-05-27 - 5:39:14 PM GMT
-  Document emailed to Meghan Roach (mroach@roots.com) for signature
2024-05-27 - 5:39:17 PM GMT
-  Email viewed by Meghan Roach (mroach@roots.com)
2024-05-27 - 5:40:05 PM GMT
-  Document e-signed by Meghan Roach (mroach@roots.com)
Signature Date: 2024-05-27 - 5:40:50 PM GMT - Time Source: server
-  Agreement completed.
2024-05-27 - 5:40:50 PM GMT