

Warehouse One Clothing Ltd.

2023 Modern Slavery Act Report

1. INTRODUCTION

This is the Modern Slavery Report (“**Report**”) prepared by Warehouse One Clothing Ltd. (the “**Company**” or “**Warehouse One**” or “**our**” or “**we**”) for its financial year ended February 24, 2024 (the “**Reporting Period**”), as required under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”).

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

In general terms, the steps Warehouse One has taken during the Reporting Period to prevent and reduce the risks of forced labour and child labour in its operations and supply chains includes the ongoing implementation and enforcement of the Company’s Vendor Code of Conduct. The Company’s Vendor Code of Conduct is used for specifically addressing forced labour and child labour, and for identifying and mitigating the use of forced and child labour in the Company’s activities and supply chains.

The Company also maintained the right to audit facilities and conduct factory inspections to assess prospective vendors and monitor existing vendors’ conformance to the Vendor Code of Conduct.

3. STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Structure

Warehouse One Clothing Ltd. is a privately held company, incorporated under the *Canada Business Corporations Act*, with registered offices in Vancouver, British Columbia. The administrative office and distribution centre for the Company is located in Winnipeg, Manitoba. The Company employs about 700 people and operates approximately 100 stores in all Canadian provinces, except Quebec.

Activities

The Company is a retailer of fashion merchandise, selling men’s and women’s casual clothing primarily to the Canadian marketplace through brick and mortar stores located in shopping malls or power centers across Canada, and via e-commerce website sales.

Supply Chain

The Company endeavours to maintain long term relationships with a trusted network of vendors, based on the principles of fair and honest workplace practices and adherence to the Vendor Code of Conduct.

Throughout the Reporting Period, the sourcing department at a related shared services entity was responsible for procuring merchandise. The Company's Sourcing function was consolidated during the Reporting Period to streamline operations and leverage vendor relationships across related entity retail banners.

Retail merchandise that is sold by the Company is sourced worldwide, with the majority being procured in Asia, and the remainder through North American vendors. Suppliers are selected according to a variety of criteria, including quality, reputation, timely delivery and compliance with the Vendor Code (described below).

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

Warehouse One strives to foster mutual respect and support among those involved in our activities and supply chains, and safety for all at every step of the process. The Company has robust due diligence processes and policies in place for on-boarding new vendors and managing existing vendor relationships, as described below.

Vendor Code of Conduct

Warehouse One requires that all vendors review and acknowledge full understanding of and compliance with our Vendor Code of Conduct ("**Vendor Code**"). The Vendor Code applies to vendors, as well as subcontractors that are engaged by vendors in the course of manufacturing products retailed and sold by the Company. The Company's sourcing team is responsible for ensuring that the Vendor Code is acknowledged by a vendor prior to engagement and also tracks compliance and re-acknowledgement.

The Vendor Code principles include:

- **Wages & benefits** – vendor must comply with applicable law or match prevailing local industry practices, whichever is higher; and must provide legally mandated benefits.
- **Working hours** – vendors not to exceed prevailing local work hours, except for appropriately compensated overtime.
- **Child labour** – use of child labour not permissible in the manufacture of our products.

- **Forced labour** – forced labour not permissible in the manufacture of our products.
- **Discrimination** – the Company will not engage vendors who discriminate in hiring, salary, benefits, advancement, discipline, termination, or retirement based on gender, race, religion, age, disability, sexual orientation, nationality, political opinion or social/ethnic origins.
- **Disciplinary practices** – vendors must treat every employee with dignity. The Company will not use Vendors who use corporal punishment or other form of mental or physical coercion.
- **Freedom of association** – vendors shall respect the rights of employees to free association and seek collective bargaining.
- **Health and Safety** - vendors shall provide a safe and healthy working environment to prevent accidents and injury.

The above principles must be posted in the vendor workplace, and must be visible and accessible to all workers.

Consequences for violations to the Vendor Code range from suspension of current activity to termination of working relationships with the vendor by the Company, at the Company's discretion.

Factory Inspections

Prior to engaging a new vendor, the Company requires a factory inspection to be performed in order to assess, among other things, the working conditions at a facility. These are typically performed by the Company in person or virtually. If the Company is satisfied, it may onboard the prospective vendor, including having the vendor review and acknowledge the Vendor Code.

The Vendor Code also allows the Company the right to both announced and unannounced factory inspections for existing vendors.

Facility Audits

The Company also has the right to audit facilities both prior to onboarding a new vendor and throughout a vendor relationship. Facility audits are conducted by third party experts, as a means of monitoring the risks of forced labour and child labour and to ensure overall compliance with the Vendor Code.

Following a facility audit, an audit report is prepared and presented to the Company. The Company then reviews the audit reports as part of the initial vendor on-boarding process, as well as at indefinite intervals throughout the vendor relationship lifecycle depending on when a facility audit is performed.

The Company may use audit reports to determine if a new vendor will be onboarded. Audit reports may also be used to determine if any disciplinary measures need to be undertaken on existing vendors to address potential infractions and violations of the Vendor Code discovered as part of an audit.

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

As noted, the Company maintains an ongoing Vendor Code with robust compliance requirements to reduce the risk of forced labour and child labour in our activities and supply chains. Outside of the Vendor Code, Warehouse One did not initiate a formal process of identifying risks of forced labour and child labour in our activities and supply chains within the Reporting Period.

The Company recognizes that it has a global supply chain, and acknowledges that no sectors or industries involved in the production or importation of goods are assumed to be entirely free of child labour and forced labour risks. The Company also recognizes that sourcing goods from vendors located in certain regions, including Asia, may carry a higher risk of forced labour or child labour,

Going forward, Warehouse One intends to commence a formal analysis of forced and child labour risks in our business operations and supply chains.

6. REMEDIATION MEASURES

Within the Reporting Period, the Company did not identify any specific incidences of forced labour or child labour in our activities and supply chain. As such, no remediation measures are necessary at this time. The Company intends to assess appropriate remediation measures, commensurate to a violation, as part of forced labour and child labour risk initiatives going forward.

7. REMEDIATION OF LOSS OF INCOME

Warehouse One has not taken any measures 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 our activities and supply chains, as no specific measures are

necessary at this time. If forced or child labour is identified within our operations going forward, appropriate strategies will be considered.

8. EMPLOYEE TRAINING

Throughout the Reporting Period, the Company provided training to our Sourcing team on the Vendor Code, which specifically addresses forced labour and child labour as described above. Training was also provided on other vendor onboarding requirements, including factory inspections and third-party audit reports.

Going forward, Warehouse One intends to expand training initiatives specific to forced labour and child labour to other employees involved in contracting or purchasing decisions, including those in ancillary functions such as the Finance department.

9. ASSESSING EFFECTIVENESS

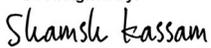
The Company did not take any actions throughout the Reporting Period to assess our effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chains. However, we recognize the importance of identifying and rectifying any instances of forced labour or child labour in our operations and supply chain networks. Going forward, Warehouse One will consider adopting appropriate measures to assess the effectiveness of policies and processes to achieve that end.

10. APPROVAL AND ATTESTATION

This Report was approved by the board of directors of Warehouse One Clothing Ltd. for the financial year ended February 24, 2024, pursuant to paragraph 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 director of Warehouse One Clothing Ltd., for and on behalf of the board of Warehouse One Clothing Ltd.

DocuSigned by:

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Shamsh Kassam, Director
Warehouse One Clothing Ltd.
Date: May 30, 2024

I have the authority to bind *Warehouse One Clothing Ltd.*