

**Browns Shoes Inc. - Transparency on Supply Chain
Report (S-211)**



Table of Contents

Introduction	3
Structure, Activities, and Supply Chains	3
Policies and Due Diligence Processes	3
Forced Labour and Child Labour Risks	4
Remediation Measures	6
Remediation of Loss of Income	6
Training	6
Assessing Effectiveness	6
Attestation	7



Introduction

This report has been prepared by Browns Shoes Inc. (“Browns”) in accordance with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) for the financial year ending January 25, 2025.

Browns (Business Number: 1143535004) is a privately held Canadian corporation headquartered in Montreal, Quebec. The company qualifies as a reporting entity under the Act as it:

- Has a place of business, operations, and tangible assets in Canada,
- Meets at least two of the three size thresholds (revenue, assets, employees), and
- Is engaged in the importation of goods produced outside of Canada.

This report outlines the measures taken, and those under development, to assess and mitigate the risks of forced labour and child labour in Browns’ operations and global supply chains.

Structure, Activities, and Supply Chains

Founded in 1940 by Benjamin Brownstein, Browns Shoes Inc. is a Canadian fashion footwear retailer with its head office located in Montreal. As of the end of fiscal year 2024, Browns operated 70 retail stores across Canada, complemented by a national e-commerce platform.

While Browns does not produce or manufacture goods directly, the company imports finished goods, including footwear and accessories, which are manufactured abroad and subsequently sold in Canada through its retail and online channels. This importation of goods places Browns within the scope of reporting obligations under the Act.

Browns maintains a diverse supplier network that includes both domestic and international sourcing relationships. The majority of procurement is directed to suppliers based in Canada, while the remainder includes partners located across North America, Europe, Asia, and other global regions.

The company’s supply chain includes both long-term manufacturing partnerships and established brand-name suppliers, particularly in low-risk jurisdictions. Browns is currently enhancing its systems to improve traceability and oversight of suppliers operating in jurisdictions assessed as presenting a higher risk for modern slavery.

Policies and Due Diligence Processes

Browns prioritizes ethical practices throughout its operations and supply chain. This commitment, coupled with the company’s strategy of developing strong, long-term relationships with suppliers, serves as a



foundational safeguard against the risks of forced and child labour, as well as other unethical labour practices.

While Browns does not yet have formalized due diligence policies specific to forced or child labour, work is currently underway to develop a Supplier Code of Conduct (the “CoC”), expected to be finalized by Q3 2025. This CoC will outline minimum labour standards and expectations for suppliers and serve as a key tool in Browns’ responsible sourcing program.

During the 2024 fiscal year, Browns engaged in supplier oversight activities, including on-site visits of the supplier manufacturing Browns’ leading private label footwear line. These visits have enabled company personnel and external collaborators to observe working environments directly and reinforce ethical expectations through continued engagement. Notably, Browns has been working with a high-quality boutique factory in China, rather than a mass-production facility, for the past 12-15 years. Some members of Browns’ senior leadership team—including, at times, the CEO—regularly visit the factory and have spent numerous days working on-site. In addition, Browns’ external designer visits the factory multiple times per season for extended stays. This long-term partnership underscores Browns' commitment to maintaining high standards in their supply chain.

In addition, Browns has increasingly focused its procurement strategy on well-recognized brands and established manufacturing partners, particularly those based in lower-risk jurisdictions. These suppliers are often governed by their own internal compliance standards and contribute to improving overall visibility and accountability within Browns’ supply chain.

Although Browns' current practices are largely relationship-based, the company remains committed to continuously strengthening its supplier oversight approach, with a view to reducing the risk of forced and child labour wherever possible.

Forced Labour and Child Labour Risks

During the past fiscal year, Browns initiated a formal assessment process to identify and assess potential risks of forced and child labour within its supply chain.

This assessment was informed by internationally recognized resources, including the Walk Free Global Slavery Index, the OECD Due Diligence Guidance for Responsible Business Conduct, and the U.S. Department of Labor’s List of Goods Produced by Child Labor or Forced Labor. These sources were selected for their credibility and relevance to Canadian entities seeking to evaluate labour risks in global supply chains.

Our analysis combined country-level risk indicators with product-specific risk classifications to map potential exposure. This approach allowed us to identify geographic regions and goods categories with a higher likelihood of forced or child labour, and to focus our due diligence activities accordingly.

This risk identification exercise does not presuppose the actual use of forced and child labour within our operations or supply chains, rather, it is aimed at recognizing potential scenarios where such risks might arise, thereby further enabling Browns to implement effective preventative measures. Our assessment



acknowledges that no industry is entirely exempt from the risks of forced and child labour and there are inherent vulnerabilities within certain sectors of our supply chain, particularly in regions where regulatory frameworks and enforcement mechanisms might not be robust.

The analysis considered specific geographic regions that, according to the Walk Free Global Slavery Index and other credible sources, present a higher risk of forced and child labour practices. This geographic risk assessment was combined with an assessment of at-risk-good categories, further enabling a targeted lens to our risk assessment.

Risk Assessment Findings

As part of our 2024 supply chain risk assessment, Browns reviewed procurement activity across its supplier base, analyzing both geographic location and product category risk.

A significant majority of procurement activity is directed to Canadian suppliers. These suppliers are subject to robust national labour standards and enforcement mechanisms, and as such, are considered to carry a very low risk of forced or child labour.

To support ethical sourcing, Browns continues to prioritize partnerships with reputable and well-established brands, particularly those operating in jurisdictions assessed as lower risk. These suppliers often maintain their own internal compliance frameworks and codes of conduct, which helps reinforce responsible business practices throughout our supply chain.

A smaller portion of procurement, approximately 11% of total spend, originated from countries classified by the Walk Free Global Slavery Index as having a higher prevalence of forced or child labour. This mainly includes China, where sourcing is almost exclusively limited to a single boutique manufacturer with whom Browns has maintained a long-standing partnership. This factory is subject to regular on-site visits by Browns' leadership and external design teams, enabling ongoing oversight and supporting continuous monitoring of labour conditions.

To further validate product-specific risks, Browns cross-referenced imported goods with the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor. This confirmed that certain categories, namely footwear and bags from China, are associated with known labour risk. However, these product categories represent only a modest portion of Browns' overall procurement, and no risk indicators were found in relation to goods sourced from Browns' primary domestic or lower-risk international suppliers.

Taken as a whole, Browns assesses its overall exposure to forced and child labour risk as low relative to the scope of its global operations. Nonetheless, we recognize the importance of remaining vigilant

Looking forward, Browns remain resolute in its pursuit of enhancing due diligence endeavors to proactively mitigate the risk of forced and child labour.



Remediation Measures

No instances of forced or child labour were identified in Browns' operations or supply chains during the 2024 fiscal year. Accordingly, no remediation actions were required during this reporting period.

That said, Browns acknowledges the importance of being prepared should such issues ever arise. In alignment with the United Nations Guiding Principles on Business and Human Rights, Browns is committed to a response strategy that may include:

- Direct engagement with affected individuals or communities,
- Collaboration with suppliers to implement corrective measures, and
- Internal policy and process reviews to address root causes and strengthen oversight.

Remediation of Loss of Income

Over the past fiscal year, Browns did not encounter any instances of forced and child labour in its operations or supply chains, and by way of a supply chain risk assessment has determined itself to carry a relatively low overall supply chain risk as it relates to forced and child labour. Thus, no measures have been taken to remediate the loss of income to vulnerable families. We recognize the importance of being prepared to take immediate and effective action should any such issues arise.

Training

Browns did not conduct training programs related to forced or child labour during the 2024 fiscal year. At this time, the company does not have a formal training program in place. However, awareness of ethical sourcing remains part of our broader supplier management approach, supported by ongoing dialogue and relationship-based oversight with key partners.

Assessing Effectiveness

Browns does not currently have formal processes or performance indicators in place to assess the effectiveness of its efforts to prevent forced or child labour in its supply chain.

While no specific effectiveness assessments were conducted during the 2024 fiscal year, Browns maintains active supplier relationships that enable direct engagement and ongoing visibility into sourcing practices.



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 the entity or 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.

A handwritten signature in blue ink, appearing to read 'R. Laufer', with a stylized, cursive script.

Robert Laufer

Chief Financial Officer

Montréal, May 29, 2025