

YM INC. (SALES)

**Report Under the Fighting Against Forced Labour and Child Labour in
Supply Chains Act**

Fiscal Year 2024

Introduction

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) requires entities operating in Canada to publicly disclose the actions they have taken during the previous financial year to prevent and reduce the risks of forced labour and child labour within their operations and supply chains. This report is submitted jointly by YM Inc. (Sales), Thriftys Inc. (2005), and Suzy’s Inc. (collectively referred to as “YM”). It covers the measures undertaken during the 2024 fiscal year, with the relevant fiscal year ends being October 26, 2024 for YM Inc. (Sales), January 27, 2024 for Thriftys Inc. (2005), and June 1, 2024 for Suzy’s Inc.

YM is committed to conducting its business with integrity, transparency, and respect for human rights. We acknowledge that risks related to forced labour and child labour are present in the global apparel supply chain, and we continue to strengthen our policies and processes to identify and mitigate these risks. Our efforts are grounded in our corporate values and supported by collaborative relationships with our suppliers, internal teams, and external stakeholders.

This report provides an overview of our company structure and supply chain operations. It also outlines our policies and due diligence processes in relation to labour rights, describes the steps we have taken to assess and manage risk, and details any measures implemented to remediate identified harms. In addition, the report includes a summary of the training we provide to employees, as well as an explanation of how we assess the effectiveness of our efforts in preventing and reducing the risk of forced and child labour.

YM remains committed to continuous improvement and to advancing responsible sourcing practices that respect the dignity and rights of workers across our global supply chain.

Structure, activities, and supply chain

YM Inc. is a Canadian fashion retailer with a diverse brand portfolio including Urban Planet, Urban Kids, Bluenotes, Suzy Shier, West 49, and others. We operate retail stores across Canada and maintain online platforms for e-commerce.

Our supply chain spans multiple international sourcing countries, primarily China and Bangladesh, with a total of 93 active vendors and over 580 factories. We focus on affordable fashion while maintaining a strong commitment to ethical sourcing.

Policies and its due diligence processes in relation to forced labour and child labour

YM maintains a strict zero-tolerance policy toward forced and child labour. All our suppliers are required to sign and comply with our Supplier Code of Conduct, which explicitly prohibits such practices. Our due diligence processes are designed to identify, assess, and address any labour risks. These processes include thorough screening of new vendors, annual re-certification of existing suppliers, and the use of self-assessment questionnaires based on Sedex compliance guidelines. We also conduct regular factory audits to ensure that our suppliers comply with our standards. In 2024 we completed 236 audits in China and 172 audits in Bangladesh.

Risk Assessment and Management

We understand the inherent risks of forced and child labour in certain regions where we source our products, particularly in countries known for labour rights challenges. To assess and manage these risks, we conduct regular audits, especially in high-risk regions like China and Bangladesh. We also engage with the Sedex platform, which helps us monitor compliance and increase transparency throughout our supply chain. This year, 10 of our vendors were enrolled in Sedex, and 4 of them completed full audits. Additionally, we hold monthly quality control meetings to review labour practices and maintain oversight of our supply chain. In 2024, no instances of forced or child labour were found in our supply chain.

In 2024, we performed an analysis of our supply chain partners to assess our potential exposure to the likely risk of forced or child labour being present within certain geographic locations. We have assessed that 88% of our vendors operate in countries we would consider having a low risk of forced or child labour. For the remaining 12%, primarily located in China and Bangladesh, we have assessed them to be in a medium risk category. However, 82% of these vendors have been vendors for more than one year and therefore have well established relationships with our buying and merchandising teams.

Remediation of Forced or Child Labour

Although we did not identify any cases of forced or child labour in our supply chain during the 2024 year, YM has a clear remediation process in place. If such instances were identified, we would immediately initiate an investigation and suspend the involved supplier's activities as needed. We would also work closely with the supplier and third-party organizations to develop a corrective action plan aimed at addressing the root causes and preventing recurrence. Additionally, we provide worker support services to ensure that those affected are properly cared for.

Remediation for Loss of Income to Vulnerable Families

Since no incidents of forced or child labour were identified during the 2024 year, we did not need to implement any compensatory measures for vulnerable families. However, should such a situation of forced labour be identified in our operations or supply chains in the future, we will carefully assess and address them in alignment with international standards for remediation.

Training provided to employees on forced labour and child labour

In 2024, we provided training to our quality assurance and sourcing teams on how to identify and prevent forced and child labour. In China, we conducted a three-hour training session during our annual quality control meeting on February 23, 2024, and followed it up with a discussion on February 10, 2025. In Bangladesh, we held monthly discussions during regular quality control meetings. The training covered topics such as legal definitions, risk indicators, our company's policies, and reporting procedures. Currently, our evaluation methods are informal, mainly based on discussions, but we are looking to introduce more formal tracking.

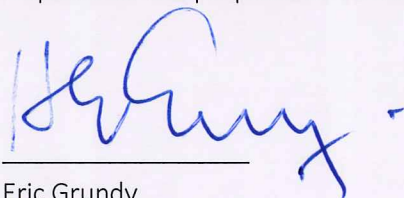
The buying departments have also completed internal staff awareness training relating to purchasing practices. The training was provided at staff meetings and spoke directly to the requirements of the buying departments' role in reviewing the risks of forced and child labour activities of current and future vendors.

Assessment of Efficiency and Continuous Improvement

To assess the effectiveness of our efforts to combat forced and child labour, we track several key metrics. These include the results of our factory audits, the participation of our vendors in the Sedex platform, and the engagement of our employees in training sessions. During 2024, all factories passed the audits related to forced and child labour. We also monitor qualitative feedback from training sessions to gauge employee understanding and engagement.

Approval and Attestation

The Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of YM Inc. (Sales), Thriftys Inc. (2005), and Suzy's Inc. for the financial year of 2024. 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.



Eric Grundy

Chief Executive Officer

I have authority to bind YM Inc. (Sales), Thriftys Inc. (2005), and Suzy's Inc
May 31st, 2025