



Modern Slavery Report 2025

1. ABOUT THIS REPORT

This joint Modern Slavery Report (“Report”) constitutes the third report by Urban Barn Ltd. and its affiliates Urban Barn (Quebec) Ltd. on forced and child labour in operations and supply chains for the financial year ended January 31, 2026 (the “Reporting Period”), as required by Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (S.C. 2023, c. 9) (the “Act”). This Report covers the actions of Urban Barn Ltd. and Urban Barn (Quebec) Ltd. (collectively “UB”, the “Corporation”, “we”, “our” or “us”).

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

UB is committed to protecting human rights globally and to providing a fair and ethical workplace. In support of these commitments, UB has observed processes that apply globally and that address international human rights standards including the risk of forced labour and child labour in its supply chain, as discussed in further detail within this Report.

We respect the standards embodied in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and the United Nations Declaration on the Rights of Indigenous Peoples. The Corporation also has in place a Code of Conduct which provides guidelines to ensure the highest standards of respect, integrity, and honesty are applied in UB’s day to day activities, and a Supplier Code of Conduct which ensures that suppliers comply with minimum internationally recognized standards addressing, among other things, forced labour and child labour.

UB’s processes are reviewed annually by the Corporation and were reviewed and updated as needed each year, to ensure that forced and child labour in supply chains was addressed. Additional measures will be implemented going forward. UB strongly opposes forced and child labour and will not knowingly support or conduct business with any entity involved in such activities.

3. OUR BUSINESS STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Business Structure

The Corporation is a privately held company incorporated under the *Canada Business Corporations Act* (R.S.C., 1985, c. C-44). The Corporation's head and registered office is in Burnaby, British Columbia.

The Corporation's Board of Directors (the "Board") is responsible for the stewardship of the Corporation. Its mandate is to oversee the management of the business and affairs of the Corporation while taking into account applicable laws, Environmental, Social and Governance ("ESG") criteria and shareholders' interests. The Company's management team, under the supervision of the Board is responsible for overseeing the Corporation's sustainability and social and corporate responsibility, as well as ensuring implementation of, and compliance with, the Corporation's corporate governance documents, including our Code of Conduct, different policies and procedures and the social and governance performance of the Corporation.

The Corporation is committed to proactive and strong risk governance, ESG practices and oversight practices supported by the Board and members of management. The Board is responsible for supervising management in encouraging a culture of effective risk management throughout the Corporation in compliance with its ESG practices and applicable laws and in the best interests of all stakeholders.

Activities

UB is a leading Canadian furniture retailer. Active since 1990, UB purchases furniture and décor items from international and domestic suppliers for resale through leased store locations throughout Canada and through an online platform. UB operates 54 retail stores throughout Canada, including stores in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Nova Scotia. After the Reporting Period, UB will open a store in Quebec City, Quebec. The Corporation also operates two distribution centres, located in Delta, British Columbia and Mississauga, Ontario.

Supply Chain

UB's business needs consist of procurement of services and equipment related to its business, including contract manufacturing and both physical and online sales platforms.

Furniture and décor items sold by UB are procured domestically and from Asia and Europe. Contract manufacturing is done in Canada, and all sales are made in Canada. Between to 15-25% of products and services are sourced from Canadian contract manufacturers, and most of the remainder is sourced from Asian suppliers (63% Far East, 10% India), with less than 2% coming from Europe.

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

In support of its commitment to protecting human rights globally and to providing a fair and ethical workplace, UB has observed processes that apply globally and that address international human rights standards including the risk of forced and child labour in its supply chain. These processes are reviewed annually by the Corporation and updated as needed.

Code of Conduct

UB's Code of Conduct (the "Code") applies in every country and to all its employees, officers, directors and consultants, and those of its affiliates, and provides the guidelines to ensure that high standards of respect, integrity, and honesty are applied in UB's day to day activities, including when dealing with others. The Code also outlines how UB's reputation as a good corporate citizen is maintained through the adherence of these high standards.

UB's core principles embodied in the Code are commitments to promote:

- A culture of compliance with laws, rules, and regulations.
- A safe and respectful work environment; and
- Ethical behaviours and business practices.

To ensure compliance with the Code, yearly mandatory training was completed by all employees, and consultants of the Corporation, during the Reporting Period. UB's commitment is to conduct its business in a responsible manner, aligned with its core values, while promoting basic and fundamental human rights.

The Code supports the human rights principles contained within:

1. The Universal Declaration of Human Rights.
2. The International Covenant on Civil and Political Rights.
3. The International Covenant on Economic, Social and Cultural Rights ("ICESCR");
4. The International Labour Organization ("ILO") Declaration on Fundamental Principles and Rights at Work; and
5. The United Nations Declaration on the Rights of Indigenous Peoples ("UNDRIP").

Supplier Code of Conduct

UB requires its suppliers to adhere to the Corporation's Supplier Code of Conduct (the "Supplier Code"). The purpose of the Supplier Code is to ensure that those suppliers comply with minimum internationally recognized standards such as the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the ICESCR, the ILO Declaration on Fundamental Principles and Rights at Work, and the UNDRIP.

The Supplier Code addresses, among others, the following topics:

- Health and safety.
- Non-discrimination.
- Human rights.
- Forced labour.
- Maximum working hours.
- Diversity and inclusion in the workforce.

- Child labour.
- Conflict minerals.
- Freedom of association and the right to collective bargaining; and
- Environmental considerations

To effectively manage risks associated with forced labour and child labour possibilities in its supply chain, UB, during the Reporting Period, implemented a set of strategies and processes that will continue to evolve, which may include independent third-party certification of (i)(ii)(iv)(v) below. These strategies and processes include:

- (i) a supplier evaluation, using publicly available information.
- (ii) inquiries into supply chain components, through detailed inquiries and investigations;
- (iii) strong contracts with proper correctives measures, that prohibit forced labour and child labour.
- (iv) mandatory traceability protocols, with proper documentation submission, analysis, and approval by UB; and
- (v) audit rights, to ensure suppliers' compliance.

5. FORCED LABOUR AND CHILD LABOUR RISKS

During the current and prior Reporting Periods, the Corporation established the following list of risks, by category, as part of its review process. Going forward, these lists will allow the Corporation to focus its efforts and attention on the suppliers that present potentially more risk of forced labour and child labour in its supply chain.

Low-risk categories include but are not limited to:

- Small Local Businesses: Small businesses operating locally, often with transparent supply chains due to their scale and community-oriented nature.
- Suppliers: Suppliers whose workers are part of labour unions, as these organizations are bulwarks for workers' and human rights.
- Publicly Traded Companies: Suppliers that are part of publicly traded companies with strict reporting requirements, which can contribute to greater transparency.
- Long-Term Partners: Suppliers with whom the Corporation has a long-standing relationship and has consistently demonstrated adherence to ethical labour practices.
- Canada, U.S. and Western Europe suppliers based exclusively in Canada, Western Europe and the U.S. or supplying products that use only raw materials from North America and Western Europe.

Medium-risk categories include but are not limited to:

- Suppliers outside Canada, U.S. and Western Europe: Companies that offer services from outside of Canada, Western Europe, or the U.S., or when the products are manufactured with parts or raw materials from variable international sources, where further investigation is required to fully understand the supply chain complexity and associated risks.

High-risk categories include but are not limited to:

- Companies located in regions of the world where forced labour or child labour has been reported, or companies that may use parts or raw materials sourced in those regions.
- Companies that were already identified in publicly available reports to have exposure to allegations or confirmed reports of forced labour or child labour.

6. REMEDIATION MEASURES

Within the Reporting Period, UB did not identify, nor was it alerted to, any instances of forced labour or child labour in its operations or supply chain. As such, no remediation measures were taken in the Reporting Period. However, UB has established that it procures manufactured furniture and décor items in countries considered higher risk.

As such, going forward, UB intends to take steps to apply due diligence to high-risk areas for forced or child labour, including to:

- Ensure every contract signed with suppliers includes the additional requirement of the supplier signing the Supplier Code as a condition of doing business.
- Have suppliers provide letters of attestation that their equipment/services are free of forced or child labour.
- Request that any supplier doing business with UB provide their own code of conduct and supplier code of conduct (if available) to UB.
- Have suppliers identify whether the parts or service they are contracted to provide originate from any region known for forced or child labour; and
- Identify opportunities to carry out third-party audits of facilities where there is a geographic heightened risk of forced or child labour.

Additional remediation measures UB implemented during the Reporting Period are described below:

Identification and Categorization

UB implemented a risk assessment approach to manage risk associated with forced and child labour to formalize a process to identify and assess suppliers it engages with and to understand and identify inherent risks associated with the geographical location or components of these suppliers. Certain categories identified as low risk, such as supply chain in Canada, governmental and municipal institutions, financial and banking institutions were excluded from this detailed analysis. During the Reporting Period, our analysis was extended to categories including general suppliers of products and services, transportation, logistics, brokerage, legal, insurance, and healthcare providers. This identification, assessment, and categorization will continue to be expanded upon and improved as we move forward.

Risk Classification Criteria

UB employs a systematic approach to classify partners into Low, Medium, and High-risk categories. This involves an evaluation of a combination of multiple factors including, amongst others, the type of service and product required, the category of supplier, the country of origin and investigating their sensitivity to key criteria, such as:

- (i) code of conduct and compliance programs.
- (ii) ethical certifications.
- (iii) supply chain transparency and traceability protocols.
- (iv) audits or assessments collaboration.
- (v) country-specific labour regulations or issues.
- (vi) industry-specific labour regulations or issues; and
- (vii) presence in unstable countries or in conflict zones.

UB uses several resources in the assessment process including: the U.S. Customs and Border Protection's Withhold Release Orders and Findings List; the U.S. Department of Labor's Identifying Goods Produced with Inputs Produced with Forced Labor or Child Labor; the U.S. Department of Labor's, List of Goods Produced by Child Labor or Forced Labor; and the Walk Free Global Slavery Index.

7. REMEDIATION OF LOSS OF INCOME

Within the Reporting Period, UB did not identify, nor was it alerted to, any instances of forced labour or child labour in its supply chain. As such, UB 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 actions are necessary at this time. UB is committed to providing remediation for any confirmed instances of forced or child labour in its supply chain should such an event arise.

8. EMPLOYEE TRAINING

During the Reporting Period, UB implemented mandatory annual training sessions for employees, officers, and consultants that include modules on our Code, ethical behaviour, and respect and civility in the workplace. The Code specifically includes references to child and forced labour as well as the international human rights conventions that UB supports (see **Section 4 Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour**).

During the Reporting Period from 2023 to 2025, our Procurement and Asset Management team members underwent a training session on the Supplier Code.

Corporate-wide training on the Act and UB's approach to ensuring its supply chain is free of any violations was included in this mandatory annual training in 2024 and 2025.

9. ASSESSING EFFECTIVENESS

No actions were taken during the Reporting Period to assess UB's effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chains as no specific actions are necessary at this time. Going forward, UB will further develop our internal capacity and knowledge, and adjust and improve our processes, as required to properly assess the effectiveness of our efforts to prevent forced and child labour.

10. APPROVAL AND ATTESTATION

This Report was approved by the board of UB for the financial year ended January 31 2026, pursuant to paragraph 11(4)(b)(ii) 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 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.

I make the above attestation in my capacity as Director of UB for and on behalf of the board of UB.

Mr. Shamsh Kassam
Director

May 15, 2026

Signed by:

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I have the authority to bind Urban Barn Ltd. and Urban Barn (Quebec) Ltd.