

HARRY ROSEN

Report on Forced Labour

Fiscal 2025

Harry Rosen Inc. is a 72-year-old Canadian company based in Toronto that sells and distributes goods in Canada

- **Legal Name:** Harry Rosen Inc.
- **Reporting for Year:** Fiscal 2025 (February 2nd, 2025 – January 31st, 2026)
- **Other Jurisdictions:** We are a fully Canadian company; our work sites are within Canada, and we have no reporting obligations in other jurisdictions
- **Entity Status:** Harry Rosen is a corporation with sales >\$40M annually, >\$20M in Assets, and >250 Associates. The organization both imports and purchases product domestically for re-sale and distribution across Canada.
- **Industry:** Retail
- **Head Office:** Toronto, Ontario

At Harry Rosen — we focus on quality over price and source primarily from suppliers with commitments to skilled labour

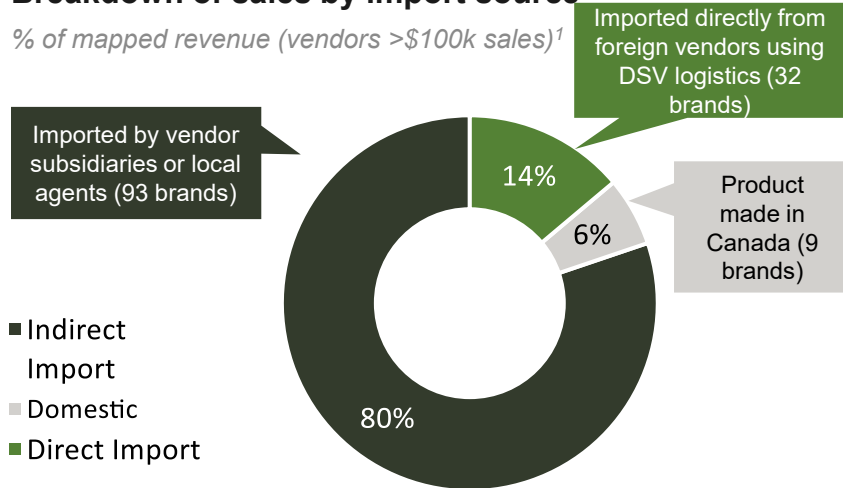
- We sell high-end, luxury product at a price point that reflects the quality of the merchandise
- We don't typically select suppliers that prioritize opportunities to reduce production costs at the expense of quality by operating in lower-cost, higher-risk regions of the world
- Instead, most of our suppliers and manufacturers operate from either North America or Europe (primarily out of Italy) — regions governed by well-enforced labour policies such as minimum wage and minimum age for employment
- In fact, many of our most important suppliers (e.g., Brunello Cucinelli) exceed prescribed standards to the point where they have committed to providing a 'living wage' to the members of their production and manufacturing teams
- As a result, most of our product comes from low-risk regions of the world where the likelihood that suppliers are relying on either child or forced labour in their production process is low
- In 2024 and 2025, to further reduce risk in our supply chain, we rolled out a new vendor contract to our suppliers that mandates compliance with Canada's prohibition on forced labour
- Also in 2025, our buyers completed training on the prevalence of modern slavery and the signs to look for when identifying potential issues among suppliers

H Supply Chain

In 2025, we mapped the supply chain for 98% of revenue; over 80% of our imports come from Europe (notably Italy)

Breakdown of sales by import source

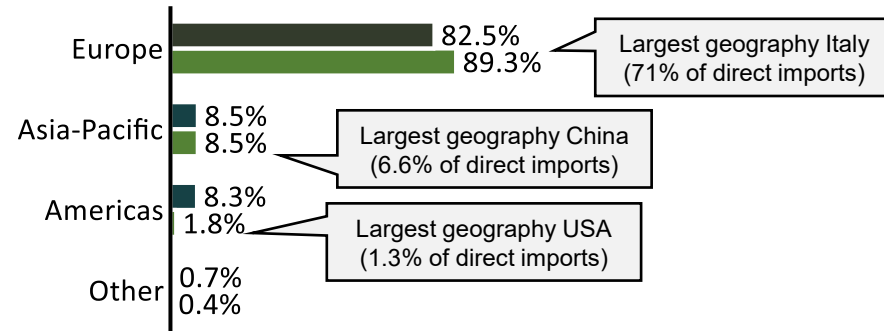
% of mapped revenue (vendors >\$100k sales)¹



Regional Breakdown

% of imports²

■ Indirect Imports (sales) ■ Direct Imports (value for duty)



¹ Vendors with >\$100k in revenue accounted for 98% of Harry Rosen revenue

² Direct import geography based on Country-of-Origin provided by DSV, Indirect imports geography based on location of Vendor (or known manufacturing location)

No new policies launched in 2025; our internal hiring policy and supplier forced-labour clause both remain in effect

Internal

- In 2024, we formalized our policy of not hiring anyone under the age of 16 into our welcome booklet, within the 'Employment Standards and Human Rights' section
- The welcome booklet is mandatory reading for all new employees as part of onboarding; every new hire must review and acknowledge it before starting, ensuring the policy is consistently communicated and applied across the organization
- In 2025, this formal policy remained in effect across the organization with no changes

External

- In 2024, we integrated a formal clause prohibiting forced labour among our suppliers into our vendor contract, committing them to the highest labour standards
 - **Clause:** "12 (iv) Vendor shall comply with all applicable laws and regulations, including but not limited to privacy laws and the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act"), when performing its obligations under this Agreement, and Vendor has identified, assessed and managed any potential forced labour or child labour risks in Vendor's business activities and supply chains and has ensured it is in compliance with the Act"
- All new vendors onboarded since then have signed the new contract; in 2025, we began migrating our existing vendor base over
- Any vendor that violates the terms of Harry Rosen's contract faces consequences, including our right to sever ties

The majority of our suppliers have clearly documented policies and reports on forced labour

| Risk level | Description | Prevalence | Examples (Reports) |
|-----------------|---|--|--|
| Very low | Suppliers that produce and source materials from the developed world (e.g., Italy) with a focus on skilled labour / quality materials and clear policies against forced labour | High (<i>most vendors</i>) | Zegna Group , Canada Goose , Brunello Cucinelli , Canali , Kiton , Moncler |
| Low | Suppliers with operations in both the developed and developing world (e.g., Western and Eastern Europe), but have clear policies to eradicate forced labour in their supply chain | Medium (<i>a few vendors</i>) | Armani Group , Hugo Boss , Eton , Paige |
| Moderate | Suppliers that operate primarily in the developing world (e.g., China) | Low (<i>select vendors</i>) | Our private label manufacturer, based in China |

For our private label manufacturer in China, we take additional steps to reduce risk:

- Factory visits:** we periodically visit manufacturing facilities in China to observe production practices and ensure strong labour conditions
- Social certifications:** Our manufacturing partner in China is a member of [SA8000](#), the world's leading social certification program, with specific elements prohibiting Child and Forced Labour
- Fabric suppliers:** we have worked with our partner to select fabrics from quality mills, primarily based in Italy and ensure all any mills that source fabrics/cotton in China have qualified for the [SA8000](#) social certification

In 2025, all new and existing buyers at Harry Rosen completed training on the risks of forced labour in our supply chain

Lesson 1 of 3

What is Forced Labour/Modern Slavery?

Forced labour refers to situations of exploitation that a person cannot refuse or cannot leave because of threats, violence, coercion, deception, or abuse of power.

This is an economic crime ... People do not enslave others to be mean to them; they do it to make a profit.



Although the highest prevalence of forced labour is found in low-income countries, it is deeply connected to demand from high-income countries.

The production and movement of goods between countries – from the sourcing of raw materials to manufacturing, packaging, and transportation – creates complex and opaque supply chains and many of them include Forced Labour.

Lesson 2 of 3

What are the risks of modern slavery in garment supply chains?

There are risks of modern slavery at each stage of the garment supply chain, from growing and producing raw materials, to processing these into inputs, to manufacturing and as noted above, luxury brands do not guarantee ethically made products.

Textiles/Spinning



Spinning machinery can take a garment, wool, and create the fabric. They are used to produce fabrics that are used in a range of products, including clothing. They are often used in a large factory.

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Manufacturing



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Lesson 3 of 3

How does this impact our team?

Canada has enacted legislation to guide our activities in this area. The Forced Labour and Child Labour in Supply Chains Act requires that Canadian employers take a proactive stance against these activities. Given this we need to be careful who we choose to do business with.

What can we do?

We are confident that our vendor partners are operating within the law but recognize that we have both an opportunity and an obligation to take steps to ensure that we continue to maintain a supply chain free from forced or child labour of any kind.

This means that Associates in our organization engaged in sourcing/buying product to stock our stores, to surprise and delight our clients, to keep our business functioning (for example, purchase of wrap-and-pack, stationary, tailoring supplies, etc) are required to make best efforts to ensure that we are not purchasing goods that involve the use of forced or child labour.



Our key policies so far have been effectively implemented – we will continue to enforce these key pillars of our approach

| Area | 2025 Update | Focus for 2026 |
|------------------------------------|---|---|
| Remediation | We still have not identified any forced or child labour in our activities or supply chains, as have not taken any remediation measures. However, with our new vendor contract, we are better positioned to take measures if any forced or child labour is identified. | <ul style="list-style-type: none">• We remain focused on preventative measures that reduce the risk of forced and child labour in our supply chain, including transitioning all vendors over to our new contract• We are prepared to take remediation actions if any forced or child labour is identified in our supply chain• We remain committed to severing ties with suppliers that demonstrate an inability to remove child or forced labour from their supply chain |
| Assessment of effectiveness | So far, every policy we have put in place has been effectively implemented. We have onboarded 100% of new vendors to our new contract, mandated that all buyers complete mandatory training, and have not hired anyone under the age of 16 as per our policy | <ul style="list-style-type: none">• Continued migration of existing vendor based over to new contract, which explicitly prohibits forced labour• Enforcement of existing internal policies, including mandatory training for buyers and prohibition of hiring under 16• Expanded documentation of vendor forced labour policies within our internal company database |