



FIGHTING AGAINST FORCED AND CHILD LABOUR IN SUPPLY CHAINS

ANNUAL REPORT - 2024



1. Introduction

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") requires that businesses state actions they have taken to prevent and reduce the risk of forced labour or child labour within their operations and supply chain.

Kitchen Stuff Plus Inc. (KSP) as a single entity has an obligation to publish a report under the Act for the prior fiscal year ending February 2024 outlining steps taken to manage and monitor its supply chain operations and compliance programs.

This report constitutes the first report prepared by KSP pursuant to the Act and narrates our effort and go-forward plans to protect human rights and mitigate the risk that forced or child labour is being used in our supply chain.

2. Structure, Operations and Supply Chains

Structure

KSP is a leading Canadian retailer in housewares and home décor founded in 1987 and is known for our modern, unique solutions, and value pricing that help make everyday life easier and better.

KSP is very proud of the fact that awards received have been for honouring our great people and customer service. With equal pride, is KSP's commitment to fairness and equality for all Employees, Directors, Officers, Volunteers, Contractors, Consultants and Agents of the Company and the Human Rights of all people globally, particularly in the context of an international supply chain.

Our overarching dedication to developing our human rights risk mitigation strategies continues to be at the forefront when building upon our current supply chain processes.

Operations

KSP is incorporated under the *Canada Business Corporation Act* with Headquarters in Mississauga Ontario along with our Distribution Centre and eCommerce business. We operate 22 retail stores in Ontario, specifically the Greater Toronto Area, London, Innisfil, Hamilton, and St. Catharines and employ 400 employees.

Supply Chains

KSP strives to work with suppliers, agents, consultants, and other third parties and business partners, as well as their respective employees, directors, and officers, (collectively "Vendors") who share our commitment to social, ethical, and environmental responsibility. Our main supply chain activities are "Sale of Goods" and "Sourcing".

Sale of Goods

KSP's sale of goods, primarily in Ontario, relies heavily on our dynamic workforce in our stores, warehouses, distribution centre and head office who are essential to delivering our value promise to our customers.



Sourcing

KSP's sourcing is a blend of directly imported goods from overseas and products sourced from North American wholesalers totalling 350 vendors.

In Fiscal 2024, overseas imports came mainly from Asia which accounted for 43.5% of our total procurement volume.

3. Risks of Modern Slavery in Operations and Supply Chain

Sale of Goods

At KSP our 400 employees are directly employed, which provides the Corporation with absolute oversight of the working conditions. Terms and conditions of employment set out in employment contracts regulated by the applicable provincial/territorial labour laws along with all applicable wage, hours of work, youth worker and occupational safety laws are strictly adhered to.

Additionally, KSP is committed to providing a work environment that respects human rights of all people and stringently upholds our Discrimination, Harassment and Violence policy which includes grievance processes. This contributes to mitigating the risks of forced labour and child labour throughout our operations.

Sourcing

In our high-level assessment, which included reviewing public indexes related to forced and child labour, the Global Slavery Index listed most regions in China as medium risk jurisdictions.

Given the lion's share of KSP sourcing and vendor acquisitions are from China, the Corporation is sensitive to the fact that its supply chain may present human rights risks and has determined that forward plans must include a deep assessment, by geography, of the manufacturing countries from which we source with China at the forefront.

4. Policies

KSP consistently applies the fundamental principles of our Discrimination, Harassment and Violence policy which calls for a non-discriminatory, harassment-free work environment that extends to our dealings with suppliers, and contractors. The expectation is all people adhere to the policy and use the reporting mechanism specified within if breaches of the policy are witnessed.

Our Import Vendor Compliance Guide requires vendors take full responsibility for the goods they supply, manufacture, package, and ship to KSP and clearly states KSP will not do business with any vendor that does not comply.



5. Due Diligence to Prevent and Reduce the Risk of Modern Slavery

In seeking to prevent and reduce the risk that forced labour or child labour was used in our operations and supply chains, KSP completed ongoing high-level, general, internal assessments. This exposed opportunities to build a stronger framework that embeds corporate responsibility and governance into existing policies and practices, while filling gaps with new policies, processes, and tools to help us formally and more accurately assess the specific risks of forced and child labour in our supply chains and operations.

To that end KSP's forward-looking plan is to:

- a. Engage the services of a ESG firm to:
 - o Recommend steps to **formalize our program, manage it, and remediate** forced or child labour risks in our supply chain.
 - o Propose measures to **remediate the loss of income** to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.
 - o Provide an action plan to **assess the effectiveness** of our program to ensuring forced labour and child labour are not being used in the Corporation's supply chain.
- b. Use the findings and recommendations from the ESG firm to:
 - o Develop forced and child labour awareness training for those involved in procurement, and the operations of our business which will continue to build KSP's recognition and understanding of forced and child labour and the risks across our operations and supply chain.
 - o Update our policies and practices, to clearly establish a sustainable compliance program that supports a supply chain process that upholds the fight against forced and child labour.

6. Next Steps

KSP acknowledges that forced labour and child labour risks, like our global supply chain, are constantly evolving and we are committed to improving our human rights risk mitigation strategies to ensure compliance. To achieve this, we aim to regularly reassess the risks in our supply chain and proactively identify new areas where human rights risks may arise.



The Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the President of Kitchen Stuff Plus Inc.

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 "SS", is positioned above the name of the signatory.

Samantha Smeaton
President

Kitchen Stuff Plus Inc.
May 31, 2024

I have authority to bind Kitchen Stuff Plus Inc.