

KnowTheChain 2023 Apparel & Footwear Benchmark

Additional Disclosure

Company Name: ARITZIA

Date: 09-15-2023

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note **KnowTheChain has already undertaken a review of your website**. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.

Additional information has been provided by Aritzia, for select questions, where sufficient details were not identified in the evaluation of our Scored Research by KnowTheChain. Further details of Aritzia's Supply Chain policies and initiatives can be found in our various publications including the following:

- [California Transparency in Supply Chains Act](#)
- [Aritzia Supplier Code of Conduct](#)
- [Aritzia Community | ESG Report FY2023](#)
- [E&S Committee Charter](#)

INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company's supplier code of conduct; and

Aritzia's Supplier Code of Conduct applies to third-party partners approved by Aritzia and affiliates and/or sourced directly through Aritzia and affiliates approved suppliers including but not limited to:

- Finished good facilities.
- Raw material processing sites, fiber producers and fabric mills including but not limited to ginning, spinning, weaving, knitting, dyeing and finishing facilities.
- Trims, packaging, product component, virgin down and synthetic fill suppliers.
- Subcontractors and affiliate partners.

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

As discussed in the Aritzia Community | ESG Report FY2023, Aritzia has a Sustainability Team which covers social impact across our supply chain and environmental impact across our value chain. Aritzia's Sustainability Team has individuals, known as our Social Impact Team, dedicated to overseeing social impact across our supply chain including a full-time team member in one of our manufacturing regions to strengthen relationships with our suppliers. Through their day-to-day responsibilities, our Social Impact team identifies, manages and mitigates supply chain risks and impacts including those posed by forced labour.

Aritzia's Manufacturing and Social Impact Teams work cross-functionally to include Workplace Standards audit results into sourcing and manufacturing scorecards such that suppliers understand the importance of working conditions to our decision making and sourcing strategy.

As stated in our Aritzia Community | ESG Report FY2023, at an executive level, Aritzia's Chief Executive Officer and Aritzia's Interim Chief Marketing Officer (previously Senior Vice President, Operations) have full oversight and accountability for Aritzia's Community (also known as ESG) strategy, activities and performance which includes forced labour standards. Most recently, Aritzia's Sustainability Team has transitioned to report directly into our Chief Financial Officer.

2.2 discloses how it trains relevant decision-makers within the company on risks and policies that address forced labour; and

As noted in our California Transparency in Supply Chains Act, we have developed a training and education program to ensure employees at all levels who interact and have relationships with our suppliers understand the risks associated with manufacturing in a global supply chain and are aware of the systems and processes in place should any issues be identified.

Specifically, this training is provided to Aritzia's Production, Manufacturing, Fabric and Sourcing teams who are collectively responsible for procuring Aritzia's product.

Training includes:

- Overview of human rights and the role and responsibility of governments and companies,
- Examination of what human trafficking and forced labour is and the various forms it may take,
- An overview of our approach to supply chain management through a human rights lens, and
- Run through various scenarios to put the learnings into practice.

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

As discussed in the Aritzia Community | ESG Report FY2023, the Environmental and Social (E&S) Committee of the Board guides and informs Aritzia's E&S strategies. The members of the committee

are David Labistour, Marcia Smith, John Montalbano and Daniel Habashi. The committee meets on a quarterly basis. As outlined in the [E&S Committee charter](#), the committee:

- Reviews and provides guidance to management on social and labour impacts of Aritzia's operations and supply chain, including human rights.
- Makes recommendations on policy development, programs and initiatives related to social and labour risk management.

INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

4.2 details on forced labour risks identified in different tiers of its supply chains; and

4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

We are committed to doing business responsibly and, as such, recognize the risks of human trafficking, slavery, forced labor and child labor across global supply chains.

As outlined in our Supplier Code of Conduct, we require the suppliers we partner with to have an effective process in place to identify and evaluate labour and human rights risks, health and safety hazards, environmental impacts and business ethics non-compliances.

Aritzia is a Buyer Partner of Better Work, a partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC) that brings together all levels of the global garment industry to improve working conditions and respect labour rights for workers. As a Buyer Partner of Better Work, Aritzia's participating suppliers' facilities are supported in engaging in mature level of social dialogue between workers or trade unions and facility management, inclusive of effective mechanisms and procedures for handling workers' grievances.

INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

5.1 the percentage or number of supply chain workers who are women;

5.2 the percentage or number of supply chain workers who are migrant workers' and

5.3 the percentage or number of supply chain workers that are being paid a living wage.

INDICATOR 6: PURCHASING PRACTICES

6.1 commits to responsible buying practices in its contracts with suppliers;

All Aritzia suppliers are required to sign our Aritzia Supplier Code of Conduct which aligns with leading standards in the fashion industry, including established international frameworks such as the International Bill of Human Rights, the International Labour Organization's Fundamental Principles and Rights at Work and the Ethical Trading Initiative Base Code. The Supplier Code of Conduct outlines that:

"By signing below, the undersigned (supplier) acknowledges they have read and understood the above requirements, agrees to comply with Aritzia and affiliates' Supplier Code of Conduct as outlined above, and acknowledges that violation of any of the standards may result in termination of the business relationship with Aritzia and affiliates."

Even still, we're committed to upholding the rights and best interests of the workers throughout the exit process and will ensure that workers are not left in a vulnerable position and have access to appropriate support services.

6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and

Aritzia considers how the practices of our business impact the suppliers we source from. On an annual basis, we conduct a feedback survey with our finished-goods suppliers on how we work with them across multiple dimensions, including our planning, forecasting and communication. This survey allows suppliers to share feedback on how Aritzia is performing as a partner and where we have opportunities to better support them. We use the findings to understand how we can improve in our partnerships and how to best enable effective and responsible operations with our suppliers.

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

INDICATOR 7: RECRUITMENT-RELATED FEES

7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer ("Employer Pays Principle");

As outlined in the Aritzia Supplier Code of Conduct, suppliers must not accept any fee or deposit from workers for employment. Fees associated with employment are the sole responsibility of the employer.

This requirement, along with all standards included in the Aritzia Supplier Code of Conduct, is implemented by way of our Supplier Workplace Standards Program which audits suppliers against our Supplier Code of Conduct. If an opportunity for improvement is identified or remediation is required, Aritzia takes a collaborative approach and develops a Corrective Action Plan (CAP) that holds suppliers accountable and implements lasting solutions.

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

INDICATOR 8: RESPONSIBLE RECRUITMENT

8.1 discloses information on the recruitment agencies used by its suppliers; and

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g. by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

Through its Supplier Code of Conduct, Aritzia requires suppliers to establish processes and systems to manage their supply chains effectively including assessing labor and human rights, safety and health hazards, environmental impacts and business ethics of their subcontractors and recruitment or labour agents.

To further strength recruitment standards, Aritzia is a member of the Responsible Labor Initiative (RLI), a multi-industry, multi-stakeholder community of practice. This membership aligns our Supplier Workplace Standards Program to RLI's vision to respect and promote the rights and dignity of workers vulnerable to forced labor in global supply chains through responsible recruitment and employment practices.

drive the transformation of recruitment markets and reduce the risk of forced labor in global supply chains.

INDICATOR 9: FREEDOM OF ASSOCIATION

9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;

9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations; and

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.

INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved; and

10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

INDICATOR 11: MONITORING

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

As disclosed in the Aritzia Community | ESG Report FY2023, out of the third-party assessments conducted at 84% of in-scope finished-goods supplier facilities, the following ratings were determined:

- Level 4: 18% of suppliers assessed had improvement opportunities that were isolated and may not have a systemic root cause or indicate a management system issue

- Level 3: 78% of suppliers assessed had improvement opportunities that may be due to a systemic root cause and may require revisions to management systems for sustained remediation

- Level 2: 4% of suppliers assessed had improvement opportunities that may be due to a systemic root cause and may require improvements to management systems

- Level 1: 0% of suppliers assessed had serious issues identified that pose a risk to workers or result in a human rights violation

Further, of the non-compliances that were identified through audits in FY23, 51% were Health and Safety related, 41% were Labour related, 5% were related to suppliers' Governance and Management Systems, and 3% pertained to suppliers' Environmental Management.

As of FY23, we've begun conducting third-party assessments at in-scope fabric and trims supplier facilities (Tier 2) and will continue to grow this program.

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities).

INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

A(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

In addition, where an allegation is identified in a company's supply chains:

B.1.1 that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s)

B.1.2 outcomes of the remedy process in the case of the allegation(s); and

B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

Where an allegation is identified in the company's supply chains, but is denied by the company:

B.2.1 a description of what actions it would take to prevent and remediate the alleged impacts; and

B.2.2 as part of this process, it would engage with affected stakeholders and their representatives.

Aritzia's Supplier Workplace Standards Program emphasizes trust, transparency and continuous improvement. We monitor our supply chain on a regular basis for matters outlined in our Supplier Code of Conduct, including a prohibition on the use of forced labor and compliance with relevant laws.

Aritzia has investigated the alleged link to the potential international supply chain risk and has not identified a connection between Aritzia and the raw material suppliers named.

As part of our established process, if a serious issue was identified that posed a risk to workers or resulted in a human rights violation, within a suppliers' facility or further upstream in our supply chain, Aritzia would engage in transparent communication with the suppliers involved and, where necessary, partner with third-party specialty service providers to investigate the matter.

Following further investigation, if the finding was verified, the relationship between Aritzia and the supplier would be terminated. In doing so, a responsible exit strategy would be put into place to minimize the impact on workers and protect their rights. If safe and appropriate, we would work

with civil society partners, such as a trusted NGO in the region, and the rightsholder to protect the rights and safety of the stakeholders reportedly affected in the allegation.

NON-SCORED RESEARCH

Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Yes/No. Please provide link to a publicly available statement.

Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

High Risk Sourcing

Please indicate whether your company sources any of the below high-risk raw materials. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.

- Bamboo
- Cashmere
- Cotton
- Leather (cattle)
- Rubber (natural)
- Silk
- Viscose
- Wool

Please indicate whether your company sources from any of the below high-risk locations.

- Argentina
- Bangladesh
- Brazil
- China
- Ethiopia
- India
- Malaysia
- Nepal
- North Korea
- Thailand
- Vietnam