

Fighting Against Forced Labour and Child Labour in Supply Chains Act – 2024 Reporting Year



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About this Report

For 46 years, Heritage Office Furnishings (Heritage) has been committed to delivering exceptional products and services while steadfastly upholding our core values. We recognize the critical importance of protecting workers' rights, enhancing supply chain transparency, and addressing the pervasive issues of forced labour, child labour, and modern slavery. Our commitment to ethical business practices is a fundamental aspect of our operations and corporate philosophy.

This report has been prepared for the Heritage Group of companies in accordance with Bill S-211 – Fighting Against Forced Labour and Child Labour in Supply Chains Act. It covers the reporting period from April 1, 2024, to March 31, 2025. This is a joint report of all the subsidiaries that fall within the Heritage Group:

- Heritage Office Furnishings Ltd.
- Heritage Office Furnishings Kelowna Ltd.
- Heritage Hospitality Supply & Design Ltd.
- W.D.I. Services Ltd.

The report comprehensively details our efforts over the past financial year to prevent and mitigate the risks of forced labour and child labour in the products we sell and import into Canada.

Steps Taken by Entity

As we close the 2024 financial year, Heritage continues to take proactive steps to address the risks of modern slavery within our operations and supply chains. We conducted a detailed internal assessment, including a comprehensive review of corporate policies and business practices, and completed a mapping of our Tier 1 suppliers. We also developed and distributed targeted questionnaires to gather insight into our suppliers' labour practices and assess potential risks.

Looking ahead to 2025, we remain firmly committed to ethical business conduct by enhancing transparency and aligning our operations with international labour standards. This report not only highlights our actions to date but also outlines our strategic priorities for the year ahead. By reinforcing our policies and processes, we aim to foster a more ethical, responsible, and sustainable business environment—one that protects the rights and well-being of all individuals involved in our supply chain.

We will continue to monitor and evaluate the effectiveness of these efforts and collaborate with stakeholders—including suppliers, industry partners, and regulatory bodies—to promote fair labour practices and eliminate the risk of modern slavery across our operations.

Structure, Activities, and Supply Chains

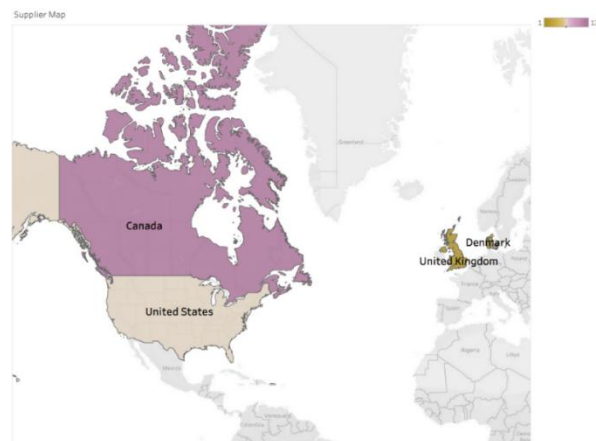
At the Heritage Group, we create and deliver inspiring spaces everywhere work happens. Established in 1979, we identified a service gap in the office furniture market and have been dedicated to bridging that gap ever since. Over the decades, we have perfected our ability to complete any project accurately, on time, and on budget.

Each of our showroom locations in Vancouver, Kelowna, and Kamloops offers a comprehensive range of office furniture and related services. Heritage specializes in high-quality furniture for businesses, featuring products such as desks, chairs, storage solutions, conference tables, reception areas, and customer workspace designs. Alongside our extensive product range, we provide expert design and planning services to help customers create functional and aesthetically pleasing work environments. At the Heritage Group, we currently employ over 250 people, and both our company policies and the employee handbook are acknowledged across all subsidiaries.



Heritage Office Furnishings and its subsidiaries align its operations seamlessly. All employees recognize themselves as part of the Heritage Group, focusing on the sale, warehousing, delivery, and installation of furniture, architectural products, corporate moves or reconfigurations, and technology products. This fully integrated approach ensures our clients receive seamless, one-stop solutions for all their needs.

As a testament to our commitment to quality, we represent over 100 tier 1 suppliers. This extensive network allows us to provide our clients with a wide range of innovative, high-quality products, ensuring that we meet their diverse needs and preferences. Approximately 99% of our Tier 1 suppliers are in North America (Canada and the US), and 1% are in Europe (Denmark and the UK). Through partnerships with a broad range of suppliers, we can offer the latest office furniture and design solutions, guaranteeing that our clients always have access to the best options available in the marketplace.



As part of our ethical sourcing efforts, we are actively working to increase our partnerships with Canadian vendors. Canada's strong and well-enforced labour laws provide a reliable foundation for ensuring safe and fair working conditions, aligning closely with our corporate values. This dedication to variety and excellence is at the core of our service philosophy, reinforcing our ability to deliver outstanding results every time.

Policies and Due Diligence

In 2024, Heritage conducted a thorough review of its corporate policies, including our Code of Conduct and Environmental, Social, and Governance (ESG) policies. This evaluation, carried out in collaboration with our ESG Committee, ensures that our operations remain aligned with both our values and current regulatory requirements.

During this process, we identified a gap: the absence of a formal Supply Chain Code of Conduct. In response, we developed a new policy that clearly outlines our expectations for suppliers, including our zero-tolerance approach to forced and child labour, as well as the importance of supply chain transparency. This Code is being shared with suppliers and will be incorporated into new and existing supplier agreements.

We will continue to review and strengthen our policies with the guidance of the ESG Committee. Our Corporate Code of Conduct remains central to our governance framework, requiring employees, contractors, and business partners to uphold the highest standards of integrity, fairness, and respect.

Risk Assessment

Our initial review showed that most Tier 1 suppliers are located in regions with strong labour laws and enforcement mechanisms, which helps reduce the risk of forced or child labour. Heritage has a supplier review process in place to support our due diligence and ensure alignment with our ethical standards.

As part of that process, we developed and distributed a comprehensive questionnaire to assess labour practices and risk exposure. To date, we have received limited responses, but we remain committed to following up and encouraging supplier engagement. These insights are key to improving transparency and accountability in our supply chain.

We also recognize that risks may exist beyond Tier 1 suppliers. Once our assessment framework is fully implemented at the Tier 1 level, we intend to expand our efforts to Tier 2 and 3 suppliers to ensure that potential risks are identified and addressed throughout the entire supply chain.

Remediation – Forced Labour and Child Labour

Although a full assessment is still in progress, Heritage is not aware of any instances of forced or child labour within our organization or supply chain. Based on our initial review and supplier oversight, our Tier 1 suppliers are located in regions with strong labour laws and safe working conditions, similar to our own operations. None of these suppliers are based in areas considered high risk for labour violations.

Remediation – Vulnerable Family Income Loss

As noted, we have no knowledge of any instances of forced or child labour within our supply chain. We remain committed to ensuring safe working conditions and fair wages for our employees and those working within our supply network. Building and maintaining relationships with suppliers that share our values is essential in preventing and addressing these issues.

Training and Communication

Our executive team and department managers have been informed about the requirements and significance of Bill S-211. As part of our ongoing efforts, we plan to provide employees with training on issues related to child labour and forced labour.

While we have not yet identified a training provider, we are actively exploring options to partner with external experts who specialize in these topics. Once a provider is selected, Heritage will offer training to all relevant employees on how to identify, assess, and respond to risks related to child and forced labour within our operations and supply chains. Training content will be tailored to employee roles, particularly in areas such as procurement and vendor management. In addition, awareness of the signs of child and forced labour will be incorporated into our onboarding and the company employee handbook.

Ensuring the Effectiveness of Processes

Heritage remains firmly committed to the elimination of child and forced labour within our supply chain. To reinforce this commitment, we have implemented a due diligence process aimed at identifying, assessing, and addressing potential risks.

Our progress will be measured by our alignment with the requirements in Bill S-211. In line with our zero-tolerance policy for child and forced labour, we are introducing clearly defined code-of-conduct expectations for all suppliers. These requirements will be incorporated into both new and existing supplier agreements and will be subject to annual review to monitor compliance and identify areas of potential risk. Oversight of this process will be managed at the executive level to ensure accountability across all operations.

Beyond Tier 1 suppliers, we are also preparing to extend our risk assessment framework to include Tier 2 suppliers, thereby strengthening visibility and ethical oversight further along the supply chain. Additionally, we intend to engage external experts to assist with regulatory reporting and to support the ongoing development of our supply chain risk management program.

Approval and Public Disclosure

The Board of the Heritage Group has approved this report. 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.



Steve Cox
CEO
May 30, 2025

I have the authority to bind the Heritage Group