



Ten Tree International Inc.
(tentree)

Addressing Forced Labour and Child Labour in the Supply Chain
2023 Report

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Report Overview

This report has been published by Ten Tree International Inc. (“tentree”) for the 2023 financial year (January 1, 2023 to December 31, 2023) in accordance with Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act)*.

This statement has been approved by the board of directors of tentree.

tentree's registered office is 230 - 1275 Venables St., Vancouver, BC, V6A 2E4, Canada.

Introduction from the Board

tentree is a lifestyle apparel brand and certified B Corp headquartered in Vancouver, Canada. Each item sold funds tree planting around the world and supports our mission to plant 1 billion trees by 2030. tentree believes in using business as a force for good and strives to create a positive impact in the communities and ecosystems we operate in.

We are committed to conducting our business responsibly in a manner that safeguards the well-being and fundamental rights of all workers, communities, and individuals throughout our business operations and our value chain, and we expect all of our employees, manufacturing partners and suppliers¹ to adhere to business principles consistent with our own.

This report sets out the steps we're taking to integrate human rights due diligence into our corporate culture and to eliminate the risk of modern slavery in all its forms², including forced and child labour risks that could be connected to our business. The report is intended to meet the disclosure requirements of the Canadian Act on Forced Labour and Child Labour in Supply Chains.

¹ Including planting partners, logistics providers, and other service providers

² Modern slavery here is defined as forced, child, prison, indentured, bonded and slave labor as well as labor obtained through human trafficking. Source: <https://www.antislavery.org/slavery-today/modern-slavery/>

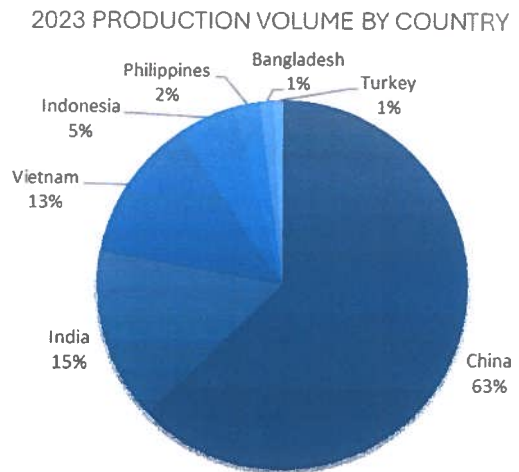
Structure, Activities and Supply chains

Organizational Structure and Activities

tentree is an earth-first lifestyle apparel brand that designs, distributes and sells apparel and accessories. tentree was founded in 2012 in Saskatchewan, Canada and in 2018 relocated to British Columbia and reestablished the corporation under the Canadian Business Corporations Act. The company engages in the import, sale and distribution of goods in Canada and the US through wholesale retailers and online platforms. tentree does not have physical store locations or engage in manufacturing. Goods are imported from various manufacturing countries, detailed below. More information about tentree can be found on the company website: www.tentree.com.

Supply Chains

tentree’s products are designed in Canada and manufactured by suppliers in China, India, Vietnam, Indonesia, the Philippines, Bangladesh and Turkey³. The volume of production by country for 2023 can be found in the chart.



tentree is committed to building long-term supplier relationships and working with manufacturing partners to improve sustainability, transparency and socially responsible practices across the value chain. In 2023, tentree worked with 28 Tier 1 finished product manufacturers, and 44 Tier 2 fabric manufacturers and processors. tentree’s Tier 1 and 2 supplier list can be found [here](#).

tentree also works with a number of planting and restoration partners to deliver tree planting programs, details of which can be found [here](#).

Policies and Due Diligence Processes

tentree is committed to embedding responsible business conduct into its policies and management systems. In 2023, tentree worked with industry experts to conduct a review of existing Human Rights Due Diligence (“HRDD”) policies and processes with respect to forced and child labour, and has begun implementing the identified improvements.

³ 2023 production countries

Human Rights Policies

tentree’s policies, summarized below, are based on international human and labour rights standards, including the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, Universal Declaration of Human Rights and United Nations Guiding Principles on Business and Human Rights.

Policy	Purpose	Scope
Human Rights Policy Statement	Sets out tentree’s commitment and approach to upholding human rights. Includes an overview of internal and external policies and processes in place to safeguard the well-being and fundamental rights of all workers, communities, and individuals throughout tentree’s business operations and value chain.	Applies to employees, manufacturing partners and suppliers including planting partners, logistics providers, and other service providers
Supplier Code of Conduct	Outlines tentree’s expectations from all stakeholders within its supply chain. Includes provisions related to forced labour and child labour, as well as a dedicated grievance email for workers to raise concerns.	Applies to the whole supply chain, including (but not limited to) all factories that produce goods for tentree, sub-suppliers, sub-contractors and farms.

Human Rights Due Diligence Processes

tentree takes care to work with supplying partners that are aligned with the company’s social and environmental values, and meet the requirements set out in tentree’s Supplier Code of Conduct (“the Code”). A risk-based due diligence process is in place to assess forced and child labour risks and compliance with the Code during the supplier onboarding process, and to monitor compliance on an ongoing basis.

The HRDD process includes;

- I. **Preliminary Risk Assessment** - Potential suppliers complete an audit questionnaire to pre-screen factories for compliance against the Code
- II. **Certification Review** - Potential suppliers are asked to provide any existing factory certifications, accreditations or 3rd party audits⁴
- III. **Contractual Agreement** - All new suppliers are required to sign tentree’s Terms and Conditions of Supply Agreement, wherein the supplier certifies that its factories comply with the Code and any applicable laws prohibiting slavery and human trafficking.

⁴ such as Amfori: BSCI, SEDEX / SMETA, SA8000, WRAP and Fairtrade

- IV. **Audit & Corrective Action** - An on-site audit may be carried out by 3rd party auditors. If any non-compliances are identified, suppliers must collaborate with auditors to determine a corrective action plan & appropriate timeline for completion
- V. **Supply Chain Traceability & Risk Assessment** - All supplying partners are required to disclose their full supply chain. Risk assessments are carried out on subcontractors and suppliers through Tiers 2-4⁵ based on factors such as location, operations and existing certifications.

Risk Assessment and Mitigation

Issues associated with poor working conditions are widely documented in the apparel and textile industry. The risk of forced and child labour exists at all tiers of the industry from farm and fiber production through various processing stages and final product manufacturing. As part of tentree's due diligence process human rights risk mapping across the supply chain is conducted on an ongoing basis. The risk assessment includes consideration of known sector risks, geographical risks and risks associated with specific production steps, as well as the presence of existing mitigation measures such as comprehensive social audits or engagement in industry initiatives.

Key Risks and Mitigation Measures

tentree considers the greatest risk of forced labour and other human rights concerns to exist in product supply chains, in particular at lower tiers of the supply chain where visibility and oversight is reduced. Higher-risk segments within the supply chain and some of the key mitigation measures the company has in place are described below:

Identified Risk Area	Explanation of Risk	Mitigation Measures
Tier 2 & 3 manufacturers and subcontractors	Although tentree's Supplier Code of Conduct applies to all tiers of the supply chain, tentree's contractual and direct relationship is concentrated on Tier 1 suppliers. Tier 2 and 3 facilities, or subcontractors used by Tier 1 factories, do not currently benefit from the same level of oversight as Tier 1, and as such, are considered higher	tentree's Supplier Code of Conduct prohibits the use of unauthorized subcontractors and includes a transparency requirement to declare all subcontractors and supply chains. Continuing to improve product traceability will enable expansion of the due diligence approach further upstream. To support this, an HRDD screening questionnaire was developed to determine

⁵ finished product manufacturers (Tier 1), fabric manufacturers and processors (Tier 2), yarn manufacturers (Tier 3), and fiber country of origin (Tier 4)

	<p>risk in relation to the use of forced or child labour, or other human right risks.</p>	<p>whether potential suppliers at any Tier have policies and procedures in place for identifying and prohibiting the use of forced labour and/or child labour in their own activities and supply chains.</p>
<p>Tier 4 Raw material production</p>	<p>Potential risks of forced labour and child labour have been identified in the production of raw materials, in particular i) agriculture-based raw materials such as cotton, which in 2023 represented over 50% of tentree's raw material usage by weight, and ii) recycled polyester during the waste collection stage, which represented 30% of fiber usage.</p> <p>Both cotton farming and waste collection are labor-intensive and informal work arrangements can exist. Combined with low incomes this can spur negative coping mechanisms such as increased risk of child or forced labor and poor working conditions.</p>	<p>tentree has sourcing policies in place to avoid sourcing cotton from regions known for particularly high risk of forced labour and other labour violations.</p> <p>In line with preferred raw material sourcing targets, a large proportion of fibers and materials tentree uses are certified to appropriate industry standards and that include audits at the raw material production stage, as well as branded fibers where waste collection is monitored.</p> <p>See the Fairtrade Cotton Case Study below for more details.</p>

Case Study : Supporting Indian Cotton Farmers and Workers Through Fairtrade

As a Fairtrade International Canada Licensee, we actively seek to prevent the use of forced labour and child labour in our cotton supply chain by sourcing Fairtrade certified products. In 2023 almost 30% of the cotton (by weight) used in tentree products was certified by Fairtrade International.

The Fairtrade system helps prevent, mitigate, cease, and remedy negative impacts on human rights by maintaining fair purchasing practices and promoting long-term trading relationships in order to provide decent wages and incomes, safe working conditions, and development opportunities for the farmers and workers involved in the supply chain.

As part of their Fairtrade certification, producer organizations must meet rigorous social, economic and environmental standards which are verified by a credible certification body, to ensure a high standard of working conditions at the farm level. Fairtrade sets a minimum price for crops, and farmers also receive a 'Fairtrade Premium' to invest in business or community projects such as schools that deliver local economic, social or environmental benefits. Together these measures help to reduce drivers which can lead to forced and child labour, and reduce the risk of this occurring in cotton supply chains.

Further Steps Taken to Mitigate Risk

In addition to the targeted actions described above which address specific identified risks, tentree took a number of steps in 2023 to strengthen and build on the company's existing approach to preventing and reducing the risk of forced or child labour at any step of the production of tentree goods.

1. **External Reviews of Due Diligence Systems:** In 2023, tentree participated in 2 projects aimed at reviewing existing HRDD policies and processes and identifying opportunities for improvement.
 - a. Engaged in a project with the University of Toronto to assess internal processes against the 6 steps outlined in the OECD Due Diligence Guidance for Responsible Business Conduct⁶. This included mapping different supply chain certifications against tentree's Supplier Code of Conduct to better understand potential overlap and risk areas.
 - b. Participated in a Canadian-funded initiative designed specifically for Canadian SMEs and led by industry experts on modern slavery. The outcome of this review led to several improvement actions for addressing forced and child labour risks across tentree's supply chains and operations.
2. **Policy Development:** Developed in response to external reviews, tentree published a [Human Rights Policy](#) in 2023, which formally sets out the company's approach to identifying, addressing and prohibiting the use of forced labour and child labour, among other issues, in its activities and supply chains.
3. **Internal Awareness Raising:** After identifying training and awareness as another area of opportunity further steps were taken to integrate human rights due diligence into tentree's corporate culture. See the section on Employee Training and Awareness Raising for further details.
4. **Responsible Sourcing and Traceability Improvements:** tentree continued to source certified products and materials and made significant improvements to traceability at lower supply chain tiers, enabling further due diligence to identify, prioritize and address risks at lower tiers of the supply chain.
5. **Ongoing Monitoring of Supplier Compliance:** tentree continued to engage with all Tier 1 production factories to ensure valid social certifications were in place and implemented improvements to track compliance internally.

Remediation Measures

tentree takes seriously any allegation of human rights abuse in all its forms. Should any adverse human rights impacts or Code of Conduct non-compliances be identified, raised through the grievance mechanism or by any other means, these will be fully investigated and addressed. tentree is committed to working collaboratively with all relevant stakeholders to determine

⁶ Further Details here :

<https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>

appropriate corrective actions and cooperate in remediation for affected workers when appropriate.

In 2023 tentree had 1 reported incident, detailed in the case study below. There were no identified instances where vulnerable families experienced loss of income as a result of steps taken to eliminate forced labour or child labour risks, therefore no measures have been taken in this area.

Case Study : Collaborative Roadmap to Remediation

In 2023 tentree was contacted by an external organization regarding possible signs of forced labour and child labour on Indian cotton farms. To date, there has been no evidence to indicate that tentree products were linked to such practices. Nevertheless, tentree has committed to continue collaborating with other brands, suppliers and stakeholders to investigate and undertake the development of a collective roadmap to remediate human rights issues associated with cotton farms in the region.

Employee Training and Awareness Raising

In order to integrate human rights due diligence into the corporate culture and different business functions, steps are being taken to raise awareness internally of forced and child labour and other human rights risks, and the importance of all employees in carrying out their due diligence responsibilities.

Awareness Raising

As part of the onboarding process all new employees are required to read and sign tentree's Employee Handbook. This includes HR policies such as the Code of Business Conduct and Ethics Policy, as well as a link to tentree's Supplier Code of Conduct, which specifically addresses the issues of forced labour, child labour and human trafficking, among others.

In 2023 human rights topics were included in company-wide presentations and various resources were provided to the wider team, including a due diligence screening questionnaire for employees dealing with external suppliers and service providers, and an FAQ document detailing tentree's due diligence practices.

Internal Training

An internal training course is in development which will be mandatory for all employees to attend starting in 2024. This training, developed in collaboration with other Canadian SMEs, will

be delivered online on an annual basis and employees will be required to sign an attestation form stating that they have attended.

The training will prepare employees to:

- Understand key terms (including forced labour, child labour and other forms of modern slavery) and where these have the potential to occur across tentree's operations and supply chains
- Understand tentree's policies and due diligence processes, and how to apply these across different areas of the business
- Understand how to recognise and report signs of forced or child labour

In the future more detailed training will be delivered to teams where high risks have been identified, such as sourcing.

Effectiveness Assessment

tentree strives to continuously improve its approach to eradicating forced and child labour from its supply chains. In addition to conducting periodical internal reviews of tentree's policies and procedures and collecting annual feedback from tentree's suppliers, in 2023 the company participated in 2 projects with external partners aimed at reviewing existing HRDD practices and identifying opportunities for improvement. These are detailed in the 'Risk Assessment and Mitigation' Section of this report.

To assess the effectiveness of tentree's due diligence efforts progress is monitored annually using performance indicators such as;

- **Supplier Compliance:** % of suppliers who have signed and agreed to adhere to tentree's Supplier Code of Conduct, and % of Tier 1 production factories compliant with an accepted social certification such as Amfori: BSCI, SEDEX / SMETA, SA8000, WRAP and Fairtrade
- **Reported Incidents :** # of incidents of forced or child labour reported through tentree's grievance email channel or other means; % of incidents followed up with corrective action plans or appropriate remediation measures
- **Employee Awareness :** % of employees who have read tentree's Employee Handbook, which includes tentree's Supplier Code of Conduct and other policies; and (starting 2024) % of employees who have completed Modern Slavery Training

tentree will seek to continually improve how progress is tracked and communicated and is committed to collaborating with suppliers, other business partners, multi-stakeholder initiatives and experts to strengthen its social responsibility practices and advance workers' rights across the value chain.

Approval and Attestation

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.

Approved by



Derrick Emsley
Co-Founder & CEO, Board Director

April 2024
I have the authority to bind Ten Tree International
Inc.



David Luba
Co-Founder, Board Director

April 2024
I have the authority to bind Ten Tree International
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