

MEC MOUNTAIN EQUIPMENT COMPANY LTD.
(the “Company”)

**RESOLUTIONS CONSENTED TO IN WRITING
BY ALL THE DIRECTORS OF THE COMPANY**

WHEREAS the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “*Supply Chains Act*”) came into effect in Canada on January 1, 2024, and reporting entities are required to submit to the government and publish a public report about the measures they have taken to address and prevent forced and child labour in their supply chains during their previous fiscal year.

RESOLVED THAT:

1. The *Supply Chains Act* 2025 report is hereby approved.
2. The *Supply Chains Act* 2025 report is to be filed on or before May 31, 2026 in accordance with the *Supply Chains Act*.
3. Any one Director or Officer of the Company is, and the agents and the employees of the Company or of MEC Mountain Equipment Company Ltd. are, hereby authorized and directed for and on behalf of the Company to execute and deliver, under corporate seal of the Company or otherwise, all such documents, translations, questionnaires, and instruments and to do all such other acts and things as may be necessary or desirable to give full effect to the above resolutions.

These Resolutions may be signed in as many counterparts as may be necessary, and any signature may be written, printed, scanned, stamped, or otherwise mechanically reproduced or may be an electronic signature or a digital signature created via a medium or a technology that ensures the authenticity and integrity of such signature including, without limitation, DocuSign and any counterpart may be delivered by means of electronic communication producing a printed copy, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear the date set forth below.

The undersigned, being all the Directors of the Company, consent to the foregoing Resolutions.

Dated as of April 23, 2026.



PETER HLYNSKY



RENTING (TIM) GU



Fighting Against Forced Labour and Child Labour in Supply Chains

Overview

Founded in 1971, MEC Mountain Equipment Company Ltd. (MEC) exists to inspire and equip Canadians for a lifetime outdoors. While our purpose is centred on enabling everyone to lead active outdoor lifestyles, we recognize that our impact extends beyond the products we sell. Respect for human rights and the fair treatment of workers throughout our value chain are fundamental to how we operate. Strengthening responsible sourcing practices has been an established priority for MEC for more than 15 years through its Social Impact Program and remains integral to our business strategy.

This report is prepared by MEC under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Supply Chains Act). The report covers MEC's financial year from February 24, 2025 to February 22, 2026. MEC is not subject to, and does not report on forced labour and child labour risks under any other legislation.

Within this report, we describe the governance frameworks, policies, and due diligence processes that guide our approach to responsible sourcing and promoting human rights. This disclosure focuses on the systems we use to identify, assess, and respond to risks of forced labour and child labour across our global supply chain. It also outlines the ongoing efforts undertaken during the 2025 reporting period, including the specific risks identified, the actions taken to address those risks, and continued engagement with suppliers to support compliance and continuous improvement in line with the Supply Chains Act, international standards and industry best practices.

MEC structure, activities, and supply chains

MEC Structure and Partners

MEC is incorporated under the laws of British Columbia. MEC has no subsidiaries or controlled affiliates in Canada or internationally. In 2025, majority control of MEC transitioned to a group of Canadian investors.

MEC's strategic direction and priorities are set by the Executive Team. The Social Impact Program is operationally managed by the Social Impact Manager, who is part of the MEC Label team and reports directly to the Chief Merchandising Officer. This structure helps ensure that human rights and labour standards are integrated into product development and supplier engagement. The CEO, supported by the Executive Team, holds overall accountability for the program and for compliance with applicable laws, including the Supply Chains Act.

During the 2025 reporting period, MEC employed over 1,500 people across its operations. Corporate, planning, and central support functions are based at our Vancouver Support Office, while retail and distribution activities are carried out at 24 stores spanning seven provinces. Our logistics operations are supported by a distribution centre in British Columbia. While MEC works with international suppliers and partners, all company employees are located in Canada.

Supplier and partner relationships are governed through contractual requirements, compliance monitoring, and ongoing engagement, with expectations that partners adhere to MEC's policies on labour practices and production conditions. These measures support our efforts to identify, address, and mitigate risks of forced labour and child labour across our supply chains.

MEC recognizes that addressing labour and human rights risks requires collaboration beyond our own operations. We work with independent organizations and multi-stakeholder initiatives to strengthen oversight, align with credible standards, and support improved working conditions within our supply chains. In 2025, MEC continued to engage with the following organizations:

- **Fair Labour Association:** MEC has been a participating company since 2005. The MEC Social Impact Program was first accredited by the FLA in 2013 and subsequently reaccruited. Accreditation requires alignment with the FLA Workplace Code of Conduct and Compliance Benchmarks, which address core labour standards including freedom of association, non-discrimination, fair compensation, and the prohibition of forced and child labour. The program is subject to annual assessment and ongoing review by FLA to support continuous improvement. Further details about MEC's accreditation status can be [found here](#).
- **Cascale:** Cascale is a global, non-profit alliance focused on advancing social and environmental performance in the consumer goods industry. Through this membership, MEC participates in industry efforts to measure and improve supply chain impacts using standardized assessment tools.
- **Fair Trade USA:** MEC continues to collaborate with Fair Trade USA to increase the number of certified factories producing MEC Label products. In 2025, we got close to achieving our goal of sourcing 50% of MEC Label apparel from Fair Trade Certified™ factories. The program also expanded beyond apparel into hardgoods, with MEC introducing the first Fair Trade Certified™ sleeping bags.

MEC Activities and Supply Chain

MEC is a Canadian outdoor retailer and does not own or directly operate manufacturing facilities. For products that carry the MEC name or logo, MEC partners with external manufacturers around the world to produce finished goods based on MEC's design specifications and quality standards.

In 2025, MEC's Tier 1 suppliers consisted of 65 finished goods factories across 12 countries. These Tier 1 suppliers carry out one or more production activities for apparel or gear sold under the MEC brand, including cutting, sewing, assembly, or finishing. Women represented 59% of the workforce at these factories, and 2% were foreign migrant workers.

MEC Tier 1 Suppliers (of February 2026)		
Country	% of Total Factories	% of Total Workers
Austria	2%	<1%
Cambodia	3%	5%
Canada	3%	<1%
China	23%	18%
Indonesia	11%	28%
Philippines	3%	4%
Republic of Korea	2%	1%
Romania	2%	<1%
Taiwan	22%	3%
Thailand	2%	4%
USA	3%	1%
Vietnam	26%	36%

MEC maintains and publishes a current list of Tier 1 suppliers [online](#). This list also includes information on additional suppliers further down the supply chain, based on information provided by suppliers to MEC. MEC has made these supplier lists publicly available since 2008 in order to support transparency and stakeholder engagement.

In addition to MEC Label products, MEC retails a wide range of outdoor apparel, gear, and footwear from third party brands. For these products, MEC generally purchases finished goods after they have been imported into Canada and does not have direct relationships with, or oversight of, the factories that produce them. While MEC's ability to influence labour conditions in the manufacture of third party products is limited, MEC requires that these brands respect MEC's Supplier Code of Conduct and participate in an annual sustainability survey to understand progress on shared goals, including responsible sourcing, environmental stewardship, and social compliance.

MEC's commitments, policies, and due diligence procedures

MEC is committed to promoting human rights and supporting fair and safe working conditions for the people making the products we sell. This commitment is informed by internationally recognized frameworks, including the:

- International Bill of Rights
- International Labour Organization (ILO) Declaration on the Fundamental Principles and Rights at Work
- UN Guiding Principles on Business and Human Rights
- OECD Due Diligence Guidance for Responsible Business Conduct

To put these commitments into practice, MEC has established a set of governance documents, policies, contractual requirements, programs, and procedures that guide our efforts to identify, prevent, and address potential adverse impacts on human rights in our supply chains. These documents are periodically reviewed to ensure they remain current, effective, and aligned with evolving industry standards and best practices.

Social Impact Governance Documents		
Policy, contract, or program	What does it do?	Who does it apply to?
Supplier Code of Conduct	The Code of Conduct defines the minimum expectations we set for workers' rights, labour practices, and environmental responsibility across our supply chain. It explicitly prohibits any practices that constitute forced labour or child labour. We require all of our suppliers, including brands and factories, to uphold the Code of Conduct as a condition to doing business with MEC. The Code of Conduct is incorporated into our General Terms & Conditions of Supply.	All Suppliers
Social Impact Program	The goal of our Social Impact Program is to ensure that workers are treated fairly in safe and healthy workplaces, in accordance with the Code of Conduct The Social Impact Program includes processes and procedures for factory onboarding and offboarding, regular audits, corrective action plans, and escalation processes if required based on audit results. The Program also includes a grievance mechanism and email that can be used directly by factory workers to raise issues with MEC (workers.rights@mec.ca). The Social Impact Program is accredited by the FLA.	Tier 1 factories that manufacture MEC products
Responsible Sourcing Policy	MEC's Responsible Sourcing Policy sets out our approach to sourcing decisions to consider social and environmental impacts, worker welfare, and responsible use of resources. The policy is approved and overseen by the CEO and was last updated in August 2025.	Employees, agents, consultants, contractors, and officers of MEC
General Terms & Conditions of Supply	Among other things, these contractual terms and conditions require suppliers to comply with the Code of Conduct and to represent and warrant that products sold to MEC are not produced, manufactured, assembled or packaged by the use of forced labour, prison labour or child labour.	All Suppliers
Social Impact Agreement	The Social Impact Agreement outlines the requirements for Tier 1 factories producing MEC products, including adherence to the Code of Conduct, participation in audits, remediation of non-compliances, and disclosure of production facilities. All Tier 1 factories are required to sign this agreement during onboarding before any purchase orders can be placed.	Tier 1 factories that manufacture MEC products

Risks, management, and remediation of forced labour or child labour

In 2025, MEC continued to monitor and manage risks of forced labour and child labour in its supply chain. We identified the following primary categories of risk:

- Recruitment fees paid by foreign migrant workers, particularly in Taiwan
- Use of homeworkers
- Withholding of identity documents of migrant workers
- Limited visibility into certain areas of the supply chain, including non-transparent audits, Tier 2 suppliers and beyond, subcontractors, and brand partner products.

The key risks and MEC's management and remediation actions are detailed below:

Risk Recruitment Fees in Taiwan	
Description of Risk	Recruitment fees are payments that migrant workers pay to secure employment abroad, often to third party recruiters or brokers in their home countries. These fees can vary widely in dollar amount and type of fee, including initial recruitment fees, transportation costs, broker fees, contract renewal fees, and ongoing monthly 'service' fees. Depending on the jurisdiction, some recruitment fees may be legal for factories, agents, or recruiters to charge. In Taiwan's manufacturing sectors, migrant workers from countries such as Vietnam, Indonesia, the Philippines, and Thailand have reported paying high recruitment fees, sometimes several thousand U.S. dollars. These fees are often financed through loans, and may be further compounded by ongoing monthly service charges totaling several months' wages over multiyear contracts. Recruitment fees are recognized in the 2025 ILO guidance as a risk factor for forced labour. Excessive fees that create debt can lead to debt bondage, which may restrict workers' freedom to leave employment or expose them to exploitative conditions, both of which are established indicators of forced labour. MEC has identified recruitment fees as a supply chain risk in certain Tier 1 bike factories in Taiwan, where a portion of the workforce is made up of foreign migrant workers recruited through labor agents. MEC is also aware of recruitment fee concerns at a Taiwanese Tier 2 fabric mill through investigations conducted by the nongovernmental organization Transparentem.
2025 Management and Remediation	MEC started work on the issue of recruitment fees in Taiwan factories in 2018 and has since collaborated with factories, industry associations, and other brands to tackle this complex issue. For the Tier 2 fabric mill identified in the Transparentem investigation, MEC contributed to hiring a third party agency to calculate the reimbursement amount owed to workers, engaged with the mill on its worker reimbursement plan, and in 2025 MEC paid for its proportionate share of the worker reimbursement costs. MEC continues to participate in a brand coalition organized by the American Apparel & Footwear Association (AAFA) and FLA, focusing on recruitment fees in factories highlighted in the investigation and advocating for broader industry-wide improvements. Additionally, MEC continues to actively collaborate with other brands in the bike industry to work with shared suppliers on implementing a zero fees policy for workers.
Risk Identity Document Retention	
Description of Risk	Identity document retention occurs when the employer or an intermediary holds workers' personal identity papers, such as passports, work permits, or national ID cards, often for the duration of employment. This practice is an International Labour Organization (ILO) indicator of forced labour as it can prevent workers, especially migrant workers reliant on employers for legal status and often in debt from recruitment fees, from leaving a job, returning home or seeking alternatives, increasing their vulnerability to exploitation. MEC has zero tolerance for this practice. In 2025, during the factory onboarding audit of a Taiwanese Tier 1 bike factory, it was found that the passport of one migrant worker was being withheld by the factory.
2025 Management and Remediation	Upon discovery of the withheld passport during the onboarding audit, MEC engaged directly with the factory to explain the requirements of the Code of Conduct and the forced labour concerns related to this practice. The factory returned the migrant worker's passport, and the issue was fully resolved. Purchase orders were only placed once a third-party follow-up audit confirmed that the identity document had been returned to the worker. MEC continues to engage with the factory regularly through ongoing monitoring audits.

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Risk	
Homeworkers	
Description of Risk	Homeworking occurs when production tasks are completed by individuals outside the factory premises. While legal in many jurisdictions, this work arrangement can limit visibility into wages, working hours, and the identity of workers, creating potential exposure to forced labour or child labour under ILO definitions. Key risks include inaccurate reporting or record-keeping of hours or pay, potential involvement of underage family members, and limited oversight of health, safety, and employment conditions. One of MEC's Tier 1 bike factories was found to be using homeworkers for part of its product finishing.
2025 Management and Remediation	MEC continues to monitor and engage with the Tier 1 bike factory regarding the use of homeworkers, recognizing the challenges this presents in verifying wages, working hours, and worker identity. The factory provided a written declaration confirming that all MEC products are, and will continue to be, fully manufactured on-site. The factory also stated that no homeworkers under the age of 18 are involved. The factory has committed to gradually reduce the use of homeworkers as production volumes increase, with the goal of eventually completing all production on-site. MEC will continue to engage with the factory through routine monitoring audits to ensure progress on this plan, compliance with the Code of Conduct, and alignment with ILO standards on forced labour and child labour.
Risk	
Visibility in the Case of Non-Transparent Audits	
Description of Risk	Audits do not always reveal all issues and have inherent limitations. Findings often rely on information provided by the factory, which may sometimes be incomplete, misleading, or falsified, and workers may be coached to give predetermined responses. In such cases, auditors may issue formal findings of non-transparency. When MEC cannot rely on an audit, there is a risk that labour or compliance issues exist without our knowledge. Of the audits conducted in 2025, MEC's third-party auditors identified one instance of non-transparency involving restricted access to timesheet and payslip records for certain workers.
2025 Management and Remediation	In response to the one instance of non-transparency identified in 2025, where auditors encountered restricted access to timesheet and payslip records for certain workers, MEC took the following actions: — Immediate engagement with the factory: As part of the Corrective Action Plan, MEC has asked the factory to maintain complete and accurate records for all workers, including both full-time and contract workers. — Follow-up audit scheduled: A subsequent audit has been scheduled after a six-month period to verify that the factory has fully implemented this corrective action and is maintaining full and accurate records. To address and mitigate risks related to non-transparent audits more broadly, MEC continues to apply our ongoing standards in 2025, including: — Only accepting certain audit schemes — Requiring APSCA-accredited auditors — Commissioning anonymous worker surveys for insight on workers' experience where there is a risk of non-transparency and use of migrant workers — Requiring factories to pay for a re-audit if there is a formal finding of non-transparency and engaging with the factory on the cause of the non-transparency finding — MEC conducts periodic audits and monitoring engagements to ensure that corrective actions are implemented, and transparency issues are addressed over time

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Risk	
Visibility into Suppliers Deeper in the Supply Chain	
Description of Risk	The MEC Social Impact Program only covers Tier 1 factories, which produce finished MEC products. This program does not include suppliers and manufacturers deeper in the supply chain, including factories that produce fabrics, trims, insulation, or hardware like zippers or buttons. The program also does not extend to primary extractive industries where the raw materials like cotton, wool or metals, that eventually go into our clothing or gear, are sourced. Without direct oversight, MEC cannot verify compliance or worker welfare in these facilities, meaning issues could exist without our knowledge.
2025 Management and Remediation	We rely on mechanisms other than our Social Impact Program for insight into our supply chain beyond Tier 1, which include: — Information received from audits conducted out of scope of the Social Impact Program, including third-party assessments and supplier self-reporting — Publishing a list of known Tier 2 factories and Tier 1 subcontractors — Reports from NGOs like Transparentem — Grievance mechanisms — Sharing risk information and collaborating with other brands that have common suppliers or operate within the same regions. Many MEC products use bluesign®-approved fabrics, which provide indirect oversight of fabric mills. Bluesign® system partner mills must comply with selected International Labour Organization conventions, including the Forced Labour Convention (No. 29), the Abolition of Forced Labour Convention (No. 105), and the Worst Forms of Child Labour Convention (No. 182).
Risk	
Visibility into the Supply Chains of Brand Product	
Description of Risk	MEC does not design, manufacture, or produce any brand partner products sold by MEC. We also do not audit any brand partner manufacturing factories (unless they also happen to be producing MEC products). As MEC does not have direct visibility into our brand partner supply chains, there is a risk that issues exist without our knowledge.
2025 Management and Remediation	MEC's General Terms and Conditions of Supply require brands to comply with the Code of Conduct. In 2023, MEC initiated the practice of sending a survey to brand partners whose products were imported into Canada by MEC. This survey was adapted from the Mekong Club, and was designed to help MEC to understand brand policies and practices for identifying, addressing, and mitigating child labor and forced labour. MEC once again sent out this survey to brands with products MEC imported in 2025, and the answers to this survey once again provided valuable insights into the practices of our brand partners.

Measures taken to remediate the loss of income to the most vulnerable families

We have not identified any loss of income to vulnerable families in 2025 that resulted from any measure taken by MEC to eliminate the use of forced labour or child labour. Accordingly, we did not undertake any remediation in this area in 2025.

Employee training on forced labour and child labour

In 2025, MEC delivered Responsible Sourcing Training to all staff in the Merchant and MEC Label teams, who are involved in the design, development, and sourcing of MEC products. The training was developed internally and informed by industry guidelines and standards incorporated into MEC's policies and programs. Key topics included:

- MEC Social Impact Program
- Remediation of non-compliances
- Escalation procedures
- Responsible exit of factories
- Responsible purchasing practices
- Product sustainability requirements including country-specific sourcing restrictions

The training emphasized MEC's expectations for staff to support the implementation of responsible sourcing requirements and to ensure their decisions consider the minimization of negative social or environmental impacts. Participation was mandatory for all employees in the Merchant and MEC Label departments, ensuring that key decision-makers are informed and able to incorporate these considerations into their daily operations.

Assessing our effectiveness

MEC is committed to evaluating how effectively our policies and processes reduce the risk of forced labour and child labour in our supply chain. We assess the effectiveness of our efforts through a combination of internal monitoring, external oversight, and continuous program review. In 2025, these mechanisms included:

- **Regular Monitoring and Remediation:** Through our Social Impact Program, ongoing monitoring of Tier 1 suppliers, including factory audits, worker surveys, and collaboration with other brands and suppliers. We work with the factories to develop and implement corrective action plans to address issues identified. This process ensures that we can track progress and make necessary improvements based on audit findings.
- **Annual FLA Evaluation:** Our Social Impact Program is evaluated annually by the FLA as part of our accreditation requirements, ensuring that our practices meet industry standards and continue to improve. In 2025, the FLA reviewed MEC's performance in the areas of (i) collection and management of compliance information, (ii) timely and preventative remediation, (iii) consultation with civil society, and (iv) verification requirements. MEC also participates in ad hoc third-party supplier assessments conducted by the FLA. Factory assessments and related corrective actions are published on the FLA website and can be accessed here: [FLA Assessments for MEC](#).
- **Regular Review of Policies and Procedures:** We regularly review and update our Responsible Sourcing Policy and Social Impact Program to align with evolving regulatory requirements, industry standards, and best practices.
- **Grievance Mechanism:** Our grievance mechanism includes a dedicated email (workers.rights@mec.ca) for workers in our supply chain to bring confidential complaints directly to MEC. This email is shared with Tier 1 factories, vendors and brand partners through the Code of Conduct and is also available on the MEC website.

- **Use of External Information:** MEC reviews external regulatory actions and civil society reporting to assess whether its due diligence systems are effectively identifying and mitigating forced labour and child labour risks within its supply chain. This includes monitoring U.S. Customs and Border Protection Withhold Release Orders (WROs), the U.S. Department of Labor’s List of Goods Produced by Child Labor or Forced Labor, and relevant civil society and industry reports concerning sourcing regions and sectors applicable to MEC’s apparel and outdoor gear supply chains. MEC also engages with other brands to better understand emerging risks and evolving industry practices. By reviewing these external trends and reports alongside MEC’s supplier base, audit findings, and monitoring activities, MEC evaluates whether additional measures are needed to strengthen the Social Impact Program.

ATTESTATION

This report was approved by the governing body of MEC Mountain Equipment Company Ltd.

In accordance with the requirements of the Supply Chains Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity 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 Supply Chains Act, for the reporting year listed within this report.

I have the authority to bind MEC Mountain Equipment Company Ltd.



Peter Hlynsky
Director and CEO, MEC Mountain Equipment Company Ltd.
Date: April 23, 2026