

GoodMorning Inc. Statement regarding Fighting Against Forced Labour and Child Labour in Supply Chains Act

This statement is made pursuant to 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**. This statement outlines the approach and initiatives taken by GoodMorning Inc. (hereby referred to as “GoodMorning”) during the financial year commencing January 1, 2023 and ending December 31, 2023, to identify and address risks of forced labour and child labour in its business operations and supply chains.

About GoodMorning

GoodMorning is a Canadian corporation incorporated in the province of Alberta with head office in Edmonton. GoodMorning sells mattresses and sleep accessories in Canada and the USA, primarily through company-owned websites, and prefers to work directly with manufacturers (suppliers) in order to have more insight and influence on the development, testing, quality, and compliance of its products and suppliers.

GoodMorning’s Supply Chain

The diagram describes GoodMorning’s supply chain relative to more traditional retailers.

GoodMorning’s supply chain consists of a diverse set of vendors in the following countries:

- Canada
- China
- India
- Portugal
- USA



Risks in GoodMorning’s Supply Chain

Since a portion of GoodMorning’s supply chain is based in Asia and labour to manufacture products is outsourced, this part of the business carries a risk of forced or child labour being used in the manufacturing of products. The steps taken to assess and manage the risk are set out below.

Actions Taken

Supplier Terms and Conditions

GoodMorning requires suppliers to adhere to the following condition:

No Forced or Child labour

GoodMorning expects the Supplier and their suppliers, at a minimum, not to engage in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child. The minimum admission to employment or work shall not be less than the age of completion of compulsory schooling, normally not less than 15 years or 14 years where the local law of the country permits, deferring to the greatest age. Additionally, all young workers must be protected from performing any work that is likely to be hazardous or to interfere with the child's education or that may be harmful to the child's health, physical, mental, social, spiritual or moral development. All suppliers shall also adhere to legitimate workplace apprenticeship programs and comply with all laws and regulations governing child labor and apprenticeship programs.

The Supplier, and their suppliers, will not employ, use or otherwise benefit from involuntary labor, forced labor, or labor that results from slavery or human trafficking. The Supplier hereby certifies that:

- *It is in compliance with this paragraph;*
- *All materials incorporated into its products comply with all applicable laws addressing slavery, human trafficking and other forms of forced labor;*
- *Supplier shall provide Customer with documentation establishing compliance with this paragraph within 7 days upon written notice.*

Due Diligence

During 2023, the below processes were implemented in relation to compliance with laws relating to forced and child labour.

- GoodMorning's standard supply agreement template was updated to include additional requirements relating to forced and child labour:
 - Requirement for suppliers to comply with all laws against forced and child labour
 - Rights for GoodMorning to access and inspect Supplier premises
 - Rights for GoodMorning to request and obtain information for sub-suppliers and materials
- A significant majority of GoodMorning's finished goods suppliers signed a "Forced labour & Child labour Integrity Declaration" form which requires that they confirm they comply with, and enforce, the following principles:
 - Respect for Human Dignity
 - Zero Tolerance for Forced & Child labour
 - Ethical Business Practices
 - Collaboration and Engagement
 - Monitoring and Reporting

Remediation

Should GoodMorning receive a valid report of violation against GoodMorning's **No Forced or Child Labour** policy that has occurred in GoodMorning's supply chain, the following action will occur:

1. A high-priority project will be created with the objective of remediating the instance of violation
 - a. The project will be sponsored by a member of the leadership team
 - b. The project will receive automatic funding, and be added to the leadership team's top level project register for continuous monitoring
2. The project team will:
 - a. Correct the violation
 - b. Identify the root cause of the violation
 - c. Determine and implement the measures necessary to prevent the violation from happening again, including any measures necessary to remediate the loss of income to the most vulnerable families that results from these measures
 - d. Incorporate these measures into operations such that the root cause of the violation has been permanently corrected
3. Once complete, the project team will present their findings and actions-taken to the leadership team
4. The leadership team will sign off on the project completion.

For the fiscal year January 1, 2023 to December 31, 2023, no valid reports of violations against GoodMorning's **No Forced or Child Labour** policy occurred and as such no measure of remediating lost income was taken.

Training

In 2023, we identified within our organization who will be responsible for each task in relation to combating forced and child labour. These tasks include:

- Having the appropriate people to document findings
- Educating the appropriate people on the laws applicable to forced and child labour

Effectiveness Assessment

In 2023 GoodMorning began measuring and monitoring the percentage of its suppliers that have signed the "Forced labour & Child labour Integrity Declaration" form.

Sign off

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.

Name: Samuel Prochazka

Title: President

Date: May 31, 2024

Signed: *Samuel Prochazka*

I have the authority to bind GoodMorning Inc.