

DAVIDsTEA Statement Against Modern Slavery and Human Trafficking

David'sTea Inc. (DAVIDsTEA, the Company, we, our) is committed to respecting human rights and stands against all forms of modern slavery (a term that includes forced labour, child labour and human trafficking). This Statement is made pursuant to Section 11 of Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. This statement describes our approach and initiatives to identify and address the risks of modern slavery in our business operations and supply chains during the fiscal year ended February 3, 2024.

Our structure, business and supply chains

DAVIDsTEA is incorporated and domiciled in Canada and its shares are publicly traded on the TSX Venture Exchange under the symbol "DTEA". The Company was founded in 2008 and is headquartered in Mont-Royal, Quebec, Canada.

We are proud to offer a specialty branded selection of high-quality proprietary loose-leaf teas, pre-packaged teas, tea sachets, tea-related accessories, and gifts through our e-commerce platform at www.davidstea.com and the Amazon Marketplace, through our wholesale customers which include over 4,000 grocery stores and pharmacies in Canada and over 400 grocery stores in the United States, as well as 18 company-owned stores across Canada. We offer primarily proprietary tea blends that are exclusive to the Company, as well as traditional single-origin teas and herbs. Our passion for and knowledge of tea permeates our culture and is rooted in an excitement to explore the taste, health and lifestyle elements of tea.

We source our products from a global and complex supply chain. Our tea products and accessories are sourced directly and indirectly through a series of suppliers located in countries such as Austria, Canada, China, Germany, India, Japan, Kenya, Malawi, Mexico, Nepal, Rwanda, Sri Lanka, Taiwan, Vietnam and the USA.

All products are received in our facility in Montreal, Canada and made available to consumers via our sales channels. We comply with applicable employment standards and human rights legislation in the jurisdictions in which the Company operates.

Risks in our operations and supply chains

Recognizing every human is entitled to fundamental rights and freedoms, without discrimination, we abide by responsible business practices across our operations and supply chains. Cognizant that the risk of modern slavery within the agriculture sector is well documented, DAVIDsTEA nor its suppliers shall engage in child labour, forced labour, or human trafficking.

Due to the global nature of our supply chain and procurement through external vendors, there is a risk of modern slavery in the tea industry. The tea industry, like other industries, faces climate change challenges, rising production costs, and lower demand due to global oversupply—these adverse economic conditions disproportionately impact the most vulnerable workers and families directly involved in tea supply chains. The competitive nature of the manufacturing industry can create pressure on suppliers to meet tight production deadlines, leading to excessive working hours, forced overtime, and other labour rights violations.

Given the Company's sourcing practices, the most significant risks relating to our tea products are low income; use of informal and migrant labour; prevalence of child labour in tea producing regions that ranges from 15.5% in Asia and the Pacific to 10.4% in Sub-Saharan Africa; lack of access to clean water in Nepal and India; and gender inequality and gender-based violence mostly prevalent in Africa. Many of these risks stem from low income as well as a lack of long-term investments or business relationships, which could be addressed with responsible contracting measures. In terms of business practices and sourcing of materials such as hard goods, packaging and other products, the main risks to human rights for these items are unstable and strict production deadlines, where the pressure to meet those deadlines incurs risk of labour rights violations; lack of transparency in the supply chain (as many suppliers engage subcontractors); and use of informal and migrant labour, particularly in China.

Actions Taken

Employees

Our hiring and recruitment procedures comply with applicable legislation to ensure a fair and equitable approach to hiring. We respect and promote diversity, equality and human rights in our workforce. In particular: we recognize gender equality as a fundamental human right; we stand against all forms of modern slavery, and we stand against discrimination in all parts of the employment life cycle, including discrimination on the grounds of race, colour, ethnicity, religion, sex, gender identity, national origin, age, disability, marital status, sexual orientation, veteran status or genetic information.

Third parties

DAVIDsTEA shares with and expects its direct product suppliers to adhere to and to implement, *DAVIDsTEA's Sustainable & Ethical Sourcing Code of Conduct*, which addresses working conditions for suppliers and specifically prohibits the use of modern slavery, harassment, and abuse. DAVIDsTEA has communicated and will continue to communicate the requirements of our *Sustainable & Ethical Sourcing Code of Conduct* to our direct suppliers to ensure that materials and ingredients incorporated into our products comply with all applicable laws regarding modern slavery. Understanding that transparency is the foundation for identifying and mitigating risks, we work with our *Camellia sinensis* tea suppliers who are committed to providing detailed yearly supplier lists to the Ethical Tea Partnership (ETP), a global membership organization that works to the tea sector's most pressing issues under three interconnected themes: economics, equality, and the environment.

To achieve a sustainable tea sector, we are cognizant that tea farmers and pickers deserve a wage that enables them and their families to have a decent livelihood; that which constitutes the ability to provide a decent standard of living for them and their household. Low wage is one of the leading factors of child and forced labour, and supporting a living wage is a one proven way to eradicate child and forced labour. We and our suppliers work together to identify risks and collaborate to ensure all workers across the supply chain have a decent livelihood.

Risk Assessment

We are continuously working to address the risk of modern slavery in our supply chain and address broader supply chain diversification, including due diligence on human rights matters. We are leveraging tools and developing processes to integrate identification, management and mitigation of supply chain-related environmental, social and governance risks. Our practises continue to evolve and we have started engaging with our tier 1 suppliers and are embedding responsible business conduct into our policies and management systems.

We consider measures such as auditing or third-party verification for any suppliers we determine to be in significant risk of violating our *Sustainable & Ethical Sourcing Code of Conduct*. If we or one of our vendors or suppliers recognizes a potential gap or weakness in their control environment, or if they identify a risk that they are unable to mitigate or manage, we will work with them to assess the impact and determine an appropriate solution.

Remediation

In our fiscal year ended February 3, 2024, DAVIDsTEA did not surface any occurrences of modern slavery in our business or supply chains. Consequently, we did not take any measures to remediate any adverse impacts of modern slavery, nor did we take any measures to remediate the loss of income to families that potentially could have resulted from any measure taken to eliminate the use of modern slavery in our business and supply chains.

We are dedicated to continuing the development and improvement of our programs to ensure we can identify and assess risk, always working to create positive impact within our supply chain.

Training

All employees who manage and oversee third parties within DAVIDsTEA are required to complete annual training on identifying and reporting modern slavery risks within our supply chain. This training includes: an explanation of modern slavery; identification of Bill S-211 and our legal obligations; DAVIDsTEA's stance on respecting human rights; general risks and hazards in the Canadian supply chain; specific risks and hazards in the Canadian supply chain as they relate to DAVIDsTEA in the tea, hard goods, and packaging categories; an outline of DAVIDsTEA's policies and procedures and what we're doing to mitigate risk as a company.

Effectiveness Assessment

DAVIDsTEA acknowledges the need to go beyond certification, as many certification audits miss instances of misconduct and are unable to protect workers rights. Cognizant that the risk of child, forced, and compulsory labour within the agriculture sector is well documented, we engage with our suppliers to foster a sense of shared responsibility and open communication to be able to address and flag instances of risk. Awareness and transparency are initial steps towards being able to address such risks.

We will seek to assess the effectiveness of our actions over the course of the next reporting period by tracking progress of the following initiatives:

- Continue to work on providing employees managing third parties with requisite training on identifying and reporting modern slavery risks within our supply chain;
- Continue working on the implementation of a supplier screening program and due diligence process for any new major suppliers; and
- Continue to work with our third parties in our supply chain to abide by the Company's *Sustainable & Ethical Sourcing Code of Conduct* and where applicable, take necessary corrective actions to mitigate risks in connection with modern slavery and human trafficking.

Approval

This Statement is approved by the Company's board of directors on May 22, 2024.

By: *(signed)* Jane Silverstone Segal
Chair of the Board and Director

By: *(signed)* Pat De Marco
Lead Director

By: *(signed)* Susan L. Burkman
Director

By: *(signed)* Peter Robinson
Director

By: *(signed)* Sarah Segal
Chief Executive Officer and Chief Brand
Officer, Director