

# Fighting against forced labour and child labour in Supply Chains Act

(S.C. 2023, c. 9) (“Supply Chains Act”)

For the financial year Feb. 2, 2025 – Jan. 31, 2026



# About this report

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This 2026 report for Best Buy Canada Ltd. (“Best Buy Canada”) outlines the steps we took during our previous financial year to prevent and reduce the risk that forced labour or child labour is used in production of goods we imported into Canada. This report has been prepared in accordance with the requirements of the Supply Chains Act and is covers the reporting period from Feb. 2, 2025 to Jan. 31, 2026.

This report has been reviewed and approved by Best Buy Canada’s directors, including, Mat Povse, Best Buy Canada’s President, on April 30, 2026.

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# A message from our president

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At Best Buy, we remain deeply committed to helping eliminate modern slavery and protecting human rights across our operations and supply chains. This continues to be a core focus for us, both in the products we source for resale and the goods and services we rely on to run our business.

As a Canadian company, we recognize the important role we play in driving responsible business practices. We work with partners and suppliers who share our values, and ensuring alignment with our principles remains paramount.

Best Buy operates within global supply chains to bring customers a wide range of innovative and essential products. Our teams work closely with suppliers to identify, assess, manage and mitigate risks associated with modern slavery. During onboarding of suppliers, we perform due diligence to evaluate a variety of risks, including those related to forced and child labour. All partners are required to comply with the Best Buy Code of Conduct, which aligns with the Responsible Business Alliance (RBA) Code of Conduct.

We prioritize fair recruitment, compliance with legal working hours, and ensure that workers have access to grievance mechanisms to report concerns. Respect for workers remains foundational, and we expect all facilities to operate ethically and in an environmentally responsible manner. Working with internal teams and independent audit firms, we conduct regular audits and address any issues through our Corrective Action Plan (CAP) process. In the last fiscal year, no instances of forced or child labour were identified in our private label facilities.

Our due diligence practices, procedures, and protocols continue to evolve as we refine our approach and deepen our engagement with suppliers. In the past year, we have significantly enhanced our feedback mechanisms implemented at select factories and capacity building of factory management. We remain dedicated to strengthening relationships with workers and facility management, recognizing that this collaboration is key to proactively identifying and addressing potential risks.

The health, well-being, and safety of our teams and the communities we serve continue to be our top priority. I am pleased to present this 2026 Annual Report under the Supply Chains Act on behalf of our incredible company.



**Mat Povse**

President, Best Buy Canada Ltd.

# Our structure, activities and supply chains

Best Buy Canada Ltd. (“Best Buy Canada”) is a wholly owned subsidiary of Best Buy Co., Inc., the U.S. parent company, and a part of the Best Buy brand.

Best Buy Canada is amongst Canada’s largest consumer electronics retailers. Our purpose is to enrich the lives of our customers through technology. Headquartered in Vancouver, B.C., Best Buy Canada operates more than 142 Best Buy stores coast-to-coast and, in partnership with Bell Canada, runs over 165 Best

Buy Express stores. Best Buy Canada employs more than 9,000 Canadians, working in brick-and-mortar retail stores, in our warehouses, and at our Canadian headquarters on activities ranging from bringing in new goods to improving customer experiences while continually advancing corporate responsibility on a business wide scale. Our website also provides millions of customers access to electronic tools, appliances, equipment and other goods.



Our Responsible Sourcing program addressing forced labour and child labour is managed by Best Buy's Corporate Responsibility Team located in the U.S. and China. The program is overseen by Best Buy's Human Rights Executive Committee, which includes leaders from Supply Chain, Legal, Communications, Government Affairs, Inclusion & Belonging, Merchandising and Exclusive Brands. This compliance program applies to Best Buy Canada as detailed elsewhere in this report.

Best Buy Canada's supply chain is complex and carefully designed to ensure the smooth movement of goods and services. Our supply chain encompasses goods intended for resale under private label brands, goods sourced from trade suppliers for resale, as well as goods not intended for resale (GNFR) yet essential for the operational efficiency and support of our business.

## Trade suppliers – Best Buy owned private label goods

Best Buy owns the following private label brands that are available in Canada: Insignia, Rocketfish and Best Buy Essentials.

For this reporting period, there were 147 factories working on the design, production and testing of Best Buy's private label goods. Best Buy's Corporate Responsibility team has strong relationships with management at these facilities. The team builds upon these relationships to conduct regular audits, roll out worker voice surveys, follow up on issues found in audits, and coach and assess improvement. Goods manufactured in these facilities are then shipped, largely by ocean freight, for export into U.S. and Canadian locations. Best Buy Canada is the importer of record of Best Buy's private label goods imported into Canada.

## Trade suppliers – goods for resale

Best Buy Canada operates a vast supply chain to ensure the availability of a wide range of consumer electronics and other technical products in our stores and on our online platform. Best Buy Canada sources these goods both domestically and internationally. International suppliers are in almost all cases required to act as importers of record for goods sold to Best Buy Canada.

## Some of our main product categories include:



Televisions, computers,  
mobile phones and  
cameras



Ranges, refrigeration  
and small kitchen  
appliances



Gaming, toys  
and musical  
instruments



Wearable tech,  
watches and  
jewelry

## Non-trade suppliers - Goods not for Resale (GNFR)

The procurement of GNFR is integral for the successful running of our operations. GNFR includes the following categories, but is not limited to:

- office equipment and consumables;
- uniforms;
- IT and telecommunications related goods;
- store fixtures; and
- warehousing supplies.

# Our policies and due diligence processes

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## Our policies

We uphold stringent labour standards across our supply chain, with particular emphasis on our private label goods, which are those we source ourselves. The standards for our suppliers are outlined in our Supplier Code of Conduct, available at <https://partners.bestbuy.com/-/supplier-code-of-conduct>, adopted from the RBA Code of Conduct. It establishes the requirement for our suppliers to ensure that working conditions in supply chains are safe and that business is conducted responsibly, ethically and with respect for human rights and the environment. It lays out our standards related to labour, fair recruitment of workers, working hours within legal limits and no mandatory overtime, and access to grievance mechanisms through which

workers may share any concerns about working conditions.

Our Code of Conduct specifies that suppliers will not use any forced labour, whether in the form of prison labour, indentured labour, bonded labour or otherwise. Also, our contracts require that products are not produced, manufactured, assembled or packaged by the use of forced labour, convict labour, or forced or illegal child labour. Failure by a supplier to meet our Code of Conduct or the terms of our contracts subjects the supplier to possible actions by Best Buy, up to and including the termination of Best Buy's contract and business relationship with the supplier.

Our commitment to the protection of workers is a core component of our company's human rights focus. As outlined in our Human Rights Statement, available at <https://corporate.bestbuy.com/human-rights/>, we seek to avoid adverse human rights impacts, conduct remediation if impacts do occur and drive continuous improvement of our human rights management. We believe we can have the greatest impact by focusing on the rights most at risk as determined by our Human Rights Impact Assessment (HRIA). Those risks and their management are also outlined in our Human Rights Statement.

In addition to the due diligence standards for suppliers, our Responsible Sourcing Program for private label goods was built to adhere to international human rights standards. The global standards that drive our labour commitments include the:

- Universal Declaration of Human Rights.
- International Labour Organization Declaration on Fundamental Principles and Rights at Work.
- Organization for Economic Cooperation and Development Guidance for Responsible Supply Chain of Minerals from Conflict Affected and High-Risk Areas.
- United Nations Guiding Principles on Business and Human Rights.
- United Nations Standards of Conduct for Business: Tackling Discrimination against Lesbian, Gay, Bi, Trans and Intersex People.

Best Buy's long-standing position against forced labour is highlighted in the Responsible Sourcing section of our Corporate Site: <https://corporate.bestbuy.com/responsible-sourcing/#forced-labor>

## Our policies

Our standard agreements for private label suppliers, trade suppliers, and GNFR contain a representation from suppliers that the goods sold to us are not produced, manufactured, assembled or packaged using prison, forced or child labour. We have a contractual right of termination in case of a breach of this representation.

For all private label suppliers, Best Buy follows a five-step process to prevent, mitigate and remediate any issues:

**Step 1. Code introduction:** Before working with new suppliers, we provide comprehensive training, resources and material on our Supplier Code of Conduct and Responsible Sourcing Program. We set clear expectations with suppliers about risks related to issues of forced or child labour.

We ensure 100% of all new facilities are audited and conduct regular audits for existing suppliers on a one- or two-year basis according to their risk level. If any non-conformances are found, we implement prompt CAPs to ensure suppliers remediate the issue.

**Step 2. Self-reporting:** To maintain strong expectations, due diligence, and compliance for existing suppliers, we require that each supplier submit a Self-Assessment Questionnaire (SAQ) on a yearly basis to assess their performance against our Code of Conduct and to identify and implement protection and mitigation measures against forced or child labour.

**Step 3. Monitoring:** Best Buy aligns its audit protocol to the standards set by the RBA and, when necessary, will accept other approved equivalent audit reports to facilitate timely assessments. At least every other year, full audits are conducted at supplier facilities to identify any gaps between suppliers' management systems and practices, and our Code of Conduct.

a. We ensure that audits include worker interviews and visits to all structures on the factory premises including warehouses, dormitories and canteens.

b. Although we require suppliers to adhere to our rigorous Supplier Code of Conduct, we understand that additional measures for labour due diligence are necessary to ensure supplier alignment and prompt remediation and corrective actions. If any non-conformance is discovered, we distinguish between priority, major and minor non-conformances. Any form of forced or child labour we discover would fall into the priority non-conformance category, requiring immediate remediation and corrective action by the supplier. We have a specific remediation policy to address instances of child labour and forced labour found in our supply chain:

- 1) We provide the remediation policy and guidelines to guide suppliers to remediate and take corrective action.
- 2) We monitor progress against remediation and corrective action and require evidence of such remediations and corrections.
- 3) An on-site assessment by a third-party audit firm is required to verify and confirm the remediation and corrective actions.

c. Best Buy regularly updates its due diligence processes, procedures and protocols to ensure that workers throughout our supply chain are treated with respect and dignity.

**Step 4. Training and communication:** We maintain clear and direct communication with our suppliers about our priorities, expectations and changing strategies. Each year, we host an annual supplier meeting aimed at disseminating important information regarding our Code of Conduct and deepening relationships and transparency with our suppliers on a global level.

**Step 5. Reporting:** We are transparent with our customers, shareholders, employees and suppliers about overall compliance with our Code of Conduct. We regularly report in our annual Corporate Responsibility & Sustainability Report our audit results and CAP closure rates, and any issues related to forced labour encountered during the reporting year. Our most recently published Corporate Responsibility & Sustainability Report is available here: <https://corporate.bestbuy.com/wp-content/uploads/2025/07/BestBuy-CRS-Report-2025.pdf>

# Managing risks in our operations

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We recognize the critical importance of addressing the risks of forced and child labour within our organization's activities and throughout our extensive supply chains. We take a multifaceted approach to prevent and reduce the risk that forced labour or child labour is used at any step of the production of our private label goods or of goods imported into Canada as described elsewhere in this report. Here is the summary of steps we took in FY26:

## Internal assessment of risks:

### 1. Country risk identification and prioritization:

Supply chain manufacturing locations are becoming increasingly more geographically diverse, as are the geopolitical and labour risk profiles of emerging sourcing countries. To mitigate these wider and varied risks, Best Buy conducts pre-sourcing risk assessments, leveraging both publicly available data and RBA data to evaluate various labour factors in existing and potential sourcing countries, including migrant worker population and protections in the country, presence of labour intermediaries, and any recruitment fee practices. We identify high-risk countries related to child labour and forced labour, enabling us to better educate sourcing teams and strengthen our mitigation efforts for these high-risk regions and facilities.

### 2. Self-Assessment Questionnaires: All private label

suppliers complete annual SAQs to evaluate the risk of child labour, forced labour and other labour, health and safety risks. In FY26, 100% of these suppliers submitted their SAQ.

**3. Foreign Migrant Workers SAQ:** Suppliers located in high-risk countries undergo a supplemental Foreign Migrant Worker SAQ to inquire about worker hiring processes and procedures, the age of workers, and proof of voluntary employment to assess forced labour and child labour risks. Thirteen of Best Buy's 147 private label suppliers were in scope for the Foreign Migrant Worker SAQ. Of these thirteen suppliers, 100% submitted the Foreign Migrant Workers SAQ.

## External assessment:

**Factory-level audits:** Third-party audit firms conduct social audits, including assessments of child labour and forced labour, at the factory level of our private label goods. In FY26, no forced or child labour issues were found amongst our private label suppliers. Consequently, we did not need to take any measures to remediate any forced labour or child labour or remediate the loss of income to the most vulnerable families. However, we do have stringent measures in place to remediate any forced or child labour were it ever to arise.

If signs of forced or child labour were found during an audit, we have processes in place to act swiftly.

## Grievance mechanisms:

**1. Grievance hotline:** We have established grievance mechanisms, including the Best Buy's Open & Honest Ethics Line and worker surveys. We ask all suppliers to post the Ethics Line poster in a visible place in their facilities in the languages spoken by the workers.

**2. Worker interviews during factory audit:** We select vulnerable populations, including migrant and young workers, to uncover critical indicators such as legal working age, recruitment fees paid, passport being illegally withheld, and restricted freedom of movement.

**3. Worker voice program:** In FY26 we significantly enhanced our supplier worker engagement program, focusing on creating a safe environment for workers to express their voice freely and safely. In the factories where the program has been implemented, it has been a powerful tool for Best Buy, the supplier and factory management to identify risks and opportunities for improvement.

## Supplier training and capacity building

**1. Young worker controls:** All private label suppliers receive biannual communication and must complete a Student Worker SAQ, emphasizing our policies against child labour and forced labour.

**2. Supplier training:** Private label suppliers undergo a mandatory RBA Code of Conduct training and a Best Buy-specific training on forced labour and child labour. Suppliers and their labour agencies located in high-risk countries must take additional foreign migrant worker training.

# Remediation measures

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We have documented stringent measures in place to remediate any forced or child labour that may arise. These measures detail our procedures to provide or cooperate in remediation efforts, ensuring corrective actions are taken by suppliers. In FY26 no forced or child labour issues were found amongst our private

label manufacturers. Consequently, we did not need to take any measures to remediate any forced labour or child labour. However, we take vigorous measures to ensure non-priority conformance issues are closed as to systematically improve suppliers' management systems.

# Remediation of loss of income

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**1. Prioritization of non-conformance:** Forced and child labour are priority non-conformances in our Responsible Sourcing Program, leading to immediate actions if identified. No instances of non-conformance were identified in FY26; however, the business impact if a priority non-conformance was found is as follows:

- a. For new suppliers – no business orders if forced or child labour is identified.
- b. For existing suppliers – no new orders are placed and the forced or child labour issue needs to be corrected and remedied within 30 days, otherwise, the supplier will be terminated.

If a prohibited recruitment fee is identified, the supplier must immediately halt the practice and initiate a comprehensive remediation process centered on the principle of “zero fees,” meaning workers should not bear any costs related to their employment. The supplier must first identify all

affected workers, and then conduct a thorough investigation to calculate the total fees paid by each worker. Reimbursement must be made directly to workers’ bank accounts with clear communication in their native language explaining the calculation. The supplier must implement systemic fixes including updated policies prohibiting worker-paid fees, mandatory training for staff and recruitment partners, strengthened monitoring mechanisms, and accessible grievance channels with the ultimate goal of preventing recurrence and ensuring workers maintain control of their own passports and employment decisions. Once the issue is closed, a third-party follow-up audit is scheduled to validate the fee reimbursement and corrective actions.

**2. Supplier requirements:** Suppliers are required to have policies prohibiting forced labour and child labour, as outlined in our Human Rights Statement and Code of Conduct.

## Our training provided to employees

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We recognize the complex nature of combating forced labour and modern slavery, necessitating a collaborative effort across departments. As part of this strategy, individuals involved in decision-making

for Best Buy’s private label goods undergo mandatory training on forced and child labour.

Our sourcing team, responsible for purchasing decisions of private label goods, is also trained in foreign migrant worker management to raise awareness of relevant issues.

In FY26, we also provided training to our sourcing team on key labour laws and regulations, as well as the political, economic, and environmental considerations of new and potential sourcing

countries. As manufacturing diversification accelerates, understanding emerging sourcing countries and their unique risks has become urgent and critical to applying appropriate risk-mitigation efforts.

Moving forward, we will continue to focus on training employees to support deeper understanding of ways to best mitigate forced and child labour.

# Assessing the effectiveness of our actions

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We have processes in place to assess the effectiveness of our efforts aimed at ensuring forced and child labour is not being used for our business activities and in our supply chains. We conduct regular reviews of our internal policies, management systems and processes against our goals of mitigating, preventing and remediating forced or child labour, making changes as needed.

Our most recent HRIA reviewed Best Buy's policies, activities and processes across Best Buy related to human rights, labour, ethics, sustainability and other topics. From a labour perspective, this internal assessment allowed us to understand where we have strong processes in place to mitigate, prevent and remediate risk of forced or child labour, such as our strict protocol for assessing risks in our private label manufacturing facilities.

Based on the HRIA, we revised our responsible sourcing and human rights priorities to most effectively manage our most salient risks, including

the protection of vulnerable groups, such as women and migrant workers.

The Corporate Responsibility team based in China conducts bi-annual reviews of Standard Operating Procedures related to preventing, mitigating and remediating the risk of forced or child labour in our private label supply chains. We measure how effective our policies are by checking if our efforts to stop forced and child labour match the feedback from workers through our Worker Voice program and Best Buy's Open & Honest Ethics Line, which both form part of our Supplier Grievance Program.

To empower workers to voice their opinions and concerns in the workplace and beyond, our Worker Voice program includes a customized survey for our private label supply chain workers to complete through their personal mobile devices. Workers are surveyed anonymously and remotely in their native language.

The survey, implemented during factory visits, collects feedback on worker satisfaction, working conditions, working hours, wages and benefits, forced labour, abuse and harassment, policy communication and factory grievance mechanisms, and evaluates workers' knowledge of available tools. The survey results are anonymous to the factory.

We review the survey questions annually for effectiveness and efficiency to ensure we are using a genuine approach that is amenable to the workers and modify them as needed. For example, in the previous fiscal year we developed a specific foreign migrant worker voice survey that focuses more on recruitment and hiring practices and other common forced labour risks than our standard survey.

In FY26, we added another facet to our Worker Voice program, as we developed a new approach to collect worker feedback directly via worker engagement program workshops. The program provides a safe environment for workers so they can express their feedback freely and without fear of repercussion. Upon completion of workshops, Best Buy shares worker feedback with factory management, who

in turn is expected to identify opportunities among the feedback collected in the workshops to make improvements.

Best Buy's Open & Honest Ethics Line is also available to our private label supplier employees and workers to report a grievance regarding labour conditions, unethical behavior or misconduct. The Ethics Line is operated by an impartial entity. Once a complaint is reported, it will initiate a grievance case and pass the information to the appropriate teams to address the issue.

The feedback collected from these interventions and tools informs the development of our programs to ensure that they have an impact on systemic issues at the supplier, factory and individual worker levels.

In conclusion, we remain committed to advancing our compliance programs, including our Responsible Sourcing Program, to actively prevent and mitigate the risk of forced and child labour within our supply chain in the current fiscal year and beyond.

## Attestation

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 Best Buy Canada Ltd. 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 above.

I have the authority to bind Best Buy Canada Ltd.



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Name: Mat Povse      Position: President

Date: