

B*rowns*

Browns Shoes Inc. - Bill S-211 Report

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Introduction

The following report has been prepared by Browns Shoes Inc. (“Browns”) in alignment with section 11 of Bill S-211, an Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act) for the financial year ending January 27th, 2024. The entity covered by this report is Browns (Business Number: 100667518)

Under the act, Browns qualifies as an entity due to its presence with a place of business, business activities, and assets in Canada. Moreover, it satisfies the three size-related thresholds concerning revenue, assets, and number of employees. Importantly, Browns fulfills the reporting obligation for entities as a seller of goods in Canada, as well as an importer of goods produced outside of Canada.

Browns is steadfast in its commitment to uphold honesty and integrity in all its business operations. In alignment with bill S-211, this report has been prepared to disclose the measures that our organization has implemented, as well as those it plans to undertake, to mitigate the risks associated with modern slavery within its business framework.

Section A: Structure, Activities, and Supply Chains

Browns is a Canadian corporation specializing in the retail trade of fashion footwear, operating 68 stores nationwide. The company is headquartered in Montreal. In addition to selling goods within Canada, Browns imports products manufactured abroad. While only serving the Canadian market, they source their products from a network of suppliers, mainly based in Canada, with additional suppliers from Europe, China and small amounts from other countries.

Section B: Policies and Due Diligence Processes

Browns prioritizes ethical practices throughout its operations and supply chain. This philosophy, coupled with Browns’ strategy of cultivating deep relationships with its vendors, serves as a fundamental safeguard against the risks of forced and child labour, as well as other unethical practices within its operations and supply chain.

While Browns did not implement formal policies or due diligence processes over the past fiscal year, the company has taken steps to monitor suppliers. This oversight has been conducted through site visits, indirectly allowing the organization to observe potential instances of forced and child labor in their suppliers’ facilities. Notably, Browns has been working with a high-quality boutique factory in China, rather than a mass-production facility, for the past 12-15 years. Browns’ executives have visited the Chinese factory on several occasions and have worked on-site numerous days. In addition, Browns’ external designer visits the factory multiple times per season for extended stays. This long-term partnership underscores Browns’ commitment to maintaining high standards in their supply chain.

The organization maintains a commitment to upholding the highest standard of ethical labour practices and fostering a responsible, sustainable supply chain. Looking ahead, Browns is dedicated to continuing enhancing its efforts to actively reduce the risk of forced and child labour in its supply chain.

Section C - Forced Labour and Child Labour Risks

During the past fiscal year, we did not initiate the process of identifying risks. However, to pinpoint potential forced and child labour risks within our supply chain, Browns recently conducted a risk assessment. This assessment was guided by insights from reputable sources including the Walk Free Global Slavery Index, the Organization for Economic Co-operation and Development’s (OECD) Due Diligence Guidance for Responsible Business Conduct, and the US Department of Labor’s List of Goods Produced by Child Labor or Forced Labor. These documents were chosen due to their recognized authority in addressing forced and child labour risks for Canadian entities. Through this analysis, our organization identified potential forced and child labour risks associated with specific countries.

This risk identification exercise does not presuppose the actual use of forced and child labour within our operations or supply chains, rather, it is aimed at recognizing potential scenarios where such risks might arise, thereby further enabling Browns to implement effective preventative measures. Our assessment acknowledges that no industry is entirely exempt from the risks of forced and child labour and there are inherent vulnerabilities within certain sectors of our supply chain, particularly in regions where regulatory frameworks and enforcement mechanisms might not be robust.

The analysis considered specific geographic regions that, according to the Walk Free Global Slavery Index and other credible sources, present a higher risk of forced and child labour practices. This geographic risk assessment was combined with an assessment of at-risk-good categories, further enabling a targeted lens to our risk assessment.

Risk Assessment Findings

Through our analysis, we focused on our top 5 suppliers by spend, which accounted for approximately 45% of the total purchases. These suppliers are geographically spread across Canada and China

The findings revealed a varying prevalence of forced and child labour risk across our supplier base. Procurement from Canada, which accounts for 90% of our top 5 suppliers' spend, carries a very low prevalence of forced and child labour. In contrast, China presents a high prevalence of forced and child labour, although it only accounts for 10% of our top 5 suppliers' import expenditure.

We also examined data from the US Department of Labour's List of Goods Produced by Child Labor or Forced Labour. This step was crucial in pinpointing specific goods in our import portfolio that might be vulnerable to forced and child labour. Upon comparing this data with our imported products, we determined that only the footwear imported from China pose a high risk of forced labour.

Overall, our risk assessment indicates that our organization has a relatively low exposure to forced and child labour risks within our supply chain relative to overall expenditures. Nonetheless, this does not diminish our commitment to rigorous risk management.

Looking forward, Browns remains resolute in its pursuit of enhancing due diligence endeavors to proactively mitigate the risk of forced and child labour.

Section D - Remediation Measures

We did not encounter any indications of forced and child labour within our operations or supply chains during the previous fiscal year; therefore, no remediation measures were taken. However, in alignment with the United Nations Guiding Principles on Business and Human Rights, we recognize the importance of having robust remediation measures in place.

While the aforementioned holds true, should any indications arise in the future, immediate action will be taken. We will engage directly with affected individuals and communities to understand the impact and develop appropriate remediation measures. Recognizing the complexity of supply chains, we commit to working collaboratively with our suppliers to ensure these measures are effectively implemented.

Section E - Remediation of Loss of Income

Over the past fiscal year, Browns did not encounter any instances of forced and child labour in its operations or supply chains, and by way of a supply chain risk assessment has determined itself to carry a relatively low overall supply chain risk as it relates to forced and child labour. Thus, no measures have been taken to remediate the loss of income to vulnerable families. We recognize the importance of being prepared to take immediate and effective action should any such issues arise.

Section F - Training

Over the past fiscal year, Browns has not conducted formal training programs related to forced and child labour in the supply chain. Our aim, however, is to foster a supply chain and team of professionals that are collectively vigilant and proactive against forced and child labour.

Section G - Assessing Effectiveness

While Browns does not currently have specific policies and procedures in place to assess its effectiveness in ensuring that forced and child labour are not being used in its activities and supply chains, we are committed to implementing more robust measures if concerns arise or best practices evolve.

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.

X ROBERT LAUFER

Full Name

X CHIEF FINANCIAL OFFICER

Title

X MAY 29, 2024

Date

X 

Signature*

I have the authority to bind
Browns Shoes Inc.