



## **Report under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* for Fiscal Year 2024**

### **JR Fashion Holdings Inc.**

#### **About this Report**

This report is made by JR Fashion Holdings Inc. (the "Company") pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") and relates to the financial year ending March 31, 2024 ("FY2024").

The information provided in this report applies to the Company and its subsidiary Joseph Ribkoff Inc. References in this report to "Joseph Ribkoff", the "Company", "we," "us," or "our" and similar terms are to the Company, Joseph Ribkoff Inc. and its subsidiaries generally, to one or more of them, or to those who work for them.

This report highlights the key actions of Joseph Ribkoff within the last financial year to prevent and reduce the risk of forced labour or child labour in its activities and its supply chain.

#### **Preventing and Reducing Risks of Forced Labour and Child Labour**

At Joseph Ribkoff, we and our employees are committed to ensure that every business decision in which we are involved promotes social welfare in the countries where we do business. Our objective is to ensure that our manufacturing facilities and factory workers are treated with dignity and respect, and that all manufacturing activity is performed according to applicable labour laws.

During our last financial year, we have taken various steps to prevent and reduce the risk that forced labour or child labour be used at any step of the production of goods in Canada or elsewhere by us or of goods imported into Canada by us, including the following:

- We updated our Vendor Code of Fair Practice and Social Compliance Manual and expanded guidelines for Supply Chain Security and Conflict Minerals. We also engaged with supply chain partners located overseas on the audits conducted or to be conducted at their facilities.
- We conducted an internal assessment of risks and integrated a supply chain risk management and assessment platform to map, monitor, and mitigate human rights risks in our supply chain.
- We developed a plan to be deployed in case of any human rights risks concerns.
- We have adopted new practices and procedures to increase the visibility we have on our Tier 1 suppliers.
- We conducted due diligence processes, auditing and monitoring of suppliers, and continued to carry out a prioritization exercise to focus due diligence efforts on the most severe risks of forced and child labour.
- We maintained strict recruitment procedures and employment practices and provided training and awareness materials to our compliance team on forced labour and child labour.



Details of the above actions are set out in this report.

## **Our Business and Structure**

Headquartered in Montreal, Quebec, Joseph Ribkoff is engaged in the design, manufacture, distribution, and market of women's apparel in over 60 countries worldwide, with its main distribution centers also located in Montreal and 13 foreign subsidiaries mainly acting as distributors in their respective markets.

Joseph Ribkoff Inc. is incorporated under the *Canada Business Corporation Act* and is the main operating entity, responsible for the design, manufacturing and procurement of all products sold. All designs are created at the head office and most of the manufacturing is done in Canada, through third party contractors.

The Joseph Ribkoff group employs about 481 employees worldwide, 345 of which work out of our corporate headquarters in Montreal, Quebec.

## **Our Supply Chain**

The apparel we design and sell to our Canadian customers are manufactured by our third-party contractors located mainly in Quebec and Ontario. We also rely on manufacturers in Bulgaria and China and, to a lesser extent, in Turkey. These finished garments represent Tier 1 vendors in our supply chain. In Bulgaria, the Company has established a subsidiary that is responsible for overseeing the manufacturing operations of our business partners. This arrangement allows us to closely monitor and control the manufacturing processes in order to ensure quality and efficiency.

Our organization also relies on an established network of sourcing partners for fabrics (e.g. polyester, denim, cotton) and trims (e.g. buttons, zippers), categorized as Tier 2 vendors, that are predominantly located in countries such as South Korea, China, Turkey, and the US.

Although our Vendor Code of Fair Practice further discussed below, prohibits our suppliers from using cotton and cotton products from the Xinjiang region in China, we recognize that we have limited visibility on our supply chain beyond our garment manufacturers and into the lower tiers of the supply chain such as raw materials providers and the mills that spin, weave, dye and produce the fabrics and yarn.

This multi-tiered structure underscores the complexity of our supply chain, highlights the importance of diligent monitoring and oversight to ensure compliance with labour standards and mitigate risks of forced labour and child labour across all tiers of production.

## **Codes, Policies, and Processes**

### **Alignment with International Standards**

At Joseph Ribkoff, our commitment to social responsibility and fairness is integral to our business practices and plays a crucial role in our Social Compliance Strategy. Our Vendor Code of Fair Practice outlines our commitments, expectations, and guidelines for conducting due diligence on



forced labour and child labour. Aligning with international standards, our activities are governed and carried out in accordance with laws and regulations related to human rights and encompasses the principles and conventions drawn from The United Nations (UN) Guiding Principles on Business and Human Rights, The International Labour Organization (ILO) Fundamental Conventions, and The Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

### **Values on Human Rights and commitment on Forced Labour and Child Labour**

At Joseph Ribkoff, we steadfastly commit to respecting and upholding human rights in all facets of our operations and supply chain. Our values center on integrity, fairness, and a deep sense of responsibility. We embrace diversity, foster inclusivity and are dedicated to creating a work environment and supply chain where the fundamental rights and dignity of every individual are safeguarded. This commitment extends across all our workforce and our global community, and we strive to contribute positively to the societies we operate in.

Our dedication to responsible conduct is demonstrated through a range of the human resources policies we have established, which include a conflict of interest policy, a non-discrimination and anti-harassment policy, and a Customs Trade Partnership Against Terrorism (CTPAT) policy. We also maintain strict recruitment procedures and employment practices to facilitate compliance with applicable employment, labour and human rights laws.

### **Vendor Code of Fair Practice**

At the onset of our business relationship with business partners in our supply chain, we communicate our standards and requirements through our Vendor Social Compliance Manual in which we outline our Vendor Code of Fair Practice. The Vendor Code of Fair Practice includes provisions prohibiting forced labour and child labour as follows:

***“b. Child Labour:*** *No person shall be employed that is under 15 years of age, or under the age interfering with compulsory schooling laws, or under the minimum age established by law, whichever is greater. The engagement of young workers under the age of 18 in hazardous work or under challenging conditions, including prolonged hours or nighttime labour is prohibited.*

***c. Forced Labour:*** *Forced labour is prohibited whether in the form of prison labour, indentured labour, bonded labour, or labour obtained through slavery or human trafficking.”*

In FY2024, we updated the Vendor Social Compliance Manual and expanded guidelines for Supply Chain Security and Conflict Minerals.

Joseph Ribkoff believes in the fair treatment of its employees and expects that its vendors will do the same. Our Compliance team establishes guidelines that focus on labour conditions found in manufacturing facilities and are designed to ensure our vendors' compliance with our Vendor Code of Fair Practice. Our objective is to ensure that our manufacturing facilities and factory workers are treated with dignity and respect, and that all manufacturing activity is performed according to local labour laws. As such, we require our vendors to respect the guidelines set out for employee right to occupational health and safety, freedom of association and collective bargaining, non-discrimination, diversity, and equality of opportunity, ensuring a working



environment free of harassment, fair wages and benefits, working hours, and to ensure that their own vendors and subcontractors do the same.

## **Due Diligence Processes**

Joseph Ribkoff recognizes that the embedding of responsible business conduct into our policies and practices is critical to our continuing efforts to strengthen our ability to assess our human rights risks and evaluate the effectiveness of our policies and practices in this area.

We use a risk-based approach to assess and manage the risk of forced labour and child labour being utilized in our supply chain. Our approach helps us prioritize our efforts, focus our due diligence efforts on the most severe risks and adjust our actions accordingly.

Our supply chain onboarding protocol provides for consistent onboarding processes with the goal of identifying and mitigating risks of human rights abuses within our supply chain. All our suppliers must go through such vetting process prior to doing business with us. We also request that our vendors (and their relevant subcontractors) sign and return our Vendor Code of Fair Practice as an acknowledgement and commitment to abide by our guidelines, and we require them to complete a questionnaire to assess the level of risk each supplier may represent. When the initial vetting identifies an elevated risk of forced or child labour, we may decide not to contract with such supplier.

Furthermore, we regularly conduct audits or on-site visits at the production facilities of our overseas Tier 1 suppliers, from which we import products to Canada, as further detailed in the following section of this report. Every year, we engage most Tier 1 suppliers to ensure a recent third-party audit summary is available or to mandate our own third-party consultant to conduct an audit on their facilities. These audits allow us to objectively manage any non-compliance and to assess any adverse impacts to our operations and/or supply chain. We intend to increase the scope of our audits and inspections in calendar year 2024 and beyond to include all Tier 1 suppliers as well as our most strategic Tier 2 suppliers located in higher-risk countries.

To increase the visibility we have on our Tier 1 and Tier 2 suppliers, we have deployed new practices and procedures allowing us to conduct international background checks on our current and potential suppliers and to receive prompt notifications of any violations.

## **Monitoring and Addressing Risks**

In our business operations, we recognize that multiple facets may carry the risk of forced labour and child labour. At Joseph Ribkoff, transparency, accountability, and continuous improvement are the pillars of our approach as we work to embed respect for human rights into the fabric of our organization. We communicate regular updates on progress, challenges, and improvements among relevant teams and the information is escalated to various members of management based on materiality.

## **Risk Classification**

In our ongoing commitment to ethical business practices and building a traceable value chain, we assess, monitor, and mitigate the risks associated with forced labour and child labour by

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identifying factors that contribute to these risks in our supply chain. These factors may include geographical location, vendor relationships, local regulations and any past incidents or allegations. We also reference the [Global Slavery Index | Walk Free](#) to keep abreast of global trends, and monitor the vendor industry with the highest human rights risks in our supply chain, including the purchase risk.

During the vendor evaluation process, we assess and assign a vendor risk level. The risk levels can range from high, moderate high, moderate, low moderate to low risk.

We take a proactive approach to quality control and risk management by maintaining a regular presence at both our Canada and Bulgaria sites throughout production stages. We conduct on-site assessments before production begins and any anomalies discovered during these assessments are reported to corporate office management.

Social audits are typically conducted every 12 to 24 months at most of our Tier 1 suppliers overseas factories. Audits are usually scheduled in advance with the vendors, to foster a relationship of trust and cooperation, however Joseph Ribkoff Inc. reserves the right to conduct unannounced audits. Our audit frequency is determined by the level of risk including the outcomes of the prior audit.

A situation of forced labour or child labour found in a production site is considered a zero-tolerance issue. The auditors are instructed to provide Joseph Ribkoff Inc. with an immediate notification letter.

Through our social audit program, vendors have the opportunity to remediate identified issues in order to foster safe, compliant, and respectful workplaces.

In order to bolster our monitoring capabilities concerning forced labour and child labour, in FY2024, we integrated a supply chain risk management and assessment platform to map, monitor, and mitigate human rights risks in our supply chain.

Given the preliminary nature of our risk mapping exercise and the fact that the Company relies on global supply chains which present visibility challenges, there are still gaps in our assessments.

The risks we have identified through our preliminary mapping are primarily related to the industry in which we operate, the types of goods we produce, sell, distribute and import, the locations of our activities and operations, the type of products we source, the raw materials or commodities used in our supply chains, the use of outsourced, contracted or subcontracted labour, and the use of migrant labour. We also understand that the risk of forced labour and child labour in textile manufacturing exists and that supply chains that extend into certain foreign countries potentially face greater risk of forced labour and child labour.

Supply chain risks will be further analyzed as the assessment process will continue in calendar year 2024 and beyond.

## **Remediation Measures**

Joseph Ribkoff is committed to providing remediation of any human rights concerns within our supply chain and we have developed a plan to be deployed if any non-compliance is identified. In

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such instances, we will work with a supplier to put in place mutually agreed upon corrective actions and a schedule for implementing such actions. Additional audits may also be conducted in order to confirm compliance in the future.

At this time, we have not found cases of forced labour or child labour within our activities or supply chains. For this reason, there have been no instances requiring remediation of forced labour or child labour or loss of income to vulnerable families in our activities and supply chains in FY2024.

Should any instances of forced labour or child labour be identified or reported to the Company, we will be dedicated to swift and decisive action, including remediation efforts, and implementing corrective measures to prevent recurrence.

We work closely with our vendors to remediate any identified non-compliance issues at the outcome of an audit and use an escalation process to report delinquency, and if necessary, terminate vendor factories that fail to comply with our policies, procedures, or guidelines.

## **Employee training**

At the heart of our commitment to combating forced labour and child labour lies a culture of internal accountability and continuous training. Our dedicated social compliance team is empowered to collaborate closely with business units and global supply chain teams to ensure alignment with our social compliance commitments. The social compliance team spearheads the requests for on-the-ground assessments and drive remediation efforts, additionally, the team is entrusted with the essential duty of internal and external reporting on social compliance matters, ensuring transparency and accountability across our operations.

In FY2024, members of our social compliance team attended external training programs and seminars on ethics and compliance, including forced and child labour. We also intend to provide modern slavery training to selected employees involved in our supply and procurement-related activities in the near future.

More generally, all Joseph Ribkoff employees in key positions are required to complete compliance and ethics training, which includes the review and certification of our core policies upon hire, and annually thereafter.

## **Ensuring the effectiveness of our actions**

Ensuring the effectiveness of our actions surrounding the monitoring, addressing, and training of forced labour and child labour in our supply chain involves our implementation of a comprehensive approach. Key items we consider is the establishment of clear policies and standards which are communicated effectively to vendors, and we offer support in implementing best practices.

Our due diligence processes identify, assess and address risks of forced labour and child labour, which include supplier assessments, risk mapping and regular audits or inspections. We leverage resources and collaborate with industry peers to share best practices. We provide channels for employees and stakeholders to report concerns and ensure that complaints are investigated and resolved promptly. We collect data, track progress, and conduct semi-annual reviews to identify areas of improvement.

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As we are constantly evolving with continuous improvement, we will adjust our policies and procedures as required to further assess our effectiveness and contribute to the long-term sustainability of our business operations.

### **Approval and Signature**

This report was approved by the Board of Directors of the Company on May 16, 2024, pursuant to paragraph 11(4)(b)(ii) of the Act and constitutes our report for the financial year ending March 31, 2024.

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 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.

I have the authority to bind JR Fashion Holdings Inc.



[Domenico Mancini \(May 27, 2024 10:35 EDT\)](#)

Domenico Mancini  
Chair of the Board of Directors  
JR Fashion Holdings Inc.  
May 27, 2024






# 2405 Report re\_ Forced and Child Labour Act - Joseph Ribkoff (Final Version)

Final Audit Report

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