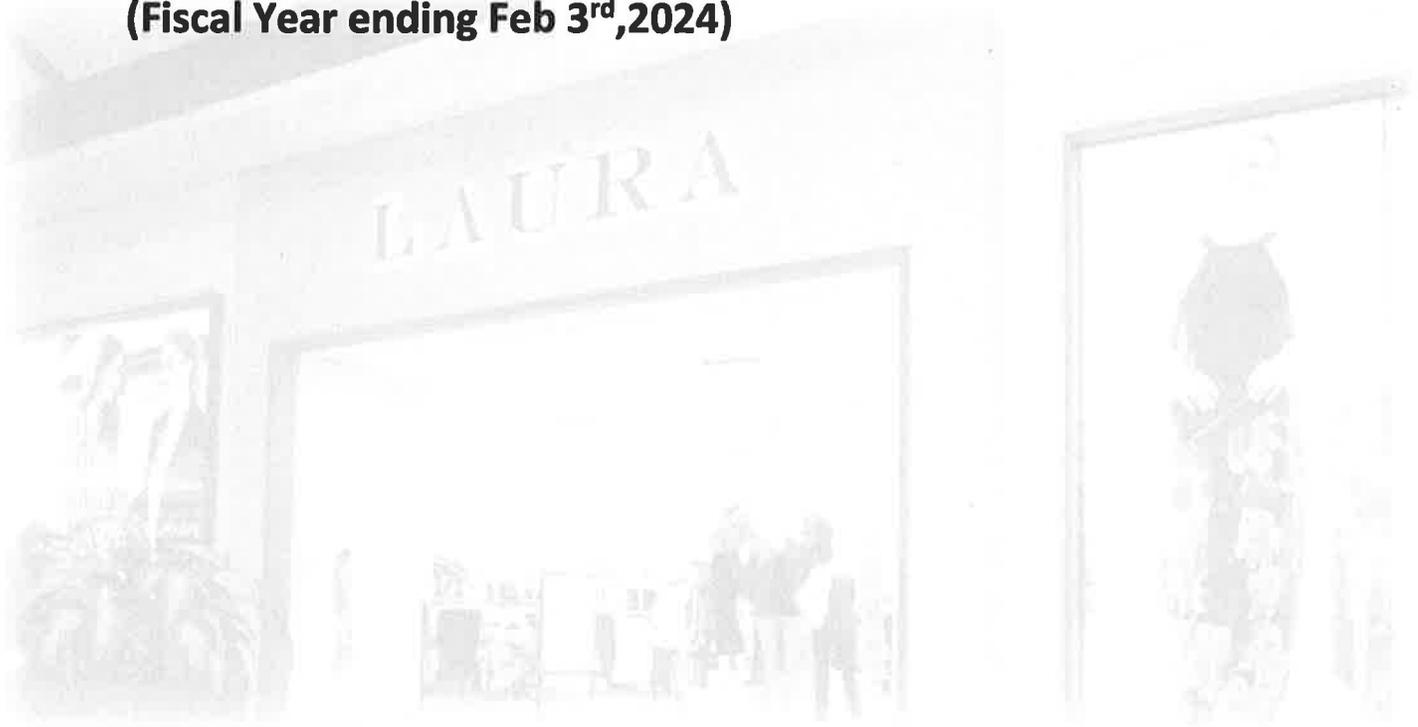


Laura's Shoppe (P.V.) Inc.

# **Fighting Against Forced Labour and Child Labour in Supply Chains – Report**

**(Fiscal Year ending Feb 3<sup>rd</sup>, 2024)**



## **1. Introduction**

Laura's Shoppe (P.V) Inc, a family-owned women's fashion company, is committed to ethical business practices. Founded in 1930 by Laura Wolstein, our organization is home to two iconic and beloved fashion brands: Laura and Melanie Lyne. Laura's Shoppe (P.V) Inc. operates under the business number 102993862 and maintains its head office in Quebec, Canada. Our mission is to provide stylish and versatile clothing while ensuring that our supply chain remains free from forced labor and child labor.

### **Laura Canada's Supply Chain Overview**

Laura shoppe (P.V.) Inc, a Canadian corporation, operates as a prominent retailer with a diverse supply chain that includes:

- **Canadian Domestic Production:** We produce some of our goods domestically within Canada.
- **Overseas Production:** We collaborate with overseas manufacturers to create our clothing lines.
- **Imports from Vendors:** We also import products from various vendors around the world.

This report outlines our efforts in compliance with Bill S-211 during our previous fiscal year which spans from February 4th, 2023, to February 3rd, 2024.

## **2. Policy Statement**

At Laura, we firmly believe in respecting human rights and promoting fair labor practices. Our policy prohibits any form of forced labor or child labor within our operations and supply chain.

Here are the steps taken to prevent and reduce risks of forced labour and child labour in our supply chains.

### **2.1 Risk Assessment**

We conducted a comprehensive risk assessment to identify potential areas of concern. Key findings include:

- **Supplier Identification:**
  - We compile a comprehensive list of suppliers, sub-suppliers, and other relevant entities.
- **Labor Practices Assessment:**
  - We evaluate labor conditions, wages, and compliance with labor laws.
- **Risk Assessment:**
  - Identify high-risk areas where forced labor or child labor may occur (e.g., regions with weak labor regulations)

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## 2.2 Supplier certifications

- **CNESST certification**
  - We obtain CNESST certification for factories, ensuring adherence to Quebec labor laws through audits and continuous monitoring. Thorough risk assessments address hazards, compliance history, and legal liabilities. Our policy prioritizes a safe, fair, and ethical environment, with zero tolerance for child labor, forced labor, discrimination, or exploitation. Existing vendors must meet stringent standards through audits and collaboration, with support for certification.
  
- **BSCI, SEDEX, and WRAP Certification**
  - Laura Canada mandates suppliers and vendors to undergo audits by reputable organizations such as BSCI, SEDEX, and WRAP. These audits ensure social compliance, ethical labor practices, and adherence to international standards. BSCI evaluates labor rights, health, safety, and business ethics. SEDEX focuses on ethical practices, supply chain transparency, and sustainability. WRAP assesses fair labor, workplace conditions, and environmental impact. These audits demonstrate commitment to ethical production, social responsibility, and sustainable practices in our supply chain.

## 3. Structure, activities, and supply chains

- **Legal Structure:**
  - Laura Canada is a family-owned women's fashion company incorporated under the Quebec Corporations Act.
- **Organizational mandate or role:**
  - Laura's Shoppe is a family-owned women's fashion company founded in 1930. The company operates two retail brands: Laura and Melanie Lyne. Based in Quebec, Laura Canada designs, produces, markets, and distributes clothing and accessories across Canada. We currently operate more than 140 Laura and Melanie Lyne stores from coast to coast, in addition to a successful e-commerce website.
- **Number of employees:**
  - We are proud to share that we have more than 350 employees working in our head office and more than 2,500 employees in our stores across Canada.
- **Activities :**
  - Laura's Shoppe operates as a retailer with a diverse supply chain that includes:
    - Canadian Domestic Production
    - Overseas Production
    - Imports from various vendors around the world
- **Supply chain :**
  - Laura's Shoppe supply chain involves collaboration with suppliers, efficient logistics, and a focus on transparency and risk mitigation. Our commitment to quality and style has made us a trusted name in the Canadian fashion industry.

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- **Supply Chain Structure:**

- Our supply chain includes suppliers of goods and services that contribute to the production of our clothing items. We encompass both direct and indirect suppliers and service providers, both within and outside Canada. Therefore, the supply chain starts from sourcing raw materials and extends to the final product available for sale. Here are some key stages in our Supply Chain:
  - **Sourcing Raw Materials:** This stage involves procuring fabrics, trims, and other materials needed for garment production. We likely collaborate with textile mills, fabric suppliers, and other material providers.
  - **Manufacturing and Production:** our clothing items are manufactured in a third-party factories. These factories may be in various countries, depending on various factors.
  - **Distribution and Logistics:** Once produced, the clothing items are distributed to our distribution centers and stores.
  - **Retail Operations:** Our stores play a crucial role in the supply chain. They manage inventory, handle customer orders, and provide a seamless shopping experience.
  - **E-Commerce Fulfillment:** Our e-commerce platform processes online orders.

#### 4. Due diligence processes

Given that we do not produce our own goods, our primary concern regarding forced labor and child labor lies within our product supply chain. To address this concern, we employ a complete due diligence approach, which includes regular mapping of human rights and social risks throughout our supply chain. This involves evaluating both known sector risks and other potential risks specific to geographies or production processes.

We continuously monitor general and sector-specific risks across our sourcing regions to identify pertinent concerns and inform our decision-making processes. In instances where heightened risks are detected, we conduct more rigorous due diligence procedures. Before venturing into a new sourcing region, we conduct thorough risk assessments. If certain risk factors are deemed significant, we may opt not to source from that country or region, or we may develop targeted strategies to mitigate the identified risks.

We prioritize the selection and collaboration with suppliers who share our values, ensuring alignment with our standards. Through collaborative efforts, we aim to develop and strengthen the capabilities of our suppliers, enabling them to not only meet but also surpass compliance expectations. Our meticulous vetting process for new suppliers involves a comprehensive evaluation, and approval is granted only upon successful fulfillment of our rigorous criteria. Laura's shoppe mandates all overseas suppliers and vendors to undergo audits by reputable organizations such as BSCI, SEDEX, and WRAP. These audits ensure social compliance, ethical labor practices, and adherence to international standards. BSCI evaluates labor rights, health, safety, and business ethics. SEDEX focuses on ethical practices, supply chain transparency, and sustainability. WRAP assesses fair labor, workplace conditions, and environmental impact. These audits demonstrate commitment to ethical production, social responsibility, and sustainable practices in our supply chain.

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Regarding our domestic suppliers and contractors, we request an CNESST certification in order to ensure adherence to Quebec labor laws through audits and continuous monitoring. Existing vendors must meet stringent standards through audits and collaboration, with support for certification. New suppliers undergo rigorous vetting and comprehensive training on our policies.

## **5. Forced labour and child labour risks**

Laura's Shoppe employs a risk-centered strategy to evaluate and address the potential for forced labor and child labor. This method enables us to allocate resources effectively and adapt our strategies accordingly. Our process for pinpointing risks within our supply chain involves a thorough Due Diligence process, incorporating key factors such as country risk, supplier categorization, and the nature of products/services provided. The resultant risk score guides the intensity of further due diligence, particularly concerning forced and child labor, as well as the level of continuous monitoring and frequency of reviews necessary.

Furthermore, Laura's Shoppe mitigates labor risks by requesting 3rd-party certificates from vendors for imported products. These certificates, such as BSCI, SEDEX, and WRAP, verify compliance with labor standards through independent audits, ensuring ethical practices. This commitment fosters transparency, aligns with regulations, and incentivizes vendors to uphold labor rights. Monitoring and updating certifications, along with dialogue on labor standards, strengthen ethical sourcing practices.

## **6. Remediation measures**

Up until now, we have not identified any forced labour or child labour in our activities and supply chains. Alternatively, no measures have been taken to remediate forced labour or child labour in our activities and supply chains.

## **7. Remediation of loss of income**

Up until now, there have been no documented cases of vulnerable families experiencing a loss of income as a result of the steps taken to eradicate the presence of forced labor or child labor in our operations and supply chains.

## **8. Training**

Laura's Shoppe prioritizes ongoing education and training for our workforce to ensure ethical conduct and compliance with our policies. Our comprehensive training program covers a range of ethical topics, with particular emphasis on our Code of Ethics. All new office employees undergo mandatory onboarding training, including instruction on our Code of Ethics.

In 2024, Laura's Shoppe plans to extend its training initiatives to specifically address the issues of child and forced labor.

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**9. Assessing effectiveness**

Laura’s Shoppe is committed to preventing and mitigating the risks of forced labor and child labor within our operations and supply chains. While we have implemented various measures toward this end, we have yet to conduct formal assessments of their effectiveness. However, it is our intention to evaluate the efficacy of these measures in the future, to ensure continuous improvement in preventing and addressing these critical issues.

**Approval and Attestation**

The Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Laura’s Shoppe (P.V.) Inc. 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.



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Kalman Fisher  
President / Owner  
May 3<sup>rd</sup> 2024



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Tanya Papadopoulos  
Vice President of Merchandising  
May 3<sup>rd</sup> 2024

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