

MON CHERI BRIDALS

Annual Compliance Report on Forced Labor and Child Labor in Supply Chains

Under the Requirements of Canadian Legislative Bill S-211 for the most recently completed financial year ending on December 31, 2023.

ORIGINAL REPORT

May 31, 2024

Mon Cheri Bridals, LLC

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USA

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Opening Statement

Mon Cheri Bridals LLC (“**Mon Cheri**”) is committed to upholding the highest standards of integrity and ethical conduct across all our operations and within our vendor and partner relationships. We recognize our responsibility to combat forced labor in every form. Our commitment extends beyond compliance with legal requirements; it is a core part of our mission and reflects our dignity, respect, and fairness values.

We are dedicated to ensuring that our supply chains, business practices, and partnerships are free from forced labor and human trafficking, both in action and in spirit. Our leadership actively supports this commitment, which is integrated into our business processes and corporate policies. We conduct regular audits and maintain transparent relationships with all stakeholders to ensure adherence to these principles, fostering a safe and fair working environment throughout our entire network.

Scope of Report

This single-entity report for Mon Cheri Bridals LLC includes the activities and compliance measures of all brands and products shipped and invoiced to Canada.

Legal Status and Business Activities in Canada

- Mon Cheri Bridals LLC is responsible for all shipments into Canada and manages all inbound shipments and factory relationships related to its entities and brands.
- Mon Cheri Bridals LLC is the only reporting entity in Canada, acting as the central hub for compliance and oversight for all associated brands regarding the import and distribution of goods within Canadian jurisdiction.

Business Number: 849 500 673 RM 0001

Responsibility for Compliance: Mon Cheri ensures compliance with Canadian labor standards and import regulations for all its brands and associated entities.

This report details Mon Cheri’s actions and activities for its most recently fully completed financial year, which ended on December 31, 2023, to address and prevent forced and child labor within our operations and supply chains.

In 2023, Mon Cheri implemented several measures, including enhanced supplier evaluations, employee training programs, and establishing a new compliance committee focused on labor practices.

Supply Chain Oversight and Labor Practices

In our ongoing commitment to uphold ethical labor practices, Mon Cheri has implemented stringent procedures to select and maintain factory relationships, particularly in regions where we face complex subcontracting dynamics. Our team has visited several partner factories. In all factories we have visited, we have observed no instances of forced or child labor, and we have

noted that the workers are generally highly skilled, reflecting the specialized craftsmanship required for our dresses. This expertise has become increasingly valuable as the labor pool in the apparel segment contracts, leading to higher wage demands and a shift in labor market dynamics.

A significant challenge in our supply chain transparency is the indirect procurement of fabrics, often conducted in large markets. Mon Cheri continues to initiate new protocols to enhance oversight. Each factory relationship and major supplier must sign an attestation confirming their alignment with our corporate responsibility philosophy and values, particularly concerning labor practices.

Since expanding operations in 2019, our vendor engagements in certain jurisdictions have been managed through a third-party agency that oversees production and sourcing. This agency is pivotal in interpreting our design needs and coordinating with factories specializing in the required techniques and materials. Recognizing the need for greater direct oversight, we are exploring ways to enhance our presence and engagement in the various regions to ensure our standards are consistently met across all operations.

Mon Cheri is dedicated to meeting and exceeding labor standards in every market we operate in. We are committed to continuous improvement and transparency in our practices, ensuring that our supply chain is free of forced and child labor. Our efforts are documented in regular reports and subject to independent audits to validate the integrity of our operations and our commitment to corporate responsibility.

Challenges and Forward Steps

These regional descriptions highlight the complexity of maintaining visibility and control in our supply chain. Mon Cheri acknowledges the importance of enhancing direct oversight and is exploring measures to address these gaps. Our commitment to ethical labor practices remains steadfast, and we are continuously working on strategies to improve transparency and accountability in all regions of operation.

Legal Entity Overview

Mon Cheri Bridals LLC is a Limited Liability Company (LLC) duly organized and existing under the laws of the United States.

Operating as an LLC allows Mon Cheri Bridals significant flexibility in management and operational approaches while simplifying administrative obligations. Unlike corporations that require structured management, such as a board of directors, Mon Cheri benefits from the ability to be either member-managed or manager-managed, according to the specific needs of the business and its strategic direction.

This management flexibility is particularly beneficial for Mon Cheri as it navigates the complex global supply chains involved in the design, manufacturing, and distribution of bridal and formal wear. The LLC structure supports our ability to adapt swiftly to industry changes and market demands while maintaining rigorous compliance with national and international regulations, including those relevant to preventing forced and child labor as stipulated under Bill S-211.

Furthermore, as an LLC, Mon Cheri maintains fewer record-keeping and reporting requirements than corporations, which allows us to focus more resources on core business activities, such as enhancing supply chain oversight, improving product quality, and ensuring ethical business practices. Despite the reduced formalities, we are committed to transparency and accountability in all our operations, striving to exceed the compliance expectations outlined in our industry and by governing bodies, including labor practices.

Mon Cheri is committed to conducting business responsibly and ethically. Our dedication to integrity and respect for human rights is evident throughout our operations and supply chains.

According to the Act, Mon Cheri has identified its responsibility to report as it does business in Canada, has at least \$20 million in assets, and has generated at least \$40 million in revenue in at least one of its two most recent completed financial years.

Workforce Composition

Mon Cheri employs a diverse and dedicated workforce that reflects our commitment to excellence and ethical business practices. Our U.S.-based operations comprise approximately 85 full-time employees and 20 independent contractors as of the last reporting period. This staffing structure allows us to maintain flexibility in our operational capabilities while ensuring we meet our market's dynamic needs.

Employee and Contractor Overview

- **Full-Time Employees:** Our team of 85 employees in the United States forms the core of our operations. These individuals are spread across various departments, including design, sales, marketing, customer service, logistics, and administration. Our employees are crucial to our day-to-day operations and strategic initiatives, and we are committed to supporting their professional growth and well-being through comprehensive training programs, competitive compensation packages, and a supportive work environment.
- **Independent Contractors:** In addition to our full-time staff, we engage 20 independent contractors who provide specialized services that complement our in-house capabilities. These contractors are primarily involved in sales, market research, product development consulting, and specific logistical operations. The use of independent contractors enables Mon Cheri to scale operations efficiently and inject expert knowledge and fresh perspectives into our projects.

Organizational Structure



Activities of Mon Cheri

Mon Cheri is headquartered in Trenton, New Jersey, USA, and operates as a stand-alone entity. However, it is affiliated with multiple brands under its corporate umbrella. While these brands are part of the broader Mon Cheri portfolio, each maintains distinct operational processes aligned with Mon Cheri's overall business strategy. Our operations primarily focus on designing, marketing, and distributing bridal and formal wear.

Importation of Goods into Canada

As the sole entity within our corporate structure that imports goods into Canada, Mon Cheri is responsible for all activities related to importing and distributing our products in the Canadian market. We import a diverse range of bridal and formal wear distributed through selected retailers across Canada. The volume of goods imported varies seasonally, depending on market demand and collection cycles.

Our primary operations are based in the United States, where we manage design, administration, and some aspects of production. However, significant portions of our manufacturing processes are outsourced to specialized facilities in countries with solid textile industries. We engage with local factories in these countries that adhere to our stringent quality and ethical standards. Our activities in these regions are closely monitored through regular audits and compliance checks to ensure adherence to local and international labor laws.

Supply Chain Management

Our supply chain management is integral to our operations, ensuring that all aspects, from material sourcing to product delivery, are conducted ethically and efficiently. This includes stringent vendor selection processes, regular supply chain reviews, and continuous improvement programs to enhance supply chain resilience and compliance. Our logistics operations are tailored to minimize environmental impact and ensure timely delivery of goods across all markets, including Canada.

Raw Material Sourcing

Mon Cheri sources raw materials such as fabrics, lace, and embellishments primarily from suppliers in countries renowned for their textile industries. These materials are critical components in the production of our bridal and formal wear collections.

Manufacturing and Production

Our manufacturing operations are outsourced to specialized facilities that are selected based on their ability to meet our high standards for quality and ethical labor practices. We maintain a close relationship with these manufacturers to ensure compliance with our specifications and ethical standards.

Service Providers

Various service providers support our operations, including logistics companies, marketing agencies, and technology providers. These services are essential for product distribution, promotional activities, and operational efficiencies. Our service providers are primarily based in the United States, with additional partners in Canada and other parts of the world, depending on the services' nature.

Geographic Scope and Supplier Relationships

China and India

These countries are pivotal to our production processes due to their expertise in garment manufacturing. We have established a network of direct suppliers in these regions and are regularly audited to comply with labor laws and our corporate standards.

United States and Canada

We engage with North American logistics providers, technology firms, and marketing agencies. These service providers are crucial for maintaining our market presence and operational effectiveness.

Policies and Due Diligence Processes

Mon Cheri Bridals has established comprehensive policies prohibiting forced and child labor in our operations and supply chains.

These policies are in accordance with international human rights standards and local legal requirements. They outline clear expectations not only for our employees but also for our vendors, suppliers, and partners.

Key Policy Elements Include:

- Maintaining a zero-tolerance policy for any form of forced or child labor;
- Ensuring all business partners comply with our Code of Conduct, which requires adherence to all applicable labor laws and regulations; and
- Reviewing policies annually to adapt to new legal and regulatory developments and best practices in labor rights protection.

Our due diligence processes are designed to identify, prevent, and mitigate any forced and child labor risks in our business activities and extended supply chain. These processes are integral to our purchasing decisions and third-party contractual obligations.

Due Diligence Steps Include:

- Conducting risk assessments to identify high-risk areas in our supply chains;

- Regular audits are performed to ensure compliance with our labor policies, both announced and unannounced;
- In cases where non-compliance is identified, corrective action plans are developed and implemented, and assurance that these plans will be followed through to resolution; and
- Training our employees and suppliers on recognizing and preventing forced and child labor. This training helps to reinforce our policies and the importance of ethical labor practices.

Commitment to Transparency and Ethical Accountability

Transparency forms the cornerstone of our operational ethos. We are dedicated to maintaining open and honest communication about our efforts to combat forced and child labor within our supply chain. To this end, in 2023, we began understanding the scope and undertaking of publishing an annual sustainability report that details our actions and progress and holds us accountable to our stakeholders and the public.

Recognizing the need for secure and reliable methods to report concerns, we have implemented a confidential whistleblowing system. This system is designed to protect the identities of our employees and external stakeholders who report any suspected violations of our ethical policies. We guarantee that all reports are treated with the utmost seriousness and investigated thoroughly, with a firm commitment to ensuring no retaliation against anyone who comes forward.

By implementing these measures, Mon Cheri reaffirms its commitment to leading with integrity and fostering a culture of responsibility and respect for human rights.

Remediation Measures for Forced Labor and Child Labor

Mon Cheri rigorously assesses our activities and supply chains to identify any risks related to forced and child labor. Our monitoring and auditing processes have not identified instances of forced or child labor within our operations or supply chains, so specific remediation measures were unnecessary in 2023.

Despite this, we maintain a firm commitment to uphold the highest standards of labor practices. We have established several proactive measures to reinforce our zero-tolerance policy toward forced and child labor, including preventative training and awareness programs for all employees and suppliers.

Additionally, our supplier contracts include strict clauses that mandate adherence to labor laws and our internal policies, with regular audits to ensure compliance. Non-compliance triggers an immediate review and potential termination of the contract. We also uphold a confidential reporting system that allows employees and external stakeholders to report concerns without fear of retaliation, ensuring all reports are thoroughly investigated and appropriate actions taken. Regular review and updates of our policies ensure that our strategies remain effective and adapt to any new risks or changes in our operational environment.

Mon Cheri is committed to conducting these efforts with the utmost integrity and transparency, guided by a firm commitment to ethical practices while ensuring privacy and legal concerns are respected.

Remediation Measures for Loss of Income to the Most Vulnerable Families

Mon Cheri has consistently prioritized ethical labor practices across all operations and our supply chain. To date, our rigorous monitoring and auditing processes have not identified any instances of forced labor or child labor. Additionally, we have not encountered situations requiring remediation related to the loss of income for vulnerable families due to eliminating unethical labor practices. This is attributable to our strict adherence to labor standards and proactive measures to prevent labor abuses.

While we have yet to implement remediation measures, Mon Cheri is committed to maintaining readiness and will develop a comprehensive remediation plan to address any potential issues promptly and effectively should they arise.

Regular Review and Policy Update

Our remediation strategies and policies will be reviewed regularly to ensure they remain practical and relevant to the needs of the communities we impact. This will include updating our risk assessments and remediation plans as part of our ongoing commitment to ethical practices.

Commitment to Corporate Social Responsibility

At Mon Cheri, we firmly believe our responsibility extends beyond the exquisite dresses we create. We stand firmly against forced and child labor, ensuring that our practices uphold dignity and respect for everyone involved in our production. We proudly lead our corporate social responsibility oversight, committing to ethical practices and sustainability as goals and as the foundation of our every action. This commitment ensures that every step we take is a step towards a more just and responsible global community.

Training Provided to Employees on Forced Labor and Child Labor

In response to the newly enacted Bill S-211 and as part of our ongoing commitment to uphold ethical corporate practices, Mon Cheri has strengthened our policies against forced and child labor. These enhancements build on our already robust ethical standards, ensuring our corporate ethos is maintained and strengthened.

In 2023, awareness of forced and child labor was integrated into our new hire orientation and corporate policy acknowledgment processes for all new employees, and refresher sessions were provided for current employees, contractors, and vendors. This initial step was crucial in familiarizing new employees and contractors with our ethical standards and expectations for their engagement with Mon Cheri.

Go-forward Effectiveness in Ensuring Forced Labor and Child Labor are not Being Used in Business and Supply Chains

Mon Cheri continues to develop a comprehensive strategy to assess and enhance our efforts to prevent forced and child labor within our business and supply chains, which aligns with the new requirements of S-211. As we continue integrating these requirements, our approach includes conducting regular audits and detailed supplier assessments to ensure compliance with our stringent labor standards. To be conducted internally and by third parties, these audits will focus primarily on higher-risk areas.

As noted in the section that outlines training for our employees, Mon Cheri continues to implement training programs for all employees and suppliers on the specifics of forced and child labor laws and our internal policies to ensure our workforce is well-informed. The effectiveness of these training programs is evaluated regularly, and adjustments will be made based on participant feedback to improve their impact continuously.

Engaging with various stakeholders, including employees, suppliers, and customers, will be crucial in refining our approach. Their feedback will help us identify potential improvements and effectively implement our strategies. In response to insights from these engagements and audit findings, we regularly update our labor policies and practices to address emerging risks and ensure alignment with current industry standards and legal requirements.

This approach demonstrates Mon Cheri's commitment to meeting the requirements of S-211 and ensuring our labor practices uphold the highest ethical standards.

In Closing

Mon Cheri Bridals remains steadfast in combating forced and child labor within our operations and supply chains. We understand the moral and ethical imperatives that guide our policies, and we are dedicated to upholding these principles by continuously improving our practices and processes.

Throughout this reporting period, we have taken substantial steps to ensure compliance with both the spirit and the letter of the law, as outlined in Bill S-211. Our internal audits, supplier assessments, and training programs are designed to comply with regulatory requirements and foster a culture of respect and dignity for all workers associated with our brand.

We recognize that the path to eradicating forced and child labor is continuous and full of persistent obstacles. However, we are resolute in confronting these challenges directly, utilizing all available resources to drive positive change. We can make a substantial difference through sustained efforts, transparent practices, and stakeholder collaboration.

We appreciate the opportunity to share this report as part of our compliance with Bill S-211.

ATTESTATION

This report has been reviewed and approved by the appropriate governing body of **Mon Cheri Bridals, LLC**.

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.

Jonathan D. Liney

Chief Operating Officer

Date: May 28, 2024

Signature: 

I have the authority to bind **Mon Cheri Bridals, LLC**.