

Modern Slavery Act Transparency Report

Philhobar Design Canada Ltd

2023

Introduction:

As a clothing company operating in Canada and sourcing products primarily from Asia, particularly Cambodia, Vietnam, China, and Bangladesh, we are deeply committed to upholding human rights and ethical business practices across our supply chain. This report delineates our endeavors to combat modern slavery and human trafficking in accordance with Bill S-211.

Company Overview:

Philhobar Design Canada Ltd specializes in importing/manufacturing a diverse collection of clothing products from Asia to meet the demands of major Canadian and North American retailers. Our paramount focus lies in transparency, sustainability, and ethical sourcing in every facet of our operations.

Supply Chain Overview:

Our supply chain encompasses multiple suppliers situated in various Asian countries. While we do not exert direct control over all facets of our supply chain, we recognize the pivotal importance of ensuring our suppliers adhere staunchly to ethical standards and human rights principles.

Due Diligence Process:

Our due diligence process is comprehensive and entails the following:

1. **Supplier Assessments:** Intensive evaluations of our Asian suppliers are conducted to scrutinize their labor practices, compliance with ethical standards, and the potential risks associated with modern slavery.
2. **Supply Chain Mapping:** Our entire supply chain has been meticulously mapped to pinpoint high-risk areas, enabling us to prioritize efforts to mitigate modern slavery risks effectively.
3. **Audits and Inspections:** Regular audits and on-site inspections of our suppliers' facilities in Asia are carried out to ascertain compliance with our stringent ethical sourcing requirements and to identify and rectify any issues pertaining to modern slavery.
4. **Supplier Selection Assessment:** Prior to engaging with suppliers, we meticulously assess their risk profiles, avoiding high-risk areas to mitigate potential modern slavery risks from the outset.

Policies and Procedures:

We have implemented robust policies and procedures to prevent and address modern slavery in our supply chain, including:

1. **Supplier Code of Conduct:** Our Supplier Code of Conduct explicitly outlines our expectations regarding labor rights, fair wages, working conditions, and the absolute prohibition of forced labor and human trafficking. All direct suppliers are mandated to adhere strictly to our Code of Conduct, which is prominently displayed for reference.

2. **Third-Party Audits:** In collaboration with reputable auditing firms such as Nirapon, Elevate, SGS, Intertek, and BV, we conduct multiple audits and inspections to ensure compliance with our ethical standards.

3. **Contractual Obligations:** Our contracts with suppliers in Asia contain clauses mandating compliance with labor laws, ethical standards, and delineating consequences for non-compliance.

Remediation Measures:

In adherence to the UN Guiding Principles on Business and Human Rights, we diligently undertake measures to ensure our supplier chain selection minimizes the necessity for remediation measures. By identifying and addressing risk zones and high-risk factories at the outset, we proactively mitigate potential risks.

Reporting and Transparency:

Our commitment to transparency is unwavering, and we regularly report on our efforts to combat modern slavery in our supply chain through:

1. **Annual Modern Slavery Statement:** An annual publication providing a comprehensive overview of our actions, progress, challenges, and future commitments concerning the eradication of modern slavery.

2. **Stakeholder Engagement:** Actively engaging with stakeholders, including NGOs, industry partners, and government agencies, to foster dialogue, share insights, and collaborate on initiatives aimed at addressing modern slavery risks.

Training:

In addition to our stringent due diligence process, Philhobar Design Canada Ltd places a strong emphasis on training to ensure awareness and compliance with ethical sourcing standards, particularly regarding forced labor and child labor. Our training initiatives include:

1. **Employee Training:** All employees involved in supply chain management undergo comprehensive training on identifying and addressing signs of forced labor and child labor. This training equips them with the knowledge and tools necessary to uphold our ethical sourcing standards and report any concerns promptly.
2. **Supplier Training:** We provide training sessions for our suppliers in Asia, emphasizing the importance of adhering to our Supplier Code of Conduct and ethical sourcing requirements. These sessions cover topics such as labor rights, fair wages, working conditions, and the prohibition of forced labor and child labor.
3. **Monitoring and Review:** Philhobar Design Canada Ltd continuously monitors and reviews the effectiveness of our training programs to ensure they remain relevant and impactful. Regular feedback from employees and suppliers informs adjustments and improvements to our training initiatives.

Through our comprehensive training efforts, we strive to foster a culture of ethical sourcing and accountability throughout our supply chain, further strengthening our commitment to combatting modern slavery and human trafficking.

Conclusion:

Eradicating modern slavery is an arduous and ongoing endeavor necessitating collective action and continuous improvement. We remain steadfast in our commitment to collaborating with our suppliers, stakeholders, and governmental authorities to uphold human rights, champion ethical business practices, and eradicate modern slavery from our supply chain.

I have the authority to bind Philhobar Design Canada Ltd

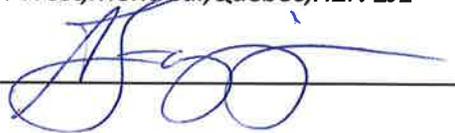
Antoinette Fanizza

VP of operation

Philhobar Design Canada Ltd

365 Louvain West, Montreal, Quebec, H2N 2J1

Signature: _____



Date: 5/30/2024