



Rand Accessories Inc.

Annual report: The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act)

Financial year starting January 1st to December 31st 2024



Presentation and introduction

Rand Accessories Inc. is created with passion and rich knowledge of fashion jewelry and accessories. As a renowned Importer and distributor in North America, Rand is a powerhouse of combined insight and expertise from Europe, America, Canada and Asia driven by dedicated workforce.

Serving multiple well-known retailers and recognized brands worldwide, Rand holds an important and significant market share in the retail scene ranging from upscale department stores and independent fashion stores to value conscious supermarket and pharmacy chains. Building its foundation in Montreal while getting support by Group Rand in Europe and well resourced in Asia, Rand's capabilities extend beyond the market needs not only in design and quality, but it also extends to distribution channel and retail management, making Rand a Concessionaire Specialist.

Year after year, escalating results were proven in both concession and wholesale business showcasing its strength in trend analysis, market intellect and competitive pricing.

Approval and attestation

The Canadian government has passed The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act) (S.C. 2023, c. 9). The Act requires private sector entities to submit an annual public report detailing the actions taken in the previous fiscal year.

“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.”

Wayne Salokannel

Director of Operations

May 29th, 2025

I have the authority to bind Rand Accessories inc.



Structure, activity and supply chain

Rand Accessories Inc. (Rand) is a company with a legal structure as a legal entity. It has a Canadian commercial presence by virtue of having a business in Canada, doing business in Canada, and having assets in Canada.

Operating in the wholesale sector, Rand designs jewelry and other fashion accessories in Canada. The manufacturing is done in Asia, mostly in China, in the Qingdao region, as well as India and Thailand. It is through a sister company located in China that Rand can evaluate and determine its manufacturing-related suppliers. Products are sold in Canada and internationally. The largest portion of international sales are made in the United States.

Sales contracts with its customers are mainly (80%) in the form of concession contracts. Wholesale contracts represent the last 20% of their activities. The ratio of business between both models may vary from time to time. When Rand signs a concession contract, it agrees to take over the entire merchandising process directly in store. To do so, Rand will involve transport suppliers as well as merchandisers.

Steps taken to prevent and reduce the risk of forced labour or child labour

To prevent and mitigate the risk of forced labour or child labour, Rand has taken the audit of manufacturing suppliers as its primary measure. However, measures are also taken before and after the audit process to remove risk and track results. All its suppliers undergo annual third-party audits conducted by widely recognized auditing firms.

Controls are in place as soon as suppliers are being considered and selected. Meetings as well as factory and warehouse visits are always planned before considering a new business relationship. These meetings allow Rand to put forward its requirements and its intentions regarding responsible business practices.

Located in China, near most of the factories involved in the supply chain, Rand's sister company, usually conducts the initial visit. Since Rand managers visit China several times a year, there will always be a follow up visit made.

Following the initial visits, Rand will ensure compliance with its requirements by conducting audits throughout the year. These audits will be carried out by independent and internationally recognized organizations. Their mandate is to encourage a high standard of social compliance. Rand usually works with the organizations below:

- *Business Social Compliance Initiative (BSCI)*
- *Sedex Members Ethical Trade Audit (SMETA)*



As part of their verification process, these two organizations check the workers documentation. A sample of workers will be asked to show ID to ensure it corroborates with the factory's records. The age of the youngest worker is included in each report.

In addition to these planned audits, Rand also facilitates independent audit queries from its customers.

To have continued visibility, Rand maintains a calendar detailing the yearly audit activities. This, as well as the analysis of the results of the report, is updated by the production department. If an issue is raised or a recommendation is put forth by the auditors, a reasonable time limit will be awarded to make the necessary changes. The next audit will follow up on these points to ensure the case is closed. Factories receiving recommendations or non-compliance issues are required to implement corrective actions.

The above-mentioned points are only applicable to minor noncompliance issues. Rand will not collaborate with suppliers that can't meet its requirements and those of its customers regarding responsible business practices.

Aside from auditing activities, continuous contact is maintained. Rand's sister company and the factories are in constant collaboration. Several visits, which are generally aimed at quality control, also provide visibility of the activities and climate. This collaboration allows Rand to understand the various operations and issues related to the production chain.

Lastly, the preservation of long-term business relationships gives stability to Rand's processes. Most suppliers have been the same for several years. This continuation harmonizes our communication and makes it easier to follow up on requests for operation and procedure improvements. As mentioned above, issues of non-compliance with Rand's production requirements are closely monitored and must be subject to continuous improvement.

Policies and due diligence processes

Due diligence policies and processes have been put in place based on the different steps provided by the OECD Due Diligence Guidance for Responsible Business Conduct. These steps are:

- *Embed responsible business conduct into policies & management systems;*
- *Identify & assess adverse impacts in operations, supply chains & business relationships;*
- *Cease, prevent or mitigate adverse impact;*
- *Track implementation and results;*
- *Communicate how impacts are addressed;*
- *Provide for or cooperate in remediation when appropriate. ¹*

¹ <https://www.oecd.org/en/topics/due-diligence-for-responsible-business-conduct.html>



Force labour and child labour risk in Rand's supply chain

Rand has identified some elements of its operations and supply chains that pose a risk of forced labour or child labour. It will continue to work to identify emerging risks and evolve practices to avoid any consequences.

Risks were identified in the following areas: The sector in which it operates, which is wholesale trade; The manufacturing sector; The type of products they buy; The location of its activities and operations; Raw materials or products in its supply chains.

Measures taken to remediate

As a result of the actions taken by Rand, listed above, no forced labour or child labour has been detected in Rand's operations and supply chains. As a result, Rand did not resort to remedial measures.

Measures taken to remediate the loss of income

Rand has not had to deal with any loss of income from its suppliers' employees. No forced labour or child labour has been detected and therefore no remedial measures have been put in place.

Training

Our production department undergo informal training on points to observe to ensure a socially compliant supply chain. Trainings also include important points to consider while analysing an audit report.

On the supplier side, audits have confirmed that factory managers and employees receive training in forced and child labour.

Assessment of effectiveness

No steps have been taken to assess the effectiveness of preventing and reducing the risks of forced labour and child labour in Rand's operations and supply chains.