

# RUDSAK

ESG REPORT 2023

AS THE WORLD IS CHANGING, SO ARE WE.

This report outlines Rudsak's commitment to social compliance, detailing the efforts and measures taken to ensure ethical practices throughout its operations and supply-chain. Rudsak has outlined its sustainability initiatives focused on reducing environmental impact and promoting ethical practices. The company emphasizes its commitment to a circular economy, aiming to extend the lifecycle of its products. This includes reducing waste and emissions and contributing to local charities. The company strives to adopt more sustainable practices without compromising on quality and styling.

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# 01 INTRODUCTION

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Rudsak, established in 1994, is a Canadian luxury brand known for its high-quality outerwear, leather goods, and accessories. Rudsak has built a strong reputation for its stylish, durable, and functional products. Rudsak has a robust presence across Canada with multiple standalone stores in major cities, including Toronto, Montreal and Quebec City. The brand also operates in leading cities in the Eastern Coast of United States and leading department stores in China which ensuring broad visibility and accessibility.

The brand's products are also available through global online marketplaces and e-commerce platforms, enabling it to reach a wider audience. Rudsak's goal for 2024 is to expand its presence locally in North America and internationally with selected stores and online availability in Europe and Asia.

For any questions and/or concerns please contact us at [socialimpact@rudsak.com](mailto:socialimpact@rudsak.com)

# 02 NOTE FROM CEO

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**RUDSAK IS OFFERING THE WARMEST OUTERWEAR PRODUCTS FOR NOW AND FOR TOMORROW.**

*"Climate change is a defining issue for our time and the fashion industry must play an active role in curbing its effects for future generations. The initiatives we're unveiling today demonstrate RUDSAK's commitment to being part of the solution while remaining true to our roots as a source for premium luxury outerwear that empowers confidence and style."*

**Evik Asatoorian,**  
Founder and Creator, RUDSAK.

# 03 ENTERPRISE STRATEGY

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## 1. MARKETING AND BRANDING

- Rudsak utilizes a multi-channel marketing strategy, leveraging digital marketing, social media, and traditional advertising.
- The brand collaborates with influencers and fashion icons to enhance its visibility and appeal.
- Seasonal campaigns, limited-edition collections, and collaborations with artists play a crucial role in Rudsak's marketing efforts.

## 2. COMMITMENT TO ETHICAL SOURCING

- Rudsak is determined to source materials responsibly, requesting that all suppliers adhere to ethical standards.
- Suppliers are selected based on a range of criteria, that include compliance with labor laws, environmental regulations, and their ability to meet Rudsak's quality requirements.

## 3. CIRCULAR ECONOMY

- Efforts to ensure products retain value longer and reduce waste.

## 4. ENVIRONMENTAL RESPONSIBILITY

- Our target is to become a 100% ethical outerwear brand, focusing on high design with low environmental impact.

## 5. RESPECTING ANIMAL WELFARE

- RUDSAK pledges to use 100% fur alternatives and go FUR-FREE by 2023 – stopping the purchasing and manufacturing of ALL fur.
- We believe in making a difference through ethical choices, and it starts with creating luxurious cruelty-free designs. We are using the highest-quality fabrics available to create high-tech and innovative faux-furs that emulate the look and feel of genuine lustrous fur – without the cruelty
- RUDSAK is proudly using RDS certified traceable down since 2017. We are committed to responsible down sourcing and best practices in animal welfare throughout our entire retail supply chain.

These initiatives reflect Rudsak's intention to being part of the solution to climate change, aligning with broader industry trends towards sustainability.

# 04 LABOR PRACTICES AND WORKING CONDITIONS

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Rudsak employees and workers in its direct supply chain are provided with a working wage, reasonable working hours, and safe working conditions. Annual audits will be conducted in the future to monitor compliance with international labor standards, including the prohibition of child labor and forced labor, those additional requirements will be added to 3rd party inspection reports.

## 6. HIRING PROCESS

- **GLOBAL RECRUITMENT:** Extend recruitment efforts globally, including offering working visas to qualified candidates from outside the country who meet the necessary criteria.
- **DIVERSE TALENT POOL:** Emphasize diversity and inclusivity in hiring practices, ensuring equal opportunities for all candidates regardless of background.
- **NON-DISCRIMINATION POLICY:** Adhere strictly to a non-discrimination policy to ensure fair treatment of all applicants throughout the hiring process.

## 7. TRAINING PROCESS

- **ONBOARDING:** Provide thorough onboarding programs for all new hires, including those recruited from overseas, to familiarize them with company policies, procedures, and culture.
- **LANGUAGE SUPPORT:** Provide language support if necessary to facilitate communication and integration for employees whose first language may not be the primary language of the workplace.

## 8. ADDITIONAL TRAINING AND CAREER GROWTH

- **CROSS-CULTURAL EXCHANGE PROGRAM:** Implement a program where retail store employees can apply and work in the United States, promoting career growth and international experience.
- **CAREER DEVELOPMENT PATHWAYS:** Establish career development pathways for employees, including opportunities for advancement within the company both locally and internationally.
- **PROFESSIONAL DEVELOPMENT OPPORTUNITIES:** Offer ongoing professional development opportunities such as workshops, seminars, and online courses to support employees' continuous learning and skill enhancement.
- **PERFORMANCE REVIEWS AND FEEDBACK:** Conduct annual performance reviews and provide constructive feedback to help employees identify areas for improvement and achieve their career goals.

## 9. HEALTH AND SAFETY

- Rudsak prioritizes the health and safety of its employees by maintaining a safe workplace and providing necessary training.
- Safety protocols are regularly reviewed and updated to comply with the latest industry standards and regulations.

By incorporating these strategies into our hiring and training processes, we aim to create a diverse, inclusive, and supportive work environment where all employees can thrive and advance in their careers, regardless of their background or origin.

# 05 SUPPLY CHAIN STRUCTURE

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## 10. SOURCING OF MATERIALS

- Rudsak sources high-quality materials, including premium leather, wool, and technical fabrics.
- The brand prioritizes sustainable and ethically-sourced materials, inline with its commitment to environmental responsibility.
- Rudsak works with reputable suppliers who adhere to stringent ethical standards and comply with labor and environmental regulations.

## 11. MANUFACTURING PROCESS

- Rudsak's manufacturing is carried out in specialized facilities located in various countries, including Europe and Asia.
- The facilities are selected based on their ability to meet Rudsak's standards for quality and craftsmanship.
- Rudsak has established a Supplier Code of Conduct, which outlines the expectations and standards for all suppliers and partners.

## 12. QUALITY CONTROL

- Supplier quality control measures are in place throughout the production process to ensure consistency and excellence.
- Regular inspections are conducted to maintain high production standards in house, and outsourced.
- Rudsak retains the services of third-party auditors/inspectors such as Qima to conduct Supplier's audit and visits in to provide an unbiased assessment of compliance and to identify areas for improvement.

## 13. DISTRIBUTION NETWORK AND LOGISTICS

- Rudsak employs logistic professionals to manage the transportation of products from manufacturing sites to distribution centers and retail outlets.
- The logistics strategy includes warehousing, inventory management, and coordination with logistics partners to ensure timely delivery.

## 14. RETAIL AND E-COMMERCE

- Products are distributed through Rudsak's standalone stores, partner retailers, and online platforms.
- The e-commerce platform plays a vital role in reaching global customers, offering a seamless shopping experience with robust customer service and return policies.

# 06 ETHICAL AND SUSTAINABLE PRACTICES

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## 15. ENVIRONMENTAL RESPONSIBILITY

- Rudsak is committed to minimizing its environmental impact by using sustainable materials and adopting eco-friendly practices.
- The company is in the process of implementing waste reduction, energy efficiency, and recycling programs across all operations.

## 16. COMMUNITY ENGAGEMENT AND SOCIAL RESPONSIBILITY

- Rudsak actively participates in community initiatives and supports charitable causes, reinforcing its role as a responsible corporate citizen.
- Employees are encouraged to volunteer and engage in activities that benefit the local community.
- Employees are participating in events and competitions that are organized by Human Resources team and retail Operations Team.

## 17. TRANSPARENCY AND ACCOUNTABILITY

- Rudsak maintains transparency in its operations by openly communicating its policies, practices, and performance related to social compliance.
- The company publishes updates on its social and environmental initiatives to keep stakeholders informed.

## 18. CERTIFICATIONS

- **GRS CERTIFIED:** RUDSAK is certified by the Global Recycled Standard (GRS) and will continue to incorporate recycled materials and reduce the use of virgin materials across the supply chain, including vegetable-based ink for printing, where possible.
- **RDS CERTIFIED:** RUDSAK is proudly using RDS certified traceable down since 2017. We are committed to responsible down sourcing and best practices in animal welfare throughout our entire retail supply chain.
- **FUR-FREE:** RUDSAK to use 100% fur alternatives and FUR-FREE in 2023 – stopping the purchasing and manufacturing of ALL fur.

## 19. RECYCLING MATERIALS

- 75% of our current collections are made with recycled fabrics. Our goal is to increase the use of recycled materials in all our products every year and reduce the harmful impact of production on people and the environment.
- Recycled fabrics are made from recycled plastics, allowing us to save the waste from the oceans and landfills.
- RUDSAK is certified by the Global Recycled Standard (GRS) and will continue to incorporate recycled materials and reduce the use of virgin materials across the supply chain, including vegetable-based ink for printing.

## 20. PACKAGING

- RUDSAK's e-commerce and in-store packaging is made of 100% recycled materials and all the bags used are decomposable.

# 07 CONTINUOUS IMPROVEMENT AND FUTURE COMMITMENTS

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## **Rudsak is committed to continuous improvement in all aspects of social compliance & sustainability.**

By 2025, Rudsak will make every effort possible to ensure its supply chain adopts the Child Labor and Forced Labor standards as prescribed by Government regulations. We believe in a circular economy; we are continuously working to inform our Customers on how to properly maintain luxury garments to allow our products a longer shelf life. Our social programs aim at reducing waste and emissions while contributing to local charities that our Customers care about. We at RUDSAK are committed to compliance, be it social, environmental and government regulations. Compliance, like continuous improvement is an on-going process. At Rudsak we aspire to continue to provide our Customers with the highest Quality luxury products, that comply with international standards, labor and environmental requirements. We believe sustainability is not a choice, it's a necessity, and we are committed to continuing to evolve through ongoing efforts.

## **1. POLICY DEVELOPMENT AND COMMUNICATION**

- **COMPANY POLICIES:** Rudsak will develop a policy explicitly prohibiting child labor and forced labor within its operations and supply chain. This policy will align with the new international labor standards, such as those outlined by the International Labour Organization (ILO).
- **EMPLOYEE AND SUPPLIER COMMUNICATION:** Ensure that all employees and suppliers are fully informed of these policies through regular communication, training sessions, and inclusion in contracts and purchase orders.

## **2. SUPPLY CHAIN TRANSPARENCY**

- **SUPPLIER MAPPING:** Rudsak will map its supply chain to identify all direct and indirect suppliers. This includes documenting the locations and working conditions of factories and production sites.
- **PUBLIC DISCLOSURE:** Annually disclose our internal supply chain score on our website.
- **FEEDBACK:** For any questions and/or concerns please contact us at [socialimpact@rudsak.com](mailto:socialimpact@rudsak.com)

## **3. SUPPLIER AGREEMENTS AND AUDITS**

- **CONTRACTS WITH SUPPLIERS:** All supplier agreements will include clauses that explicitly prohibit child labor and forced labor. Non-compliance without remedy will result in penalties and/or termination of the contract.
- **AUDITING PROCESS:** Conduct regular, unannounced audits of supplier facilities, use third-party auditors to ensure impartiality and thoroughness in assessing compliance with labor standards.

## **4. WORKER EDUCATION AND EMPOWERMENT IMPROVEMENT**

- **TRAINING INITIATIVES:** Provide access to information regarding Child Labor and Forced Labor to our suppliers and their workers to educate them on their rights, the negative impacts of child labor and forced labor, and the importance of ethical labor practices.
- **GRIEVANCE MECHANISMS:** Establish confidential and anonymous reporting channels for workers to report any violations of labor standards without fear of retaliation.



## 5. COLLABORATION AND PARTNERSHIPS

- **INDUSTRY ENGAGEMENT:** Join industry groups and coalitions such as the Fair Labor Association (FLA) and the Ethical Trading Initiative (ETI) to collaborate on best practices and initiatives aimed at eradicating child labor and forced labor.
- **NGO PARTNERSHIPS:** Partner with NGOs to support community programs that prevent child labor and provide educational opportunities for children at risk.

## 6. RISK ASSESSMENT AND MITIGATION

- **REGULAR RISK ASSESSMENTS:** Conduct risk assessments to identify areas within the supply chain that are most vulnerable to child labor and forced labor.
- **MITIGATION STRATEGIES:** Develop and implement strategies to address identified risks.

## 7. MONITORING AND REPORTING

- **CONTINUOUS MONITORING:** Implement monitoring systems to track compliance with labor standards.
- **ANNUAL REPORTING:** Publish an annual Corporate Social Responsibility (CSR) report detailing efforts on Child labor and forced labor.

## 8. LEGAL COMPLIANCE

- **ADHERENCE TO LAWS:** Rudsak will not engage and/or do business with any supplier that is not in compliance with relevant local and international labor laws and regulations related to child labor and forced labor.
- **POLICY UPDATES:** Annually review and update company policies to stay in line with evolving legal standards and best practices.

# 08 IMPLEMENTATION AND ENFORCEMENT

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- **COMPLIANCE TEAM:** Establish a compliance team or department responsible for overseeing the implementation of these policies and ensuring ongoing compliance.
- **STAKEHOLDER ENGAGEMENT:** Engage with various stakeholders, including employees, suppliers, customers, and NGOs, to foster a collaborative approach to eliminating child labor and forced labor from the supply chain.

By implementing these comprehensive measures, Rudsak can strive to building a robust framework to deter child labor and forced labor within its operations and supply chain, promoting ethical practices and contributing to the global effort to eradicate these abuses.

# 09 CONCLUSION

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Rudsak's strong market presence and well-structured supply chain underpin its success as a leading luxury outerwear brand. The company's commitment to quality, ethical practices, and sustainability ensures that it meets the high expectations of its discerning customers while maintaining its reputation for excellence.

Rudsak's commitment to social compliance is integral to its brand values and business operations. By adhering to ethical standards and continuously seeking ways to improve, Rudsak ensures it operates responsibly and sustainably, contributing positively to society and the environment.

We believe in making a difference through ethical choices, and it starts with creating luxurious cruelty-free designs. We are using the highest-quality fabrics available to create high-tech and innovative faux-furs that emulate the look and feel of genuine lustrous fur – without the cruelty. By integrating ethical practices into every aspect of its business, from sourcing and manufacturing to marketing and community engagement, Rudsak can make a lasting positive impact on society and the planet.

Rudsak's journey towards greater social and environmental contribution is a continuous process of learning, adapting, and innovating. By staying committed to its core values and embracing new opportunities for improvement, Rudsak can ensure a sustainable and inclusive future for the brand, its customers, and the world at large.

Approved by:



**Evik Asatoorian,**  
President & Founder  
May 2024