



# St Regis Group

## 2023 Modern Slavery Report

*Date Issued: May 30, 2024*

This statement is made pursuant to [Canadian Bill S-211](#), An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff. This statement outlines the approach and initiatives by St Regis Canada Ltd, the reporting company (DBA St Regis Group) to identify and address the risks forced labour and child labour in its business operations and supply chains during the financial year commencing January 1, 2023, ending December 31, 2023.

St Regis Group is committed to responsible sourcing practices that uphold ethical standards, ensure product quality, and promote sustainability throughout our supply chain. Our responsible sourcing procedures are built on transparency, accountability, and collaboration with our suppliers to create a positive impact on society and the environment.

### Business Structure

This report represents the governance initiatives by the reporting company, St Regis Canada Ltd (“St Regis” or “St Regis Group”).

### Supply Chain

St Regis imported products are sourced from various countries within Asia and Europe; the majority of our products’ country of origin is China. Once we are informed that a shipment is ready for pickup at our foreign vendor, we instruct our freight forwarder to arrange pickup and shipping of the container to our facility in Canada. The freight forwarder selects the shipping line based on their criteria to ensure a reliable, efficient, cost-effective delivery of the container to facility in Canada. We also make use of DHL, FedEx and UPS for smaller shipments from these same vendors.



## Risks in the Supply Chain

St Regis recognizes that importing goods comes with risks in the supply chain relevant to our business line. These include the following:

- **Geopolitical Risks:** Trade disputes leading to increased or additional tariffs on imported goods.
- **Regulatory Risks:** Every country has specific product compliance standards which may or may not be equivalent to Canadian product safety standards.
- **Labour Conditions Risks** (China specifically): Forced labour conditions in [and stemming from] the Xinjiang Uyghur Autonomous Region (XUAR).
- **Supplier Risks:** Suppliers (factories) maintain their own processes and procedures that impact working conditions, environmental impacts, responsible business practices, and more.
- **Cybersecurity Risks:** Supply chains are vulnerable to cyber attacks and phishing attempts which can disrupt operations and compromise sensitive information.

## Actions Taken

St Regis upholds stringent sourcing standards to safeguard human rights and freedoms throughout our supply chain. Our executive leadership team oversees our commitment to responsible business practices, assigning the program development and maintenance to our compliance, information technology, and logistics departments. We also ensure that every department aligns with and upholds these principles, reinforcing our dedication to ethical and responsible sourcing.

Actions to enforce responsible sourcing include, but are not limited to, the following:

**Transparent Relationships:** We are in direct contact with our manufacturing partners and maintain strong, transparent relationships with our factories. Our merchandising team regularly visits with the factories at their facilities.

**Robust Compliance Team:** St Regis employs experienced compliance officers in both Canada and China, ensuring that our team is on-site and equipped with the latest knowledge of product, supply chain, and social compliance risks and mitigation strategies.

**Responsible Sourcing Policy:** St Regis maintains a small list of previously approved suppliers. If a new supplier is proposed, the factory must go through the onboarding process which includes the procedure outlined in the RESPONSIBLE SOURCING POLICY (Appendix 1). The first line of defence includes the SUPPLIER RISK ASSESSMENT (Appendix 2). This weight, risk-based assessment identifies suppliers requiring third-party social audits (high risk).

**Third-Party Audits:** St Regis requests third-party audits from all applicable factories (those that are rated high risk). The preferred formats are BSCI or SMETA, conducted within the last three years.



**Vendor Agreements:** All suppliers, regardless of risk rating, are required to review, acknowledge, and sign three key vendor agreements:

1. **Supplier Code of Conduct:** Outlines the ethical and legal standards expected of our suppliers, including labor practices, human rights, environmental protection, and anti-corruption measures.
2. **Restricted Substance List:** Specifies substances that are prohibited or restricted in our products to ensure compliance with product safety and environmental regulations.
3. **Supplier Quality Agreement:** Defines quality standards, product specifications, and performance expectations to maintain consistent product quality and customer satisfaction.

**Forced Labor Policy (Cotton):** In addition to the vendor agreements, if a factory is a supplier of cotton products, they must also undergo the Forced Labor (Cotton) Policy (APPENDIX 3). This policy is designed to identify where the cotton material is sourced to ensure that St Regis is not enabling the human rights crisis in the XUAR of China<sup>1</sup>.

**Internal Auditing:** In addition to auditing our supply chain partners, St Regis also maintains ELEVATE Responsible Sourcing Assessments for our three locations, updated every three years. In addition, we also maintain HIGG (Wordly) Facility Environmental Module assessments which ensure our facilities are upholding responsible environmental practices in addition to social and health and safety procedures.

**Environmental Management:** Environmental considerations are integral to our responsible sourcing practices, as they are essential to maintaining a healthy and safe supply chain. As St Regis continues to enhance our environmental management system, we are focusing on suppliers who share these same values.

**Information & Cyber Security:** St Regis Group's IT security initiatives protect confidential information through robust controls and training. Covering all company systems and data, measures include risk assessments, antivirus solutions, system monitoring, and data loss prevention with encrypted backups. Multi-factor authentication and mandatory security awareness training are enforced, along with physical security for server access.

**Product Safety:** St Regis compliance team rigorously ensures that every product is not only ethically sourced, but also adheres to all relevant safety regulations. This guarantees that the products we introduce to the market are safe, reliable, and fully compliant. We partner exclusively with factories that meet stringent product and social compliance standards, ensuring the highest quality and ethical integrity in our offerings.

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<sup>1</sup> Note: St Regis has diverted most cotton products away from China due to the ongoing and widespread risks of the slave labour stemming from the XUAR. St Regis does not import any other products that are identified from the XUAR.

## Remediation Framework

During the third-part audits (internal and external), employees are given the opportunity to make anonymous complaints or provide anonymous feedback to the third-party auditors. If St Regis is made aware of a case of forced labour, child labour, or any other form of modern slavery in our supply chain, an action plan will be developed to remediate the situation using the following framework:

### *Complaint/Report is Submitted*

- St Regis will immediately investigate the report and confirm the situation has a direct adverse human rights impact. The complainant should be able to produce sufficient information to demonstrate the relevance and seriousness of the complaint.
- The complainant has the option of identifying themselves and/or the parties involved. If anonymous, St Regis will continue to investigate the situation with the information provided.

### *Define a Remediation Procedure*

- A remediation procedure will be developed based on the information provided in the complaint. If a serious complaint is made, requiring immediate intervention, authorities will be contacted in the appropriate jurisdiction.
- Protecting the victim(s) is the first priority and ensuring their safety, based on their specific needs, will be immediately addressed
- St Regis will then take the following steps:
  - o Identify a remediation team, including St Regis CEO and local authorities or experts
  - o Record the incident and information gathered during the investigation
  - o Conduct an investigation using the information provided in the complaint
  - o Document how the affected individuals and/or companies are responding to the investigation
  - o Identify any relevant government or organizational support mechanisms available for the victim(s)
  - o Ensure the investigation involves a consideration of cultural and local risk factors and sensitivities
  - o Identify and document what remedy the business will offer to the victims of modern slavery, including restitution (restoring victim to original situation before abuses occurred), compensation (financial or otherwise), rehabilitation (medical, physiological or psychological care) and satisfaction and guarantee of non-repetition
  - o Ensure all actions comply with local laws and regulations
  - o Ensure the outcome aligns with St Regis Code of Conduct

### *Remediation Outcome*

- If the investigation and remediation is satisfactory, St Regis will offer ongoing support and monitoring for the victim(s).
- If an investigation identifies a non-compliant business or individual, St. Regis will immediately terminate the relationship with the affected parties and enforce appropriate repercussions on the identified business.



## Training

All internal St Regis employees are trained on responsible labour practices using the Employee Handbook. Staff Policies are made available to all employees and offered as framework for a safe and mutually beneficial partnership with employees. St Regis values the input, happiness, and safety of our staff and continually accepts anonymous feedback through the employee feedback boxes in our facilities.

Applicable staff members, including merchandising, purchasing, sales, and overseas staff are continually trained by the compliance department on identifying labour concerns, responsible sourcing practices, auditing requirements, onboarding procedures, and ongoing updates and risks in supply chain management.

St Regis reviews all policies on an annual basis, providing updated copies when available.

## Effectiveness Assessment

As of the drafting of this report, St Regis has not received a complaint in regards to modern slavery. We believe this is a testament to St Regis Group’s vocal and strict requirements on partnering or working with us in our supply chain.

## Continuous Improvement

We are committed to continuously improving our responsible sourcing practices through ongoing monitoring, evaluation, and stakeholder engagement. We encourage feedback from our suppliers, employees, customers, and other stakeholders to identify areas for enhancement and ensure that our supply chain remains ethical, sustainable, and compliant with regulatory requirements.

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act for the financial year ending December 31, 2023. It has been issued on behalf of St Regis Canada Ltd, located at 271 Yorktech Dr., Markham, Ontario, and approved by Mark Waisbrod, CEO, and Richard Firkser, President.

Signed,

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Mark Waisbrod, CEO  
St Regis Group

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Richard Firkser, President  
St Regis Group