

May 31, 2024



**2024 REPORT ON 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**

Star Elite Inc.

L' Image Home Products Inc.

March 1<sup>st</sup>, 2023, to February 29, 2024 FINANCIAL REPORTING YEAR

## 1. INTRODUCTION

This report is prepared, published, and submitted to the Minister of Public Safety on May 31, 2024, as required by 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 report covers the activities undertaken during the previous financial year, covering the period from March 1st, 2023, to February 29, 2024, for the following entities:

- Star Elite Inc. (BN: 14356 2205)
- L' Image Home Products Inc. (BN: 14253 6093)

In this report, these entities are referred to as the Group.

We recognize our responsibility to respect and protect the human rights of all people who are part of or interact with our business. We are committed to acting ethically and with integrity and transparency as we continuously strive to put systems and processes in place to safeguard against any form of forced or child labour in our supply chain. We expect our business partners and suppliers and their contractors to uphold these same principles within their operations.

## 2. STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

### Structure

Star Elite Inc. is a corporation organized under the laws of Quebec's Companies Act, chapter C-38. L' Image Home Products Inc. is a corporation organized under the laws of Quebec's Companies Act, chapter C-38. Both corporations' head office address is 1175 Place du Frère-André, Montréal, QC, H3B 3X9.

### Activities

The Group operates in the retail and wholesale sectors and his headquarters are in Quebec, Canada. Goods are produced outside of Canada and are mainly sold in the United States.

The Group was launched as a Montreal-based consumer goods company in 1999; designing, developing, and bringing to market products that solved consumers' ever-

evolving needs. Since then, we've grown to become one of the leading creators of high-quality, value-added solutions to enhance everyday lives.

We're structured for success, have been awarded several ENERGY STAR® awards, are an OEM partner for private label national brands, and operate an R&D lab in China. And we do it all with the same thoughtful practicality that we infuse into our creations.

Today, we focus our spotlight on hidden opportunities that bring even more happiness into peoples' lives, with smart products that promote health and wellness.

#### Supply chains overview and parts that carry a risk of forced labour or child labour

The Groups supply chain is mainly based in China. Within its supply chain, The Group has relationships with large, reputable, and ethical suppliers, and has long-term relationships with its suppliers.

Nonetheless, we acknowledge that certain of our suppliers operate in regions that have inherent risks of child labour and forced labour practices and that the supply chain of our suppliers may extend into regions potentially facing greater risk of forced labour and child labour.

The Group has assessed to the best of its knowledge the risks related to forced labour and child labour. Based on general supply chain parameters, the risks are mainly located in the use of outsourced, contracted, or subcontracted labour regarding production of goods by suppliers in China. However, due to the vertically integrated manufacturing structure of our suppliers, no such issue was identified historically during this reporting period or subsequently.

### **3. Steps to prevent and reduce risks of forced labour and child labour**

The group has taken the following steps to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods outside of Canada.

#### **1. Suppliers audit performed by the Group.**

Specific employees, working in China, are dedicated to performing an audit of the suppliers on an annual basis, ensuring that they have a responsible business conduct, which includes that there is no forced labour, nor child labour in their operations and productions.

2. Suppliers audit performed by an independent third party.

These audits are social audits monitoring activities performed by suppliers in several areas and help their users to identify, prevent, mitigate, account for, and remediate labour risks as well as adverse human rights impacts. For example, we rely on reports issued by Amfori (formerly BSCI).

3. A contractual clause is included by default in each Master Supplier Agreement.

This contractual clause enforces that each supplier must fulfil its obligations to follow all applicable labour and labour employment laws, including without limitation, child labour laws whether domestic, foreign, or international.

The Group is embedding responsible business conduct into policies and management by performing internal audits and reviewing the results of external audits made by independent third party and by requiring a contractual clause in each Master Supplier Agreement that clearly indicate the obligation to comply to labour and labour employment laws, including child labour laws whether domestic, foreign, or international. If the supplier is not in line with this contractual requirement, the agreement is cancelled and the process to replace the supplier begins.

#### **4. TRAINING PROVIDED TO EMPLOYEES ON FORCED LABOUR AND CHILD LABOUR**

Training is provided to a dedicated team in China who is responsible for ethical sourcing and conduct the audits periodically. In addition, awareness of these risks and the importance of identifying these issues is communicated to the employees who are directly involved with the supply chain, manufacturing and product development.

#### **5. REMEDIATION AND EFFECTIVENESS ASSESSMENTS TO ENSURE FORCED AND CHILD LABOUR ARE NOT BEING USED IN OUR OPERATIONS AND SUPPLY CHAIN**

The Group have not identified any forced labour or child labour in our activities and supply chains. As a result, there have been no occurrences requiring taking any measures to remediate any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

The Group have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains

by performing audits of its suppliers on an annual basis and reviewing the results of external audits. Due to our robust supplier audit program, we believe that we are effective at managing the risk of child labour and forced labour in our supply chain. Nonetheless, we will continue to focus on this important matter and improve our procedures.

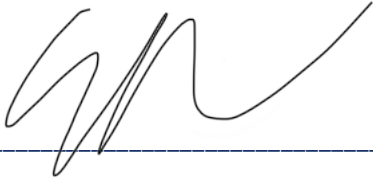
In conclusion, the Group have procedures in place to identify, prevent and remediate the risk of forced labour and child labour.

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.

Name: Etienne Racine

Title: VP Finance

Date: May 31st, 2024

Signature:  \_\_\_\_\_, I have the authority to bind Star Elite Inc. and L' Image Home Products Inc.