

LA VIE EN ROSE GROUP

REPORT ON THE PREVENTION OF FORCED LABOUR AND CHILD LABOUR

FINANCIAL YEAR 2024

1. INTRODUCTION

This joint report describes the activities undertaken by the parent company, Administration LVER Inc., and its subsidiary Boutique La Vie en Rose Inc. (hereinafter the "Company"), during its last financial year to ensure that forced labour and child labour did not occur in the production of goods imported into Canada in accordance with Canada's *Fighting against Forced Labour and Child Labour in Supply Chains Act* (hereinafter the "Law"). Both companies are privately held corporations. This joint report pertains to the financial year that ended on July 27, 2024.

References in this report to "La Vie en Rose Group", "La Vie en Rose", "we", "our", and similar terms refer to the Company.

The report was drafted in accordance with the principles of linguistic inclusivity, aiming to reflect the diversity of individuals and avoid any form of gender-related discrimination. This linguistic approach aligns with our commitment to equality, diversity, and inclusion within our organization.

2. PREVENTION AND REDUCTION OF FORCED LABOUR AND CHILD LABOUR RISKS

La Vie en Rose is committed to supporting human rights throughout our supply chain, and we consider any activity within our supply chain that leads to human rights abuses as unacceptable. We firmly believe in transparency and collaboration as ways to enforce these rights.

We also recognize our responsibility for continuous improvement in our practices related to identifying and addressing instances of forced labour and child labour that may occur in our operations or supply chain.

During our last financial year, we took actions to reduce the risk of forced labour or child labour occurring during the production stages of our goods, prior to their importation into Canada. To this end, we:

- Mapped our manufacturers to understand the risks associated with their geographical locations.
- Implemented a Partner Code of Conduct in order to reinforce our due diligence efforts and guarantee the respect of human rights for the workers involved in the fabrication of our merchandise.
- Established a process concerning our cotton production in China to mitigate the known risks related to forced labour in this industry.
- Deployed the Higg Index tools in our supply chain with the intention of measuring social impacts and working conditions, and thereby establishing measures for evaluating the social practices of our suppliers.
- Followed trainings on forced labour in order to better understand potential risks and the actions to take in case of discovered abuses.

The details of these actions are outlined in this report.

3. STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Administration LVER Inc., the parent company, and its subsidiary Boutique La Vie en Rose Inc., are incorporated under the *Canada Business Corporation Act* and headquartered in Montreal, Québec, Canada.

Boutique La Vie en Rose Inc. has activities in the retail sector and operates the La Vie en Rose Group's two store banners: La Vie en Rose and Bikini Village. Together, they counted 294 stores across Canada and employed more than 4,700 employees at the end of the financial year 2024.

Since 1985, La Vie en Rose has specialized in lingerie, swimwear and sleepwear. This banner offers its customers products from its own brands—la Vie en Rose, la Vie en Rose Aqua, and Newex—which are manufactured by suppliers located abroad, in countries including Bangladesh, Cambodia, India, China, Ethiopia, Mexico, Myanmar, Sri Lanka, and Vietnam.

Bikini Village is the destination for swimwear, beachwear and accessories for both women and men. This banner features products from our own brands—Tropik, Turquoise Couture, Hamabe, Eau de Sea, SeaTonic, Santemarre, and My Bikini Story—alongside a selection of merchandise from a variety of world-renowned third-party brands. Own-brand merchandise accounted for over 37% of total unit purchases for this banner during the financial year 2024, with manufacturers located in Bangladesh, China, India and Mexico.

In addition to physical stores, Groupe La Vie en Rose engages with its customers in Canada and the United States through three commercial websites: www.lavieenrose.com, www.bikinivillage.com, and www.newexprotection.com.

The Company purchases the majority of its goods directly from manufacturers and handles the importation to Canada itself. This was the case for over 93% of the units purchased during the last financial year. The remaining units were acquired from third-party brands or Canadian suppliers who manage their own imports.

4. POLICIES, RISK MANAGEMENT AND DUE DILIGENCE

We are committed to conducting our business in a socially responsible manner. As a Company with an international supply chain, we recognize the importance of maintaining ethical practices concerning our stakeholders and business partners.

Employee Guide

We distribute our *Employee Guide* to our employees to inform them about their rights, obligations, and benefits, including their responsibility to help us maintain a healthy work environment through their conduct, free from any form of discrimination, harassment, and abusive practices related to human rights.

Partner Code of Conduct

Our Code of conduct (hereinafter the "Code") constitutes an essential pillar in our approach to managing human rights risks.

The Code was established to reinforce our due diligence efforts and to promote respect for the human rights of workers involved in the manufacture of our products. In particular, the Code applies to the manufacturers of our merchandise and provides for:

- The prohibition of all forms of forced labour and child labour, as well as specifications on the norms that shall apply concerning the employment of young workers.
- The requirement to comply with all laws and regulations of the operating country and to follow ethical commercial practices.
- The protection of workers against discrimination and harassment, as well as the guarantee of their right to freedom of association and a safe and secure workplace.
- The implementation of grievance mechanisms to deal with worker concerns in a fair and timely manner.

The Code also includes instructions to follow to signal cases of non-compliance. La Vie en Rose Group reserves the right to terminate partnerships with manufacturers in the case that identified issues are not resolved.

Risk Management Practices

In 2024, we maintained an internal mapping process of the manufacturers across our own brand portfolio to establish a robust level of visibility into the production locations of our merchandise.

In addition to this comprehensive approach, we initiated internal mapping activities on the upstream levels of the supply chain prior to finished product manufacturing for certain products. This includes the production of textiles, yarns, and fibers, as well as raw materials for our private label products whose main component contains cotton, due to the known risks of forced labour associated with the production of this textile.

We started the process by informing our own-brand merchandise manufacturers that we would no longer accept cotton originating from the Xinjiang region in China, in order to reduce the risk of forced labour in our supply chain. Since then, all cotton-containing product collections must be accompanied by documents proving the origin of the fiber and the fabric.

The requested information includes the origin of the cotton boll as well as all transformation stages. Our rules dictate that none of the production steps should take place in the Xinjiang region. The required documents include evidence of the cotton boll's origin and purchase contracts from the boll supplier to the yarn supplier, from the yarn supplier to the fabric (weaving or knitting) supplier, and from the fabric supplier to our manufacturers.

Information requests are triggered for each product collection where the main fabric contains cotton. The data collection method involves sending emails to our factories, which provide us with the necessary proof documents. Once received, the information is verified for compliance and then archived. The documents are subsequently recorded in our product lifecycle management system.

Due Diligence Processes

AGENTS

In some instances, we work with agents who act as intermediaries between us and the manufacturers. Some agents have a due diligence process to evaluate factories before proposing them to us as manufacturers to ensure that their practices are socially acceptable. In the reporting year, over 16% of the total units we imported were subject to an agent's due diligence process.

VISITS

We carefully select our manufacturers and maintaining good relationships with our partners in the production chain is a priority for us. Our strategy in regard to building trust with our suppliers includes regular production site visits. At the same time, these visits also allow us to examine working conditions to ensure they meet our standards.

EVALUATIONS

Since December 2021, Boutique La Vie en Rose Inc. is a member of Cascale. As a member, we use the "Facilities Social and Labour Module (FSLM)" of the Higg Index to assess the social conditions of the workers who produce our merchandise. The FSLM module rates the performance of manufacturers across several key areas, including their practices related to the prevention of forced labour and child labour.

During the last financial year, we asked our suppliers who exceed a certain volume threshold to fill out this module and share it with us, which gives us visibility into their human rights practices. We also request that the responses to the module be validated by a verification body to ensure their accuracy. In 2024, 74% of our imported units were covered by an FSLM evaluation, and 67% of our imported units were covered by a verified FSLM evaluation.

5. RISK ASSESSMENT

We began the process of identifying risks of forced labour and child labour in our operations and supply chain with a focus on risks related to cotton from the Xinjiang region in China due to the high level of risk in this region.

Considering the supply chain more generally, although we have not yet identified instances of forced labour or child labour among our manufacturers, we acknowledge that the manufacturing industry holds widespread risks of child labour and forced labour at all levels. We are aware that the level of risk can vary depending on the country of production, the level of the supply chain, and the raw materials used.

Although we have a high level of visibility on our merchandise manufacturers, it is true that some are located in places where abuses of certain human rights may be more prevalent. According to the ["2022 List of Goods Produced by Child Labor and Forced Labor"](#) from the U.S. Department of Labor, the risk of forced labour may be higher concerning the manufacture of clothing in Bangladesh, China, India, Malaysia, and Vietnam, and the risk of child labour may be higher in this field in Bangladesh, Burma, India, Mexico, and Vietnam. Additionally, we recognize that our manufacturers also have supply chains that can extend into higher-risk regions where we have limited visibility.

To mitigate the risks associated with the manufacture of our products, we work in collaboration with our suppliers to establish trusting relationships. Several of our manufacturers have been doing business with us for multiple decades; the trust we have with our partners in the supply chain allows us to evolve our due diligence practices cooperatively and to carry out programs to the benefit of all involved.

6. REMEDIATION MEASURES AND REMEDIATION OF LOSS OF INCOME

During the last financial year, no instances of forced labour or child labour were identified in our operations and supply chains. Therefore, no measures were taken to remedy cases of forced labour or child labour or loss of income for workers in our supply chain.

However, we remain vigilant regarding these risks and continue to evolve our due diligence program to ensure its robustness in preventing instances of child labour or forced labour.

7. TRAINING

During the last financial year, key individuals in the Company took actions to inform themselves on risks and to share the information internally in order to advance work on this issue.

At the beginning of the 2024 fiscal year, key individuals, including the Principal Advisor, Corporate Social Responsibility (CSR) and the Director of Technical Design and Overseas Production, received training offered by the Mekong Club on how to identify, mitigate, and remedy the risks of forced labour and child labour in the supply chain. The Mekong Club is a non-profit organization that collaborates with the private sector to implement sustainable practices against modern slavery worldwide.

Additionally, La Vie en Rose Group is part of the Responsible Procurement Committee of the Retail Council of Canada, a committee aimed at helping its members develop and improve their responsible procurement programs. Throughout the year, several webinars and newsletters were offered to members to keep them informed about the actions to take to comply with Canadian due diligence obligations and recommendations.

The Principal Advisor, CSR also attended several online information sessions on due diligence throughout the year, such as:

- A session at the OECD Forum offered by the Canadian Ombudsperson for Responsible Enterprise on topic of Remediating child labour risks and impacts beyond tier one in the garment sector.
- The three sessions of a series on Human Rights Due Diligence offered by the non-profit Fashion Takes Action and the Canadian Ombudsperson for Responsible Enterprise on:
 - Supply chain traceability
 - Preparing for human rights due diligence legislation
 - Remediation and action

The Principal Advisor, CSR was then responsible for communicating the relevant information learned during these sessions to other key individuals in the Company, including the Vice President of Human Resources and Administration, the Vice President of Production and Supply Chain, and the Director of Technical Design and Overseas Production.

8. ASSESSING EFFECTIVENESS

The prevention of forced labour and child labour will always be a work in progress. While we did not have a structure in place to assess our effectiveness in preventing and reducing the risks of forced labour and child labour in our operations and supply chains during the last financial year, we intend to implement a structure to assess our practices at a later stage.

9. FUTURE STEPS

We are committed to strengthening our efforts to prevent human rights abuses. We have identified several actions to prioritize to improve our due diligence practices regarding forced labour and child labour within our supply chain.

In order to reinforce the commitments outlined in our Code of Conduct, we intend to design a program to ensure adherence to the Code by our manufacturers. We are also in the process of implementing a robust program to strengthen our relationships with our manufacturers and to ensure that our requirements are clear to them.

ATTESTATION

The report was approved under subparagraph 11(4)(b)(ii) of the Law by the Company's Board of Directors.

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.

I have the authority to bind Administration LVER Inc. and Boutique La Vie en Rose Inc.



Per: François Roberge

Title: President and CEO, Administration LVER Inc. and Boutique La Vie en Rose Inc.

Date: 2024-12-04