



## 1. Introduction

*The Canadian Federal Modern Slavery Act (Bill S211 -44-1 (hereafter known as the <<The Act>>) requires all companies meeting certain requirements and operating in Canada to fight against child labour and forced labour throughout their Supply Chain. Further, the Supply Chains Act requires that these businesses state the actions they have taken during the prior fiscal year to prevent and reduce the risk of forced labour or child labour throughout their daily operations and supply chain. Michael Rossey Ltee (hereafter known as <<Rossey>>) is a Canadian company operating solely in Canada and has a vision where we realize freedom from slavery, human rights violations for everyone, everywhere, always. We aim to do this by focusing on 3 strategic areas:*

- 1). – Making ending slavery and violations of human rights everyone's concerns:
- 2) - Acting as an ally to victims of slavery and human right violations, elevating their voices and experiences to force and create change,
- 3) - Challenging and continuously changing our corporate policies and practices to combat slavery for everyone, everywhere.

At Rossey, our purpose and key focus is to help advance social equity, and we are committed to doing this both in Canada and abroad. We recognize our responsibility to respect and protect the human rights of all people who support, interact with our organization, comprised of employees, including migrant and temporary labourers, throughout our supply chain.

We recognize that global human rights institutions are under significant pressure, the climate is in crisis, and thus these challenges disproportionately affect poorer communities. We understand that our customers trust that the products we sell in our stores come from suppliers that provide safe, fair, and ethical working conditions for all workers; this expectation is further addressed in Rossey's supplier code of conduct (hereafter known as <<The Code>>)

Our commitment to prevent and reduce the risk of forced child labour applies to our network of stores and facilities nationwide and worldwide supply chain network. We expect our suppliers (as well as their contractors, subcontractors) to uphold these same principles within their operations and adhere to applicable human rights and employment standards laws if they wish do conduct business with Rossey.

Currently, across the modern anti-slavery sector there is a consensus that the responses to date have at best been piecemeal, basically limiting sustainable long-term change, therefore, further work is needed to effectively and ethically include victim's voices as a norm and not an exception. A critical problem is that funding for this movement is often short term, and relatively insufficient and inflexible.

Rossey's emerging strategies seeks to respond to these critical challenges in 3 major ways:

1. Leveraging – Rossey will use it'd convening power to collaborate with other organizations throughout its supply chain who can use their resources and expertise to ending slavery and human rights violations.
2. Learning – Rossey will take a learning approach, where we build skills and corporate internal systems for improving, and thus shining a light to help weed out systemic causes of slavery where they may arise.
3. Influence of victims – Rossey will draw on our learning experiences with victims of slavery or human rights violations; where we will try and leverage our suppliers to implement system changes to eradicate slavery and human rights violations.

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

In Fiscal Year 2025, our Company has taken the following steps to prevent and reduce the risk that forced labour or child labour throughout our supplier chains regarding our goods purchases domestically or goods imported into Canada by outside manufacturers.

More details on these actions are set out later in the Report.

Rossey aims to demonstrate the following 3 critical values both internally and externally:

1. Dynamic – We are committed to continuously improve on ideas and we do not simply adapt the concept that yesterday's ideas will work; we are flexible, open-minded, take the necessary calculated risks to respond to opportunities.
2. Inclusive – Rossey believes that everyone has a role in ending slavery; we will strive to make sure every voice is respected and nurture diverse perspectives to create better solutions. We will make sure that those with direct experiences relating to slavery or human rights violations have the means and tools to inform our organization and we in return will assure that their voices are heard.
3. Transformative – Rossey is determined, and will take courageous action when required to make a lasting, systemic impact against slavery, with humans at its heart.

### Governance and Training

Rossey's Supplier Code of Conduct (<<The Code>>) and related employee training includes understanding key factors of Human Rights violations and possible existence of violations, which calls out the importance of respecting human rights and the prohibition of involuntary Labour practices within all aspects of our organization. All Rossey employees undergo a Code of conduct training every 3 years or so, to confirm their compliance with Rossey's Supplier Code of conduct <<The Code>>.

<<The Code>> includes a commitment to respecting and enforcing human rights directly through its own operating activities; where Rossey's Board of Directors and employee's confirm of their understanding and compliance with <<The Code>> during these training sessions.



### **Tracking and Monitoring**

Since 2023, there has been continued awareness, communication and monitoring through corporate communication and visual guidance displayed in our stores and distribution centres, where the importance of speaking up was highlighted and encouraged for anyone that sees any violations in regards to Rossy Code of Conduct.

### **Disclosure**

Rossy has made publicly available through our website (Rossy.ca) some of our products offered for sale to the public, including but not limited to, apparel, accessories, jewelry, furniture, umbrellas, and footwear..etc.

## **3. ROSSY. Structure, Activities and Supply Chains**

### **Structure**

Rossy is a Canadian Privately owned company, founded in 1963, maintaining its head office in the Province of Quebec, and specifically located at 450 Boul. Lebeau, Saint Laurent, H4N-1R7.

### **Activities**

Rossy's goal is helping our customers from coast to coast find the products to satisfy their needs.

Rossy serves all Canadians through its extensive network of over 85 corporately owned locations throughout Canada. With a wide range of offerings including, but not limited to: furniture, health and beauty products, apparel, and general merchandise products.

Rossy strives to provide convenience and quality to all its customers

Rossy employs approximately 900 full- and part-time employees. Michael Rossy Ltee operates all its Retail stores under the banner <<Rossy>>.

### **Governance**

Rossy has a robust governance structure in regards to policies and practices to expose and reduce the risk of possible forced labour, child labour and any human right violations throughout our supply chain.

Rossy has created an over-sight committee (<<Over-Sight Committee>>) consisting of 3 employees to meet annually to go over aspects of the enterprises risk, relating towards corporate policies and practices, regulatory compliance and ethic's polices

### **Supply Chain**

Rossy's Supply chain consists of Domestic and International Suppliers, Where roughly 30% of our goods are bought from International located vendors (USA, China, Egypt, Vietnam, India, Turkey) and 70% of our products are from domestic vendors, who intern may buy some of their goods from International suppliers as well.

Rossy is listed as the Importer of Record for most of its international imported products, from various factories in 6 countries outside of Canada. The majority of these goods are sourced out of Asia and the Southeast Asian regions.

## **4. Company policies and due diligence processes in relation to forced labour and child labour**

Rossy through its code of conduct for all employees and its formal corporate policies strives to uphold the rights of all its employees and customers, including migrant and temporary labourers, throughout its supply chain. Rossy is committed to protecting human rights, founded on our strong belief in doing the right thing.

Rossy pledges to create a safe and inclusive experience for all its employees, third party labourers across the entire supply chain including the many customers who shop at our locations.

Rossy's corporate policies and practices were formed with the following international and industry-leading standards, but not limited to:

- The United Nations' Guiding Principles on Business and Human Rights (UNGPs) and Universal Declaration of Human Rights
  - The Canadian Federal Modern Slavery Act (Bill S 211 (44-1))
  - Local human rights laws, in jurisdictions where such laws are present.
- . These governing policies set out Rossy's responsibility and expectations to respect and protect the human rights of its customers, employees, as well as, the many workers, including migrant and temporary workers, throughout our supply chain.

### **Employee Code of Conduct**

Rossy's Code of Conduct reflects our CORE values of Care, Ownership, Respect and Excellence, and it reinforces our commitment to integrity, professionalism and accountability. Respecting and protecting human rights is a focus within our Code. All our employees are expected and encouraged to apply sound judgement and due diligence when conducting business activities and make ethically sound decisions.

**Michael Rossy Ltée**



### **Supplier Code of Conduct and Contractual Obligations**

Rossy's supplier relationships are guided by the Supplier Code of Conduct. It applies to both domestic and foreign producers and manufacturers that supply goods and services (whether for resale in our stores or not for resale), agents, brokers and other third parties who conduct business with us.

All our suppliers are mandated to share our Supplier Code of Conduct with their contractors, agents, sub-contractors, including any labour agencies who are engaged to assist with providing goods or performing services ultimately to Rossy.

By entering into standard terms and conditions and / or other contractual agreements (namely PO's signings) with Rossy, Suppliers and related parties, accept the terms of our supplier code of conduct and affirm compliance with its requirements, including those regulations related to forced child labour and human rights violations. It focuses on the workers' rights and protections, with a particular emphasis on prohibiting child, forced and trafficked labour, as well as any discrimination, intimidation, abuse, harassment or violence against all workers. The supplier code of conduct also requires that a grievance mechanism or complaint procedure exists to allow workers to report workplace concerns (the Rossy <<Whistle Blower online form (WBAL)>>).

### **Whistle Blower Action Line (WBAL)**

Allegations of any breach of our policies or any non-compliant and unethical matters are taken seriously.

Rossy's WBAL is also made available to all its suppliers, related third parties and their workers. All reports to the WBAL line can be made anonymously (if the employee or supplier so chooses) and the privacy of the reporter is protected. The WBAL tool can also be used confidentially online in either English, and / or French.

Retaliation against anyone, including employees, third party laborers who are speaking up in good faith is strictly prohibited, as is specified in both our code and supplier code of conduct.

The Rossy WBAL is administered by the 3 person committee <<oversight Committee>>, to objectively manage incidents to their resolution and assess any adverse impacts to our operations and/or supply chain. The Board of Directors are informed of any notable incidents requiring attention, by the over-sight committee. These may lead to changes to the organization's policies and processes, if deemed necessary.

### **Enterprise Risk Management**

The enterprises risk management process is designed to assist all areas of the organization to manage appropriate levels of risk tolerance by providing tools for evaluating, measuring and monitoring key risks, including workplace health & safety and regulatory compliance.

## **5. Risk of forced labour or child labour being used and the steps we have taken to assess and manage and where possible mitigate that risk**

At Rossy, we recognize the importance of addressing potential risks of forced labor and child labor within our global supply chain. Our management identified five inherent Risks: forced labor, child labor, discrimination, harassment, and abuse, and occupational health and safety. These risks serve as the foundation for our ongoing initiatives in the realm of human rights and responsible sourcing. Risks, as defined by UNGP guidance, are those with the highest potential impact on individuals' human rights due to business activities or relationships. They underscore potential issues inherent in our business operations rather than solely focusing on specific mitigating measures undertaken by the company.

Outlined below are the measures we've implemented to assess and manage these risks diligently.

### **Supply Chain Compliance**

At Rossy, we maintain an over-sight committee to monitor compliance to our code of conduct. This team plays a crucial role in overseeing Rossy's supply chain compliance, ensuring that workplace condition assessments meet our standards and that our products originate from approved factories.

Our internal corporate policies and practices are designed to verify that suppliers adhering to our Supplier Code, which includes strict provisions against forced and child labor. We regularly review our Supplier Code to assess if an expanded scope is necessary and remain vigilant of new considerations impacting our supply chain.

Before engaging with a supplier, Rossy conducts a risk assessment, whether they are factories, processing plants, or packing facilities located outside of Canada and the USA. This process applies to products sourced by Rossy.

Once sourcing commences, we implement rigorous processes to research working conditions and safety assessments where applicable, through public information records on suppliers and their practices, any public violations incurred by such suppliers and monitoring any online complaints.

Our policies emphasize the rights and safety of workers by verifying various factors, including voluntary labor, fair compensation, absence of exploitation, compliance with employment standards, adherence to working hour regulations, and compliance with health and safety laws in their particular jurisdictions.

In the event that a compliance issue is identified during our assessment, such as child labor or life-threatening safety situations, Rossy takes immediate action. We may suspend relationships with the non-compliant suppliers, until they have corrected the violation to Rossy's satisfaction, or in cases where the suppliers are unwilling or unable to address the non-compliance will risk termination of their relationship with Rossy.



## 6. Remediation of any forced labour or child labour

At Rossy, reports of forced or child labor within our supply chain is typically identified through Whistle Blower Action Form (WBAL), Public Domain complaints or media sources.

Embedded within our Supplier Code is the requirement for suppliers to diligently monitor their operations' and make sure that they comply with our Supplier Code's terms. Suppliers are obligated to share the Supplier Code with all relevant parties, including contractors, agents, and labor agencies engaged in providing goods or services for Rossy. Furthermore, suppliers must oversee the compliance of these related parties with our Supplier Code and promptly disclose any known violations to our Whistle Blower Action Form (WBAL) or Rossy representatives. Any identified and unresolved violations are escalated to our Board of Directors for further action as needed.

In instances where a supplier fails to adhere to the Supplier Code, Rossy reserves the right to demand corrective measures. Failure to implement necessary corrective actions or comply with the Supplier Code may result in Rossy exercising its discretion to suspend or terminate, either partially or wholly, its relationship with the supplier. Moreover, serious or repeated violations by a supplier may lead to the permanent delisting of factories or suppliers from our sourcing network

## 7. Remediation of loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains

As of now, Rossy has not encountered any identified or reported instances of vulnerable families experiencing income loss due to measures aimed at eradicating the use of forced labor or child labor within our operations and supply chains.

## 8. Training provided to employees on forced labour and child labour

The Code, which is updated every 3 years or so, forms part of Rossy's compliance training program that is mandatory for all employees that deal directly with our suppliers. The internal training include a detailed explanation of Rossy's position on slavery and human rights violations (e.g., forced labour and child labour) and that involuntary labour is also not tolerated. Where employees work directly with Suppliers, they are instructed to familiarize themselves with the Supplier Code, and to ensure that these suppliers understand what is expected of them under our Supplier Code.

The training's primary focus is on our policies and due diligence practices aimed at combating modern slavery, while also heightening awareness of our legal obligations, identifying key risk factors for human rights violations, and delineating formal reporting procedures. By imparting training, we are arming our employees with the necessary knowledge and skills to uphold our collective responsibility to respect and safeguard the human rights of our customers, employees, and the diverse workforce within our supply chain.

## 9. Effectiveness assessments to ensure that forced labour and child labour is not being used in our business and supply chains

To reduce and prevent the risk of forced and child labour within our operations and supply chains, we assess the effectiveness of our actions to continuously improve our Supplier Code.

### **Governance •**

- Annual review of the Supplier Code of Conduct are required, to address the ever changing slavery risks and to modernize or approach
- Distribution of Supplier Code to Suppliers for any new and existing suppliers
- Training on The Code and human rights violation risks

### **Enterprise Risk Management**

- This provides the business with the necessary guidance and tools to identify, assess, monitor and report risks, including those related to Human Rights

### **Monitoring •**

- The over sight committee will monitor any existing violations of our codes of conduct and quantify the numbers in a given year for review
- Tracking of corrective actions and remediation of any forced or child labour risks identified
- Monitoring media reports related to risk of forced and/or child labour and any actions as required



## Grievance mechanism

Monitoring our WBAL <<Whistle Blower online Form>> reports from workers to understand risk and effectiveness of program.

## 10. Approval and Attestation

Rossey holds physical assets within Canada and meets the reporting threshold defined in the Act (at least \$20 million in assets, \$40 million in revenue, or 250 employees), and therefore qualifies as a reporting entity.

Rossey does not currently rely on modern slavery reports submitted to other jurisdictions to fulfill its Canadian reporting obligations. This report has been specifically prepared to meet the requirements of Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act.

All goods sourced by Rossey are tangible products, such as apparel, furniture, household items, and accessories. Rossey does not engage in the importation or production of digital goods or intangible assets.

Rossey qualifies as an "importer" under the Act, as it is listed as the Importer of Record for most internationally sourced products and accounts for their import into Canada directly.

In addition to publishing this report, Rossey has completed and submitted the mandatory online questionnaire issued by Public Safety Canada.

This Report was approved 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.

A handwritten signature in blue ink, appearing to read 'Roberto Carducci', written over a horizontal line.

**Roberto Carducci**

CFO,

Michael Rossy Ltee

May 26, 2025

I have authority to bind Michael Rossy Ltee