



Report on the Prevention of Forced Labour and Child Labour

Financial Year 2023

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 labor and child labor did not occur in the production of goods imported into Canada in accordance with *Canada’s Fighting against Forced Labour and Child Labor 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 29, 2023.

References in this report to “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 labor and child labor that may occur in our operations or supply chain.

During our last financial year, we took actions to reduce the risk of forced labor or child labor 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.
- Established a process concerning our cotton production in China to mitigate the known risks related to forced labor 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.

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*.

Boutique La Vie en Rose Inc. has activities in the retail sector and operates two store banners: La Vie en Rose and Bikini Village. Together, they counted 284 stores across Canada and employed more than 4,600 employees at the end of the financial year.

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 35% of total unit purchases for this banner during the financial year 2023, with manufacturers located in Bangladesh, China, and India.

In addition to physical stores, Boutique La Vie en Rose Inc. 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 91% 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.

4.1. 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.

4.2. Risk management practices

In 2023, we initiated 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 labor 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 labor 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.

4.3. 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 17% 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 labor and child labor.

During the last financial year, we began asking 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.

Our goal is to gradually increase the percentage of our merchandise volume covered by FSLM evaluations, with the ultimate goal of having at least 50% of our volume covered by verified FSLM evaluations by 2027.

5. Risk assessment

We began the process of identifying risks of forced labor and child labor 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 labor or child labor among our manufacturers, we acknowledge that the manufacturing

industry holds widespread risks of child labor and forced labor 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 labor may be higher concerning the manufacture of clothing in Bangladesh, China, India, Malaysia, and Vietnam, and the risk of child labor 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 labor or child labor were identified in our operations and supply chains. Therefore, no measures were taken to remedy cases of forced labor or child labor 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 labor or forced labor.

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.

During the financial year 2023, La Vie en Rose joined the Responsible Sourcing Committee of the Retail Council of Canada, a committee whose objective is to help its members develop and improve their responsible procurement programs. The Company's Corporate Social Responsibility ("CSR") Specialist also attended webinars on due diligence during the year, for example:

- A session at the OECD Forum on Due Diligence in the Garment and Footwear Sector proposed by the office of the Canadian Ombudsperson for Responsible Enterprise titled Human Rights Due Diligence and the risk of Child Labour in the Global Operations and Supply Chain of Canadian Garment Companies.
- An information session proposed by the non-profit organization Fashion Takes Action and the Canadian Ombudsman's Office for Corporate Responsibility on Human Rights and Environmental Due Diligence.

The CSR specialist then had the responsibility to communicate relevant information learned during these sessions to other key individuals in the Company, including the Vice President of Administration and Human Resources, the Vice President of Production and Procurement Process, and the Director of Technical Design and Overseas Production.

8. Assessing effectiveness

The prevention of forced labor and child labor 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

labor and child labor 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 in order to improve our due diligence practices regarding forced labor and child labor within our supply chain.

At the beginning of the financial year 2024, key individuals, including the CSR specialist and the Director of Technical Design and Overseas Production, attended external training offered by the Mekong Club on ways to identify, mitigate, and remedy risks and instances of forced labor and child labor in the production chain.

Subsequently, we began drafting a Code of Conduct for our manufacturers to strengthen our due diligence practices and support adherence to human rights standards for workers involved in the manufacture of our merchandise. The Code of Conduct was deployed to our manufacturers during the first quarter of the calendar year 2024. A copy has been available for public consultation on our website since April 2024.

In addition to 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.

On the 05/28/2024



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