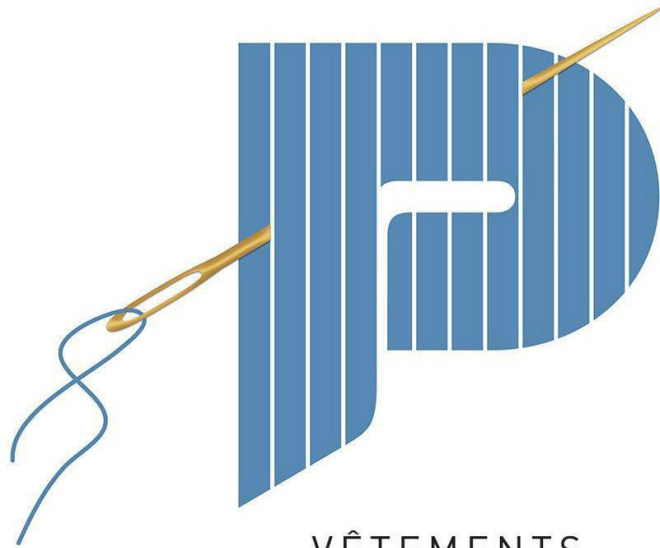


MODERN SLAVERY ACT REPORT



VÊTEMENTS
PEERLESS
CLOTHING

1919 **100** 2019
ANS-YEARS

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Introduction

The Fighting Against Forced Labor and Child Labor in Supply Chains Act mandates that entities disclose the measures undertaken during the past fiscal year to prevent and mitigate the risks of forced labor and child labor within the operations and supply chain. This report pertains to the fiscal year ending September 2023 for Peerless Clothing Inc., a men's apparel manufacturer and importer.

Steps to prevent and reduce risk of forced labor and child labor

In 2023, Peerless Clothing Inc. implemented the following measures to prevent and mitigate the risk of forced labor and child labor at any stage of production, whether in Canada or elsewhere in the supply chain:

1. Mapping supply chain;
2. Conducting a risk assessment of forced labor and/or child labor in the supply chain;
3. Developing an action plan for addressing forced labor and/or labor;
4. Addressing practices in the supply chain that increase the risk of forced labor and/or child labor;
5. Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labor and/or child labor in the supply chain;
6. Developing and implementing anti-forced labor, child labor policy and code of conduct;
7. Developing and implementing a Zero Tolerance Alert report;
8. Monitoring and auditing suppliers;
9. Engaging with supply chain partners on issues or addressing forced labor / child labor.

Aligned with our commitment to ensuring that individuals involved in the production of our products are treated with dignity and respect and work in safe and healthy conditions, Peerless Clothing has implemented the Responsible Sourcing Guidelines for suppliers. This document provides definitions for key terms related to labor and workplace practices. It covers a wide range of topics including definitions, standards and expectations for suppliers, audit procedures, corrective action and remediation, continuous improvement, zero-tolerance issues, termination policy, supplier responsibilities, grievance mechanisms, and more. It emphasizes the importance of ethical and responsible practices in areas such as labor rights, health and safety, environmental sustainability, and subcontracting practices.

Structure, activities and supply chain

Peerless Clothing Inc., a privately owned corporation established in 1919, is a manufacturer and importer of apparel products. Our offerings include men's and boys' tailored suits, sport coats, tuxedos, and trousers. Headquartered in Montreal, Quebec, Peerless also maintains a sales office and distribution center in the United States. As the largest producer of fine tailored clothing in North America, Peerless manufactures under a diverse portfolio of brands. We produce garments in Montreal and import from various regions, including China, Vietnam, and India.

The Company is dedicated to sourcing from regions and factories that respect human and workers' rights. This commitment is integrated into our comprehensive sourcing guidelines, ensuring that we source from countries and business partners adhering to workplace standards and business practices aligned with our values.

We source our materials globally from a diverse range of suppliers in multiple countries, including Canada and the United States. Peerless also utilizes subcontractors in foreign countries, primarily in Asia, for the production of garments designed in Montreal. As a C-TPAT certified member, Peerless is committed to maintaining procedures that ensure a safe and secure supply chain.

We have adopted sustainable standards such as RCS, RWS, and OEKO-TEX S-100, enabling us to trace materials throughout the supply chain from raw materials to the final product. Our goal is to extend these standards to all applicable products, and we continually seek opportunities to expand our sustainable standards portfolio.

Peerless has established a compliance department to ensure the implementation of our Human Rights policies and practices throughout the supply chain. Additionally, the compliance department oversees regulatory compliance and ethical programs, including our Corporate Social Responsibility program and Responsible Sourcing Guidelines.

Policies and due diligence process

Policies

Through formal policies, code of conducts, and comprehensive compliance standards, Peerless strives to uphold the rights of colleagues and employees, as well as the many workers, including migrant and temporary workers across the supply chain.

The Employee Code of Conduct reflects Peerless' values of honesty and loyalty, reinforcing our commitment to ethical business practices. The Supplier Code of Conduct establishes the minimum standards that suppliers must meet, including the obligation to implement a Forced labor and a Child labor policy. All suppliers and their subcontractors are required to agree in writing to comply with the Supplier Code of Conduct.

We have provided supplemental guidelines to the Code. The Responsible Sourcing Policy is designed to help suppliers to understand the standards, expectations, and procedures required to demonstrate adherence to the Peerless Clothing Code.

Due diligence

The due diligence steps taken by Peerless in the fiscal year of 2023 include:

1. Embedding responsible business conduct into our policies;
2. Identifying and assessing adverse impacts in operations, supply chain and business relationships;
3. Ceasing, preventing or mitigating adverse impact;
4. Tracking implementation and results;
5. Cooperating in remediation when appropriate;
6. Risk assessment;
7. Mapping supply chain;
8. Vendors and suppliers engagement;
9. Suppliers Assessment.

Forced labor and child labor risks

We have identified risks of forced or child labor in our supply chain to the best of our knowledge and will continue to strive to identify emerging risks. The identified risks are related to the garment manufacturing industry in which we operate, the raw materials or commodities used in our supply chain (such as cotton, bamboo, thread, and yarns), and the locations of our suppliers and factories. Additionally, risks are associated with tier-three suppliers and those further down the supply chain.

Steps taken to assess and manage the forced labor and child labor risks identified:

1. Mapping activities;
2. Mapping supply chain;
3. Conducting internal assessments of forced labor and/or child labor in the supply chain;
4. Collecting data from available platforms;
5. Conducting risk assessments.

Remediation measures

We did not identify any instances of forced or child labor within our operations or supply chain in 2023. Consequently, no remedial measures were necessary to address such issues in our activities or supply chain. However, if forced labor or child labor is identified in our supply chain, a specific set of measures will be implemented. Here is a short and not exhaustive list of the remediation measures that can be taken:

1. Determine who is involved in the worker's rights violation issue;
2. Determine if the worker has a direct employment relationship with the supplier;
3. Determine if the factory management was involved;
4. Conduct a root cause analysis;
5. Ensure that the victim(s) receive all their dues;
6. Give the supplier a short window to remedy the condition;
7. ...

Remediation of loss of income

We did not identify any instances of forced or child labor within our operations or supply chain in 2023. Consequently, no remedial measures were necessary to address such issues in our activities or supply chain.

Training

During the onboarding process for new employees, a comprehensive orientation training is provided, during which all internal company policies are reviewed. In the upcoming months, specialized training sessions on forced labor and child labor will be conducted, beginning with all managers and supervisors.

Assessing effectiveness

We assess the effectiveness of our policies and procedures through regular review or audits, conducted annually or as needed, based on relevant changes in our organization's operations and risk levels. This includes policies addressing forced and child labor.

Approval and Attestation

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 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: David Poronovich

Title: VP Human resources and Engineering

Date: 2024/05/28

Signature: 

"I have the authority to bind Peerless Clothing Inc."