

November 20, 2018 update

WHAT HAS HAPPENED

On November 8, 2018, a social media campaign #notmystellas was launched as a platform for posting negative experiences from former and current employees of Stella's Cafe and Bakery, which quickly gained a large following.

News media picked up on the issue on November 9, 2018 and since then coverage has been extensive.

The range of allegations and the upsetting nature of the stories shared made it clear that Stella's needed to look into the issues raised.

The next day, on November 10, 2018, Stella's engaged People First HR Services to begin an independent review and provide professional recommendations to address any problems the review uncovered. As well, the Employment Standards department of the Government of Manitoba is currently conducting its own independent workplace audit.

Company ownership immediately stepped back into the day-to-day operations of the business; placed two senior managers on leave; and appointed an interim Director of Operations.

WHAT WENT WRONG

The values upon which Stella's was founded in 1999 are not reflected in the stories shared through the social media campaign. While appropriate workplace policies existed, we now understand that they may not have been clearly understood by some managers, nor thoroughly communicated or consistently applied throughout all our locations. We accept full responsibility for this and sincerely regret any harm this has caused our current or past employees.

WHAT STELLA'S IS DOING TO MAKE THINGS RIGHT

Stella's is committed to doing whatever it takes to ensure a respectful, safe and healthy work environment for our staff, and to restoring the confidence of our customers and the entire community. This process will take time, and operational changes may be needed. People First continues to gather information as part of its independent review. It will likely be a few weeks until the completion of a full report upon which decisions can be based.

However, progress has been made in the past ten days – so far:

- The company's ownership and management team has received specialized respectful workplace training.
- All staff will receive this mandatory training on paid time in the coming weeks. The first of these scheduled sessions was held Monday, November 19. As well as training, at these sessions staff feedback will be invited and collected to inform policy going forward.
- Stella's is committing itself to exceed employment standards currently legislated by the Province and to being an industry leader as it relates to providing a fair and respectful workplace. To this end, our human resources policies have been reviewed and are being reworked to reflect best practices.
- Last week, a People First consultant was in place at each of our restaurants to field questions and engage with staff to support them as they dealt with the media stories and public attention.
- As part of its independent review, People First has established a confidential email and phone number for staff to report incidences, and it is reaching out to a random sampling of former employees to conduct exit interviews.
- Should the review process uncover human rights issues, a formal independent investigation will be launched and immediate action taken. Any employment standards issues raised will be addressed through practice changes or by recommending that further action be pursued through official provincial channels – or both, depending on the nature of the issue.



GOING FORWARD

While we await the results of the independent review and the actions recommended therein, we remain committed to and responsible for the well-being of our over 500 employees. This situation has been extremely difficult for current staff, some of whom have been confronted with distressing public commentary. We are sincerely grateful to them for their understanding and support as we work through this, and are deeply sorry for our part in creating the situation they are having to deal with.

Going forward:

- Stella's will establish an internal human resources department that will seek to create a best-in-class respectful workplace for all our employees.
- Health and Safety Committees at each location will be thoroughly briefed on the final policies and practices, and will be empowered to work collaboratively with management and staff to ensure these are appropriately applied.
- Management will focus on ensuring a respectful, safe and healthy work environment in line with Stella's core values of fairness, integrity, inclusiveness and community.