

# Fighting Against Forced Labour and Child Labour in Supply Chains Act Report

## About this report

This report is made pursuant to subsection 11(2) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada) (the “**Act**”) by Electronics Boutique Canada, Inc., carrying on business as GameStop Canada, a leading retailer of games and entertainment products headquartered in Brampton, Ontario (“**GameStop Canada**”; the terms “we”, “us” and “our” refer to GameStop Canada).

This report summarizes the steps taken in the financial year ended February 3, 2024 to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada by or for GameStop Canada and or of the import of goods into Canada by GameStop Canada.

## Structure, activities and supply chains

### Business Overview

*Relationship:* GameStop Canada is an indirect subsidiary of GameStop Corp. whose common shares are publicly traded on the New York Stock Exchange (stock ticker: GME).

*Fiscal Year:* Our fiscal year is composed of the 52 or 53 weeks ending on the Saturday closest to the last day of January. Fiscal year 2023 consisted of the 53 weeks ended on February 3, 2024.

*Business Activities:* GameStop Canada offers games and entertainment products through its stores and ecommerce platforms. We operate exclusively in Canada and operate all GameStop stores in Canada. Our sales and profits are driven through both our physical stores and ecommerce platforms. Our business activities consist primarily of retail operations, with the significant majority focused on games, entertainment products and technology. As of February 3, 2024, we had a total of 203 stores in Canada. Our stores and ecommerce sites operate primarily under the names GameStop®. We provide all administrative functions for our operations.

*Merchandise:* We categorize our sale of products into three categories: (i) hardware and accessories, (ii) software, and (iii) collectibles. Collectibles consist of apparel, toys, trading cards, gadgets and other retail products for pop culture and technology enthusiasts. Collectibles also included our digital asset wallet and NFT marketplace activities in fiscal 2023.

*Supply Chain:* We purchase our new products worldwide from a broad number of manufacturers, software publishers and distributors. Our largest vendors are Sony, Nintendo, and Microsoft, which collectively accounted for a majority of our new product purchases in fiscal 2023. We have established certain rights with our primary gaming product vendors that reduce our risk of inventory obsolescence, including, in some

# Fighting Against Forced Labour and Child Labour in Supply Chains Act Report

circumstances, unsold product return policies and protections against price reductions. In addition, we generally conduct business on an order-by-order basis, a practice that is typical throughout the industry. We believe that maintaining and strengthening our long-term relationships with our vendors is essential to our operations.

All inbound and outbound freight runs through GameStop Canada's fulfillment centre located in Brampton, Ontario. Everything, including the logistic network, is managed out of a single Canadian facility located at 8895 Airport Rd, Brampton, Ontario.

GameStop Canada does not use drop shipping. Nearly all products are brought in through GameStop Canada's Brampton facility using, for the most part, Solutions 2 GO. A limited number of products are shipped direct from the U.S. and not through Solutions 2 GO. This is the case in terms of Sony, Microsoft, and Nintendo products which we are required to obtain via direct shipping.

Certain products sold in Canada are sourced from China and Vietnam, this includes private label and Funko toys/collectables; these private label products are procured through our affiliate, Geeknet, Inc. ("**Geeknet**").

Geeknet contracts with manufacturers located in China, Vietnam, and Mexico to produce products for our Private Label. Categories include Apparel & Accessories, Collectibles, Games, Home (e.g., trading card accessories, pillows, drinkware, charging stations, etc.), and Video Game Accessories. The majority of our Private Label consists of consumer electronics.

*Distribution and Information Management:* Our operating strategy involves providing a convenient and broad merchandise selection for our customers. We use our distribution facilities, store locations and inventory management systems to optimize the efficiency of the flow of products to our stores and customers, enhance fulfillment efficiency and optimize in-stock and overall investment in inventory.

## Steps taken to reduce risks of forced labour and child labour

As a part of our due diligence and to minimise the risk of modern slavery, we have implemented a facility and merchandise authorization ("FAMA") process when selecting vendors to manufacture private label products. This FAMA process include a review of both their labour practices and their facilities. As part of FAMA compliance, periodic audits are conducted for all engaged licenced vendors in terms of their facilities and labour practices (each, a "**FAMA Audit**"). In circumstances where a vendor subcontracts to another entity for production, a FAMA Audit must be completed. Vendors who successfully pass a FAMA Audit receive a certificate with a set expiration date.

# Fighting Against Forced Labour and Child Labour in Supply Chains Act Report

Where a private label vendor or one of its subcontractors does not hold an unexpired FAMA Audit certificate, production will be halted until confirmation is received that such vendor or subcontractor has obtained or renewed its FAMA Audit certificate.

We aim to continue to assess the effectiveness of the FAMA Audit process, its ability to decrease modern slavery practices and our use of such audit system in the future.

We have also incorporated in our standard vendor terms and conditions ("**Vendor Terms & Conditions**") a requirement that vendors comply with our Vendor Compliance Manual and Routing Guide ("**Compliance Manual**"), including a Code of Conduct ("**Code**"). The Code includes, but is not limited to, the following terms:

- Prohibition regarding the use of child labour or forced labour;
- Non-discrimination in terms of employment practices;
- Compliance with applicable Minimum wage requirements;
- Reasonable employee work hours; and conflict free and responsible sourcing of conflict minerals.

Through the Vendor Terms & Conditions we retain the right to conduct periodical audits to ensure vendor compliance. Where vendors fail, we maintain the right to suspend future orders or terminate existing purchase orders. These audits may include reviews of books and records relating to employment matters and private interviews with employees.

Other risk management mechanisms we have implemented include:

- Policies and procedures including a Code of Standards Ethics & Conduct, which are continuously updated;
- Continuously internal grievance resolutions procedures and guidelines employees can access, including guidelines for reporting fraud, corruption or other irregularities;
- Adequate reporting and monitoring mechanisms. These mechanisms assist with investigations and analysis of complaints. Following investigations of any reported issues, we take appropriate steps to address matters once substantiated.

During the previous financial year, we did not implement any new measures or processes to identify or reduce risks of forced labour and child labour in its supply chain. We did not implement additional policies or due diligence processes in relation to forced labour or child labour and had not yet attempted to identify parts of its activities and supply chains that carry a risk of forced labour or child labour being used. We did not, therefore, take any additional measures to evaluate our effectiveness in ensuring that forced labour and child labour are not being used in our activities and supply chains nor did we take any measures to remediate the loss of income to the most vulnerable

# Fighting Against Forced Labour and Child Labour in Supply Chains Act Report

families that results from any measure taken to eliminate the use of forced labour or child labour in our activities and supply chains.

During the previous financial year, no instance of forced labour or child labour came to our attention in regard to our activities and supply chains. We therefore did not take any measures to remediate any instance of forced labour or child labour.

No training was provided to our employees during the previous financial year in terms of forced labour and child labour.

## Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that the Board of Directors of Electronics Boutique Canada Inc. has reviewed the information contained in the report. 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.

DocuSigned by:  
*Mark Robinson*  
EF052ADCD49F41A...

---

Mark Robinson

Director & Secretary of Electronics Boutique Canada Inc.

November 18, 2024