



Social Responsibility within Our Supply Chain

The Home Société Group (G2MC inc.) is aware of its social responsibility within its community; we take our role in the supply chain seriously. Rigorous purchasing processes are in place to identify imminent threats in our supply chain, currently covering direct suppliers (level 1 final product assembly) for brands distributed by the Group. We recognize the challenge with social compliance, especially when we don't have full visibility of all the players in our production chain. To meet this challenge in the coming years, we plan to continue and expand the mapping of our supply chain in the coming years.

Procurement and Supply Chain

Procurement is a strategic priority for the Home Société Group. In 2023, we continued strengthening our due diligence in human rights, including the development and adoption of a supplier code of conduct. We've reviewed and established a stronger governance structure for our procurement teams through the implementation of structured and precise policies regarding social responsibility.

Procurement Policy

Our procurement policy covers Home Société Group products as well as products of other brands we distribute. With this policy, our values are respected while ensuring compliance with the law and the establishment of good relations with others, as well as businesses and our suppliers. The products distributed by the Group are selected by its purchasing team, which ensures that its suppliers are committed to adhering to The Home Société Group's Supplier Code of Conduct.¹

Risk Analysis

In 2023, we conducted an internal risk assessment of forced labor and/or child labor in its supply chains, focusing on suppliers operating in countries identified as high-risk by the US Department of Labor. Technical analysis of our imports and suppliers was initiated. Pakistan, Turkey, and Vietnam were identified as high-risk within the furniture manufacturing industry. Imports from these countries currently represent less than 5% of our overseas imports.



HOME SOCIÉTÉ GROUP

Percentage of imports by Country by the Home Société Group	
CHINA	41,8%
ITALY	16,8%
POLAND	13,5%
FRANCE	10,9%
BELGIUM	3,8%
VIETNAM	2,9%
MALAYSIA	2,3%
INDIA	1,9%
TURKEY	1,8%
THAILAND	1,7%
INDONESIA	1,6%
NETHERLANDS	0,7%
SWEDEN	0,1%
DENMARK	0,1%
CAMBODIA	0,1%

Monitoring

In 2023, following the Covid-19 pandemic, our procurement teams resumed factory visits, targeting countries at risk like Turkey, ensuring product quality and workers' right to fair treatment, in a healthy and safe workplace environment.

Grievance Mechanism

A grievance mechanism was established by creating a confidential grievance channel for workers in Level 1 factories (workers.right@g2mc.ca), with a resolution protocol adopted by management, to protect workers from retaliation.



Resolution Protocol

Home Société Group strictly condemns all forms of child labor, forced labor, or any other human rights violations, investigating any suspected cases and adopting an exit or resolution plan based on investigation findings.

Investigation

The investigation process, overseen by the Director of Planning and the Vice President of Procurement, begins upon receiving information or allegations of forced or child labor, analyzing facts and local laws, and, if necessary, communicating with factory management and local authorities to inform them of allegations.

Resolution Plan

Following an investigation, our resolution team contacts the factory management with a resolution notice, requiring participation in a victim reparations plan, acceptance of monitoring by an external NGO, and covering the costs of implementing the resolution plan.

Escalation Policy

If a factory is uncooperative or fails to make sufficient improvements, within the agreed timeframe, Home Société Group will proceed as follows:

- The Planning Director and the Vice President of Purchasing will organize a meeting with the plant's management team to discuss the situation and agree on a resolution implementation plan within a realistic timeframe.
- If the plant fails to improve the situation within the agreed upon timeframe, we will advise the plant of its decision to terminate the relationship.
- Home Société Group will implement an exit strategy and inform the Retail Council of Canada to warn other players in the industry.



Vision for 2024-2025

Home Société Group plans to continue mapping its supply chain beyond direct suppliers, increase the traceability of fabrics used in product manufacturing, and increase the number of annual audits of exclusive supplier factories using SMETA's Ethical Audit Protocol, as well as improve grievance channel awareness among factory workers through anonymous surveys.

Philippe Arrata

President, Board of Directors of Home Société Group (G2MC Inc.)



Appendix 1:

Home Société Group Supplier Code of Conduct¹

The Code of Conduct outlines Home Société Group's minimum standards regarding workers' rights and environmental responsibility, demanding compliance with laws, ensuring voluntary employment, prohibiting child labor and discrimination, preventing harassment, regulating working hours and remuneration, supporting freedom of association, maintaining health and safety, respecting the environment, encouraging community involvement, ensuring product quality, and requiring supply chain transparency. A confidential grievance process is available for rights violations.

Comply with the Law

Employers must comply with the requirements set forth by law and regulations in place within the country where they operate. These requirements include maintaining workers' rights under labor law at both the national and international levels and social security laws and regulations.

Voluntary Employment

There must be no forced labor, whether it be prison labor, indentured labor, debt bondage, or any other form of forced labor.

Child Labor

No person under the age of 16 or who has not reached the age required for compulsory education, whichever is higher, should be employed.

Non-discrimination

No person should be subjected to discrimination with respect to employment, including hiring, compensation, promotions, disciplinary actions, termination of employment, or retirement, or based on gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group, or ethnic origin.

Harassment or Abuse



Every employee must be treated with respect and dignity. No employee should be subjected to physical, sexual, psychological, or verbal harassment or abuse.

Working Hours

Employers must not require their workers work more than the regular and overtime hours allowed by law in the country where they are employed. The normal work week should not exceed 48 hours. Employers must provide workers with at least a 24-hour rest period for every seven-day period. Any overtime must be consensual. Employers must not regularly require employees to work overtime and must compensate any overtime work at a premium rate. Except in exceptional circumstances, the total number of regular and overtime hours in a week should not exceed 60 hours.

Compensation

Every worker has the right to compensation for a regular work week that is sufficient to meet their basic needs and provide some discretionary income. Employers must pay at least the minimum wage or the prevailing wage rate, whichever is higher, comply with all legal wage requirements, and provide all legally mandated benefits. In cases where the basic needs of workers are not met or discretionary income is not provided, each contractually bound employer must take necessary steps to gradually remedy the situation and achieve the required level of compensation.

Health and Safety

Employers must provide a healthy and safe workplace to prevent injuries and accidents that may occur, are occupational, or are related to the operations of the employers' establishments. The same standards apply to residential facilities, if applicable.

Environment

Suppliers must respect environmental laws and adopt proactive and credible measures to mitigate negative impacts on the environment. Home Société Group asks its suppliers to be transparent about environmental impacts and measures taken to reduce these impacts and commits to working together with its suppliers to prioritize and identify improvement opportunities.



Quality

Quality assurance starts with product design and continues through development, manufacturing, and the final delivery of products to the Group. Suppliers must have procedures and management systems in place to ensure the effective delivery of quality products for every order.

Supply Chain Transparency

Suppliers must be transparent about their supply chain, and all subcontracting must be pre-approved by G2MC. A clear system that ensures the traceability of materials and production promotes greater quality and allows G2MC to assess the social and environmental impacts of its products.

Confidential Grievance Process

If you believe your rights have been violated, please email workers.right@g2mc.ca. All communications will remain confidential.
