



***REPORT UNDER THE FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN  
SUPPLY CHAINS ACT***

***AS AT JANUARY 31, 2024***

## 1. Introduction

Groupe BMTC Inc. (the “Company”) is a company constituted in accordance with section 140 of the Business Corporations Act (Quebec). Its common shares are listed on the Toronto Stock Exchange. Through its subsidiary Le Corbusier-Concorde S.E.C. and its division Tanguay, the company manages and operates a retail network of furniture and household and electronic appliances in Quebec.

This report is produced by the Company for the financial year ending January 31, 2024 (the “Reference Period”). It sets out the measures taken to prevent and reduce the risk of forced labor or child labor at all stages of the production of goods, in Canada or elsewhere, or the importation of goods into Canada by the Company.

This Report constitutes the first report prepared by the Company pursuant to Canada’s new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”).

## 2. Steps to prevent and reduce risks of forced labour and child labour

We consider respect for human rights to be a fundamental corporate responsibility and a value that governs all of our activities. We demand the same from our business partners.

Generally, we have taken the following measures during the Reporting Period to prevent and reduce the risk of forced labor or child labor in our business and supply chains:

- During the Company's fiscal year, we reviewed and updated our Vendor Code of Conduct to broaden its application to all of our vendors.
- We continue to conduct due diligence reviews of our potential suppliers before entering into a contract.
- We established during the financial year a **Vendor Code of Conduct** to the BMTC Group Inc. All of the Company's vendors must comply with this code of conduct which sets standards for quality, safety, standards of labor, environmental and ethical business practices. The Company's vendors are committed to operating with integrity and complying with all applicable laws and regulations.
- Each vendor is required to sign the Code of Vendor Conduct at the beginning of its relationship with the Company, or upon renewal of existing contracts, which incorporates the Code of Vendor Conduct, by reference. All vendors are required to review the Code of Vendor Conduct and agree to abide by its terms as a condition of doing business with the Company. Vendors are responsible to ensure the compliance of their employees and vendors with this Code of Vendor Conduct for the duration of the relationship with the Company. Vendors will report any existing or

potential noncompliance with this Code of Vendor Conduct to the Company.

### **3. Structure, Activities and Supply Chains**

#### ***Structure***

Established on September 5<sup>th</sup>, 1989, the Company is governed by the *Business Corporations Act* (Quebec). It succeeded Cantrex Group Inc. as the parent company of Brault & Martineau Inc., Ameublements M.T. Inc. and Colonial Furniture Company (Ottawa) Ltd. pursuant to a corporate reorganization which took effect on November 1<sup>st</sup>, 1989. After this reorganization, the Company became a reporting issuer. Its Class A Subordinate Voting Shares were then listed on the Montreal Exchange and on November 6<sup>th</sup>, 1999, they were listed on the Toronto Stock Exchange.

On May 11<sup>th</sup>, 2015, the Company announced the completion of a reorganization to eliminate the Company's dual-class share capital structure by way of court-approved plan of arrangement. The Company received all required approvals to complete the arrangement, including a final order from the Superior Court of Québec. Pursuant to the arrangement, all issued and outstanding Class B Multiple Voting Shares were converted into Class A Subordinate Voting Shares on a one-for-one basis, without any monetary consideration being paid. The Class A Subordinate Voting Shares were also renamed "common shares", which are now listed on the Toronto Stock Exchange under the symbol "GBT".

On July 10<sup>th</sup>, 2015, BMTC Group Inc. proceeded with a simplified vertical merger with its subsidiary ATBM Group Inc. (Brault & Martineau and EconoMax divisions).

On January 31<sup>st</sup>, 2022, Groupe BMTC Inc. created a new subsidiary, Le Corbusier-Concorde S.E.C., into which the company rolled its land located at 500 Boul. Le Corbusier. This new subsidiary will develop in partnership its property into several rental residential towers.

On December 1<sup>st</sup>, 2022, BMTC Group Inc. proceeded with a simplified vertical merger with its subsidiary Ameublements Tanguay Inc.

The corporate structure of the Company is formed of the Tanguay division and a subsidiary, Le Corbusier-Concorde S.E.C. Our head office is at 8500 Place Marien, Montreal East, Quebec, H1B 5W8.

#### ***Activities***

BMTC Group Inc. is a company governed the Business Companies Act (Quebec). Its registered office and principal place of business is located at 8500 Place Marien, Montréal

East, Quebec, H1B 5W8. Its common shares are listed on the Toronto Stock Exchange. The Company, through its subsidiary Le Corbusier-Concorde S.E.C. and its Tanguay division, manages and operates a retail network of furniture, household appliances and electronic products, in Quebec. Our sales and distribution network includes 20 Tanguay stores and 4 Tanguay L'Entrepôt stores. The network also includes 3 distribution and administrative centres in Montreal and Quebec City.

In the vast majority of cases, the stores are used as showrooms and points of sale. Tanguay delivers the goods it sells as well as uses subcontractors on an ad-hoc basis. To that end, Tanguay owns a fleet of delivery trucks but also uses outsourcing.

As at January 31<sup>st</sup>, 2024, we had 955 permanent employees distributed among the Tanguay division as follows:

<b>Department</b>	
Administration	113
Sales	429
After-sale service	42
Warehouse & Delivery	371
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	955
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### ***Supply Chains***

Tanguay division is supplied by major manufacturers and distributors with which it has long-standing business relations. Tanguay is not dependent on any particular supplier. We will continue implementing our purchasing policy, which consists of obtaining supplies from a large number of suppliers.

The Company sets out specific standards for: quality; safety; labour standards; environmental and ethical business practices. Vendors will carry on their businesses with integrity and will comply with all applicable laws and regulations as well as the Company's Vendor Code of Conduct. The Company will not knowingly engage with any Vendor that does not conform to the requirements of applicable laws and regulations and the key requirements of the Code of Vendor Conduct.

#### **4. Policies and governance**

Through formal policies, codes of conduct for employees and vendors, comprehensive compliance standards and a robust governance framework, the Company strive to uphold the rights of customers and employees. The Company is committed to protecting human rights, founded on a strong belief in doing what is right, and pledges to create a safe and inclusive experience for all employees as well as the customers who choose our products.

The Company's policies and practices are informed by the following international and industry-leading standards:

- a) Pacte mondial des Nations Unies (UNGC)
- b) Declaration of Human Rights
- c) Code of Ethics for employees of Groupe BMTC Inc.
- d) Vendor Code of Conduct of Groupe BMTC Inc.

The Company approach to Human Rights addresses the risk of modern slavery and is supported by its Employees Code of Conduct, our Vendors Code of Conduct and our position on human rights. These governing documents set out the Company's responsibility and expectations to respect and protect the human rights of its customers and employees.

The Company is committed to respecting and enforcing human rights, in line with the UNGPs.

#### **Employee Code of Conduct**

The Company's Employee Code of Conduct reflects our values of care, ownership, respect and excellence, and reinforces our commitment to integrity, professionalism and accountability. Respecting and protecting human rights is a focus within our code of conduct. Employees are encouraged to apply a human rights lens when conducting business activities and making ethically sound decisions. The Company's Employee Code of Conduct is managed by the Human Resource Department as well as the Human Resources and Corporate Governance Committee of the board of directors of the Company and is reviewed annually and updated as necessary.

## **Vendor Code of Conduct and Contractual Obligations**

The Company's vendor relationships are guided by the Vendor Code of Conduct. It applies to both domestic and foreign producers and manufacturers that supply goods and services, agents, brokers and other third parties (collectively, "**Vendors**") who conduct business with the Company.

Vendors are expected to ensure that the standards outlined in the Code of Vendor Conduct of the Company are communicated, understood and implemented within their organization. The Company reserves the right to assess and monitor vendor compliance with these standards. To this end, the Company requires vendors to post this Code of Vendor Conduct in a location accessible to their workers (in the appropriate local language) and to grant the Company and/or its designated agent with unrestricted access to facilities, records and workers for inspection purposes. Workers must be protected from any form of retaliation based on disclosures made to the Company to assess compliance with the Code of Vendor Conduct, in accordance with the Company policies protecting whistleblowers. Vendors must maintain current sufficiently detailed records to enable the Company to determine their compliance with this Code of Vendor Conduct and make these records available to the Company representatives upon request.

If the Company determines that a vendor has violated the Code of Vendor Conduct, the vendor will be required to propose and implement a corrective action plan to bring its business up to the Company standards within a reasonable timeframe. The Company also reserves the right to cancel purchase orders, to terminate the relationship with a vendor who is unwilling or unable to comply with the Code of Vendor Conduct or to remediate a situation of non-compliance within a reasonable timeframe, or to terminate the relationship immediately in case of serious violation or gross negligence.

The Company's Vendor Code of Conduct is managed by the Human Resource Department as well as the Human Resources and Corporate Governance Committee of the board of directors of the Company and is reviewed annually and updated as necessary.

Our Vendor Code of Conduct contains specific provisions on health and safety, child labor, forced labor, discrimination, hours worked and wages paid:

« **Safety and Health.** Conditions in all work and residential facilities must be safe, clean and consistent with industry standards, all applicable laws and regulations and the provisions of this Code of Vendor Conduct

**Child Labor.** Vendors must be in compliance with all standards and requirements relating to child labour set or recommended from time to time by the International Labour Organization.

**Forced Labour.** The use of forced or compulsory labour is unacceptable. Employment must be voluntary and free of any financial penalties or coercion.

**Discrimination.** Employees are expected to be hired based on merit. Cultural differences, personal characteristics and beliefs must be respected. Discrimination in employment, including recruitment, hiring, training, working conditions, job assignments, pay, benefits, promotions, discipline, termination, or retirement on the basis of gender, race, ethnicity, social origin, religion, age, disability, sexual orientation, national origin is prohibited and victims have recourse through accessible legal means.

**Working Hours.** Except in extraordinary business circumstances, workers shall not be required to work more than the legally prescribed weekly hour limitation, and vendors shall operate within International Labour Organization standards and guidance. Vendors shall comply with applicable local laws that entitle workers to vacation time, leave periods, holidays and overtime pay.

**Wages and Benefits.** Wages are essential for meeting the basic needs of workers. Vendors shall compensate their workers by providing wages and benefits that satisfy all applicable laws and regulations. »

## **5. Assessing and managing our risk**

The Company is aware that our global supply chain and the industries in which we operate present a risk of forced labor and child labor.

The supply of goods and services is governed by a certain number of guiding principles which guide our strategies and practices, consistent with our overall growth plan. We have a duty to use our influence to combat forced labor and child labor. That said, everyone in the supply chain also has a role to play in this regard. In this sense, we count on the cooperation of all of our suppliers, and we expect them to meet the highest standards of quality and ethics, as defined in our various policies and codes of conduct. conduct and further discussed in this report.

In addition, we rely on close collaboration between the main supply players to ensure process compliance and effective risk prevention.

The purchasing/inventory department also acts in conjunction with the legal affairs department, which for its part actively participates in the negotiation of contracts and provides recommendations and opinions. The legal department also ensures that contracts comply with current laws and standards of ethical practice, while guiding the contracting parties on their legal responsibilities.

## **6. Policies on reporting and non-retaliation**

In accordance with our Reporting and Protection from Retaliation Policy and our Supplier Code of Conduct, if employees or suppliers have concerns about forced labor or child labor, they have a responsibility to raise their concerns. suspicions. To this end, the Company makes the following channel available to them in order to report potential violations, on a confidential basis or not:

- reporting to colleagues, including supervisors, Human Resources representatives, Legal Services representatives, Internal Audit representatives or higher levels of the Company

### ***Remediation Measures***

Our Code of Ethics and Vendor Code of Conduct Policy on Reporting Violations and Protection from Retaliation provides our employees and suppliers with a mechanism to report ethical or legal violations, among other concerns. In accordance with the principles of the UNGC and our policies, if a situation of non-compliance is identified, the Company will ensure that a corrective plan is developed and implemented to improve and correct the situation.

During the last fiscal year, we did not identify any instances of forced labor or child labor in our operations or our supply chain. Therefore, we have not had to take action to address forced labor or child labor.

If we identify instances of forced labor in our operations or supply chains, we will consider appropriate remediation strategies in accordance with international standards.

### ***Training***

Company employees regularly receive personalized training on topics regarding ethics and our policies. All new employees receive a mandatory training file, part of which covers our Code of Ethics.

In 2024, the Company intends to provide training to certain groups of employees that will include child labor and forced labor.



## **7. Assessing effectiveness**

The Company introduced certain measures during the last financial year aimed at reducing the risk of the use of forced labor or child labor in our operations and supply chains. We have not yet taken steps to evaluate the effectiveness of these actions.

## **8. Approval and Attestation**

This report has been approved by the board of directors of BMTC Group Inc. for the financial year ended January 31, 2024, in accordance with subsection 11(4)(b)(i) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I certify that I have examined the information contained in the report for the entities listed above. To the best of my knowledge, and after having exercised reasonable diligence, I confirm that the information contained in the report is true, accurate and complete in all material respects for the purposes of the Act, for the above-mentioned reporting year.



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Marie-Berthe Des Groseillers  
President and Chief Executive Officer  
BMTC Group Inc.

April 25th, 2025