

Report for S-211

**An Act to Enact the Fighting Against
Forced
Labour and Child Labour in Supply
Chains Act and
to Amend the Customs Tariff (the Act).**

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1. Objective

This document has been prepared as part of our documentation for former Bill S-211, an Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act).

It was submitted to the government of Canada in May 2024 covering the activities undertaken from January 1, 2023, to December 31, 2023.

Through the following pages we will present in a concise way our journey to improve and comply with responsible and cooperative supply chain management.

2. Who We Are

Groupe Dynamite INC. (hereinafter "GDI") is a Canadian retail company with headquarters and distribution centre in Town of Mount Royal, Quebec. It was founded in 1975.

GDI operates retail stores and digital experiences under two young-spirited banners: Garage and Dynamite. It has approximately 300 stores in North America and a team of 5,500 employees between headquarters, the distribution centre, representative office and retail locations across North America.

<https://www.groupedynamite.com/>

3. Structure, Activity and Supply Chain

Our Structure

We are a corporation located in Canada, with an executive team formed by fourteen positions.

Each executive covers a core business area that impacts our customers, employees or suppliers. We have a team of more than 550 people at our headquarters who handle operations in coordination with the warehouse to fulfill our store and online orders.

Our Activity

We sell apparel and accessories designed and sourced in-house with our customers and brands in mind. All products are sold through our corporate stores and online.

Creative direction and design comes from our Head Office in Canada, and the production of our product is in direct cooperation with our suppliers. Once the product is developed in collaboration with our suppliers, we give the final approval to start production.

Our production is located mainly in Asia. We have a lean supply chain consisting of trusted relationships we have maintained for many years. This model allows us to better understand our supply chain and establish more trusting relationships between our suppliers and GDI.

Once our product is ready at origin, we import it to the warehouse in Canada by air, sea or land; from there we allocate and ship the product to our stores according to geographic region. In addition, our online orders are served in the most optimal way, directly from our stores or from our warehouse, so that customers receive the right product in the shortest possible time.

Supply Chain

The starting point of our supply chain is mainly in Asia. More than 90% of our active suppliers are located in this region. We work closely with them, from fabric and final product development right through to the final production. We have a team in Asia that supports our suppliers at source and monitors production by visiting factories directly on a regular basis.

All our procedures are standardized in our supplier manual, which is regularly updated to make the production process clearer and easier to follow.

Once production has been completed and all quality controls have been passed, our Logistics team, in coordination with the Supplier, will organize the transportation of the garments. Our largest volume is imported into Canada through the following points of entry: Montréal, Prince-Rupert, Vancouver and Halifax.

Our suppliers have been working with us on a long-term basis; we have direct communication with them. All our suppliers have signed our Supply Agreement, our Code of Conduct and our Modern Slavery Policy. Our Supplier Code of Conduct was updated in 2023 and our Modern Slavery Policy was created the same year.

All our suppliers are aware of our standards and our due diligence process. In the event a new factory is needed, the Supplier must present the required documentation to be evaluated, accepted and registered by GDI.

4. Entity Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour

During 2023, we worked closely with our suppliers in order to improve in the following areas:

1. Policies and code of conduct
2. Supply chain awareness (transparency and traceability)

This allowed us to improve our knowledge, become more involved in our suppliers' decisions and have clear data in our systems.

In 2023, we updated our Supplier Code of Conduct, the previous one dating back to 2016. In addition, we created our Modern Slavery Policy. We shared these two documents with all our suppliers, in order to share our vision and requirements for working with us. Both documents were to be signed and applied throughout the supply chain used.

For better implementation, we also shared with our suppliers a workplace guideline, which summarizes on one page the information included in our Supplier Code of Conduct. We requested them to place it in a visible area of the factories, so the employees can be aware of our standards and report any concerns or situations directly to us.

Both documents are available on our website:

Supplier Code of Conduct

[https://assets-global.website-files.com/643d6410e161e17f1687b2c1/654404f2581d02228b9b6fb6_GDI_23_GDI_CodeOfConduct_EN%20\(2\).pdf](https://assets-global.website-files.com/643d6410e161e17f1687b2c1/654404f2581d02228b9b6fb6_GDI_23_GDI_CodeOfConduct_EN%20(2).pdf)

https://assets-global.website-files.com/643d6410e161e17f1687b2c1/654404f277f95da5fb7a4582_GDI_23_GDI_CodeOfConduct_FR.pdf

Modern Slavery Policy:

[https://assets-global.website-files.com/643d6410e161e17f1687b2c1/654404f21ec14ec468a57262_GDI_23_GDI_Policy%20on%20Modern%20Slavery_EN%20\(1\).pdf](https://assets-global.website-files.com/643d6410e161e17f1687b2c1/654404f21ec14ec468a57262_GDI_23_GDI_Policy%20on%20Modern%20Slavery_EN%20(1).pdf)

https://assets-global.website-files.com/643d6410e161e17f1687b2c1/654404f2acd5b501c38c3998_GDI_23_GDI_Policy%20on%20Modern%20Slavery_FR.pdf

To better understand our supply chain and the factories involved in our production, we have put in place a procedure for our suppliers to inform us of the factories they work with. In the first phase, we asked our suppliers to review their entire supply chain and to inform us of the factories actively involved in our production. This required a general presentation of the factory, completion of a questionnaire and sharing of the certifications that the factories have in hand.

Once the factory was evaluated, we not only considered the ESG aspect, we also considered the relationship that the Supplier had with the factory and the impact of our production on the factory's day-to-day operations.

This procedure allowed us to better understand our suppliers' supply chain and to update our systems. Today, all our systems have this information and it can be used at all stages of production, from order placement to inspection of the product prior to shipment. We are working on creating a more solid procedure for communication, awareness and registration to improve our transparency and traceability.

Careful acceptance or classification of any new suppliers or factories is essential, as well as having a clear understanding based on the internal ESG standards.

5. 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 or entities 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.

DocuSigned by:

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- Christian Roy
- Vice President, Legal Affairs & Corporate Secretary
- May 28, 2024
- *I have the authority to bind 'Groupe Dynamite Inc.'*