

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

About this report

This joint 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 **GameStop, Inc.**, a leading retailer of games and entertainment products headquartered in Grapevine, Texas (“**GameStop**”) and **Sunrise Publications, Inc.**, the publisher of Game Informer, a print and digital gaming magazine (“**Sunrise**”; the terms “we”, “us”, “our” and “their” refer to both GameStop and Sunrise).

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 or by or for Sunrise, and/or of the import of goods into Canada by GameStop or by Sunrise.

Structure, activities and supply chains

Business Overview

Relationship: GameStop, Inc. is a Minnesota corporation and a wholly owned subsidiary of GameStop Corp. whose common shares are publicly traded on the New York Stock Exchange (stock ticker: GME). Sunrise Publication, Inc. is a Minnesota corporation and a wholly owned subsidiary of GameStop, Inc.

Business Activities: GameStop, Inc. owns and operates all GameStop stores and e-commerce activities in the United States. All U.S. store real estate leases are in this entity, as well as all store and field employee. As of February 3, 2024, there were 2,915 U.S. stores.

Sales and profits are driven through both GameStop, Inc.’s physical stores and ecommerce platforms. GameStop categorizes its 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 digital asset wallets and NFT marketplace activities in fiscal 2023.

The majority of goods sold by GameStop are third party products. GameStop does have a small line of private label products (“**Private Label**”). The 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 GameStop’s Private Label consists of consumer electronics.

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GameStop does not conduct any manufacturing activity. Its Private Label products are manufactured by third party contract manufacturers. Such manufacturing activities are overseen by its affiliate, Geeknet, Inc. ("Geeknet") All of GameStop, Inc.'s administrative functions are operated through its wholly owned subsidiary, GameStop Texas, Ltd.

Sunrise is responsible for the print and digital publication of the magazine titled Game Informer. These are sold in various countries including the United States and Canada.

Supply Chain: All inbound and outbound freight runs through GameStop, through its fulfillment center located at 625 Westport Pkwy in Grapevine, Texas. GameStop purchases its new products worldwide from a broad number of manufacturers, software publishers and distributors. GameStop's largest vendors are Sony, Nintendo, and Microsoft, which collectively accounted for a majority of GameStop's new product purchases in fiscal 2023. GameStop has established certain rights with its primary gaming product vendors that reduce our risk of inventory obsolescence, including, in some circumstances, unsold product return policies and protections against price reductions. In addition, GameStop generally conducts business on an order-by-order basis, a practice that is typical throughout the industry. GameStop believes that maintaining and strengthening its long-term relationships with its vendors is essential to its operations.

GameStop, Inc. does not import goods into Canada, does not manufacture or sell products in Canada and does not carry on business in Canada.

In regard to GameStop's Private Label products, Geeknet contracts with manufacturers located throughout the world but primarily located in China, Vietnam and Mexico. All Private Label products are FAMA complaint, meaning that Disney has audited such contract manufacturers' factories; GameStop can also request factory audits at any time. Additionally, all products are tested and inspected by a third party, namely InterTek Group plc.

Sunrise's supply chain is limited to printing activities in the United States.

Distribution and Information Management: GameStop's operating strategy involves providing a convenient and broad merchandise selection for its customers. GameStop uses its distribution facilities, store locations and inventory management systems to optimize the efficiency of the flow of products to its stores and customers, enhances fulfillment efficiency and optimizes in-stock and overall investment in inventory.

Sales of print and digital editions of Game Informer in Canada are made exclusively through Sunrise's affiliate, Electronics Boutique Canada Inc.

Steps taken to reduce risks of forced labour and child labour

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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.

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.

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During the previous financial year, GameStop nor Sunrise 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 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 both GameStop, Inc. and Sunrise Publications, Inc. have 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
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Mark Robinson

Director & Secretary of GameStop, Inc.

November 18, 2024