



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

Objective

This document has been prepared as part of the formal reporting requirements under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act").

This report was submitted to the Government of Canada in May 2025 and outlines the actions and initiatives undertaken during Groupe Dynamite Inc.'s 2024 fiscal year, covering the period from February 4, 2024, to February 1, 2025.

The following pages provide a clear and concise overview of our ongoing efforts to enhance due diligence and ensure alignment with ethical and transparent supply chain practices, in accordance with the objectives of the Act.

About GDI

Groupe Dynamite Inc. (hereinafter "GDI") is a fashion house that operates retail stores and E-commerce platforms under two complementary and spirited banners: Garage and Dynamite. At the heart of everything we do is a simple but powerful mission: "Empowering you to be you, one outfit at a time". Garage is a casual street-active aesthetic brand that inspires rewriting the rules, breaking boundaries, and owning your individuality, because your style should be as limitless as your passions. Dynamite believes that every day is the perfect occasion to look and feel exceptional, outfitting modern women to seamlessly flow between the demands of their day to the energy that fills their night.

On November 26, 2024, we successfully closed our Initial Public Offering, becoming a publicly traded company on the Toronto Stock Exchange (TSX: GRGD).



[Our corporate website](#)

This report contains forward-looking information and should be read in conjunction with the cautionary note regarding forward-looking information in GDI's annual management's discussion and analysis for the fiscal year ended February 1, 2025 available on SEDAR+ at www.sedarplus.com.

Stores and E-commerce Model

We connect with our customers through an aspirational, omni-channel shopping experience that extends across our retail stores, E-commerce platforms, mobile applications, and loyalty programs.

As of February 1, 2025, we operate 183 stores in Canada, with retail locations in all Canadian provinces, and 115 stores in the United States, with retail locations across 37 U.S. states. Our two dedicated E-commerce sites, garageclothing.com and dynamiteclothing.com, give us control of the presentation of our brands and relationships with our customers while providing customers with a seamless omni-channel experience.

Canada	Number of Stores
Alberta	19
British Columbia	20
Manitoba	7
New Brunswick	2
Newfoundland and Labrador	2
Nova Scotia	6
Ontario	63
Prince Edward Island	1
Quebec	59
Saskatchewan	4
Total	183

USA	Number of Stores
Midwest	19
Northeast	42
South	28
West	26
Total	115

Total	298
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Our Structure

Our Leadership team is supported by a diverse team of approximately 6,500 employees based in Canada and the United States. Our head office is located in Montréal, Québec, Canada, and more than 600 employees are based there.

Our Leadership team includes eight executive positions:

- Chair of the Board and Chief Executive Officer: Andrew Lutfy
- President and Chief Operating Officer: Stacie Beaver
- Chief Digital Officer: Maxime Boyer
- Senior Vice President, Talent and Culture: Sarah Paula Brami
- Chief Financial Officer: Jean-Philippe D. Lachance
- Senior Vice President, Commercial Operations: Michael Olson
- Senior Vice President, Legal Affairs and Corporate Secretary: Christian Roy
- Chief Technology Officer: Dave Stevens

Our Activity

We have an intense focus on building an emotional connection with our customers that fuels our design and merchandising/marketing strategy and omni-channel distribution model. Our product assortment includes jeans, pants, fleece, tops, blouses, sweaters, dresses, skirts, and jackets. Both of our brands have their own dedicated and distinctive Merchandising and Design teams. These branded Product teams are supported by Centres of Excellence teams that service both brands so that we are leveraging their expertise in fabric, fit, and product development sourcing.

Our Creative Direction and Design teams are led by our Montréal Head Office, while product development is carried out in close collaboration with our long-standing supplier partners. Once a design is finalized, we provide the green light to begin production.

Most of our manufacturing takes place in Asia, where we've built a streamlined and dependable supply chain rooted in years of trusted relationships. This approach allows for greater transparency and stronger connections between us and our suppliers.

When products are ready at the point of origin, they are transported to our Distribution centre in Canada by air, sea, or land. From there, we strategically distribute them to our retail stores based on regional demand. For online orders, we prioritize speed and efficiency by shipping either directly from our stores or from our Distribution centre, depending on which option ensures the fastest delivery to our customers.

Our Supply Chain

As of fiscal 2024, we do business with over 45 suppliers across more than 100 factories, providing us with the flexibility to source high-quality materials and products at competitive costs. Our production cycle's efficiency is underpinned by familiarity with key suppliers—with over 80% having been a partner of ours for over 8 years—periodic quality control, and refreshment of suppliers. Across this network of suppliers, the majority of our production volumes are sourced from China, with additional contributions from Bangladesh, Vietnam, and Cambodia. Additionally, based on our strong supplier relationships, we are able to reserve production capacity prior to purchase order placement, which ensures that we have dedicated production lines supporting our agile business model and reducing supply chain risk. We maintain a formalized quality assurance program whereby we regularly perform in-line and final production inspections in our manufacturers' factories to ensure quality control.

All of our suppliers are informed of our standards and subject to our due diligence process. When a new factory is proposed, the supplier must submit the necessary documentation for evaluation. Only once the factory is reviewed, approved, and officially registered can it be used for production of our products. This procedure was introduced in fiscal 2023 and remains an active part of our ongoing compliance efforts.

In fiscal 2024, we took a significant step forward by launching our own factory audit program. Partnering with QIMA, we selected our top ten factories and conducted semi-announced ethical audits. These audits focused on the following areas:

- Health and safety;
- Environmental management;
- Child labour and young workers;
- Working hours, wages, and benefits;
- Labour practices.

We conducted follow-up desktop audits in two factories due to minor findings, none of which were related to child labour, young workers, or labour practices. All issues identified were resolved within the required timeframe.

In 2025, we will continue expanding our audit program to include more facilities. We have also begun planning employee training initiatives focused on human rights. The first group to receive training will be our Sourcing and Product teams at the Head Office, followed by our local teams in China and Bangladesh. This initiative will be detailed in next year's report for fiscal 2025.

Entity's Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour

In 2023, we revised our Supplier Code of Conduct, updating the previous version from 2016. At the same time, we introduced our Modern Slavery Policy. Both documents were shared with all our suppliers to clearly communicate our expectations and commitment to ethical sourcing. We required that these be signed and implemented across the entire supply chain.

To support better implementation, we also provided suppliers with a one-page workplace guideline summarizing the key points from the Supplier Code of Conduct. We asked that this guideline be displayed prominently in each factory to ensure that workers are aware of our standards and know how to report any concerns or issues directly to us at responsibility@dynamite.ca.

Both documents are available on our website:

- [Supplier Code of Conduct](#)
- [Policy on Modern Slavery](#)

It is a mandatory requirement to have those two documents signed for all new suppliers.

Approval and Attestation

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act), and in particular section 11 thereof, I, in the capacity of Senior Vice President, Legal Affairs and Corporate Secretary, attest that I have reviewed the information contained in the report on behalf of the governing body of the entity 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 within this report.

Christian Roy
Senior Vice President, Legal Affairs and Corporate Secretary
May 30, 2025

"I have the authority to bind Groupe Dynamite Inc."

Signed by:

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May 2025