



Social Responsibility within Our Supply Chain

2024 Report

Home Société Group (G2MC Inc.) is fully aware of its social responsibility within the communities in which it operates. We place great importance on our role within the supply chain and are committed to exercising due diligence at every step. In our first report, published last year, we presented an overview of our Code of Conduct, introduced in 2023, along with a country-based risk analysis.

This year's report outlines the policies, procedures, and structures we have implemented to enforce and uphold our commitments. It also highlights the initiatives undertaken in 2024 to identify, prevent, and mitigate risks related to forced labor and child labor within our supply chain.

Our Supply Chain

Our procurement processes allow us to better identify the most critical risks within our supply chain.

To date, these mechanisms primarily apply to level 1 suppliers (those responsible for the final assembly of products) for brands distributed by G2MC. We recognize the inherent challenges of social compliance, particularly when visibility across all stakeholders in our production chain remains limited. With this in mind, and to strengthen our approach in the coming years, we aim to continue and expand the mapping of our supply chain.



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In 2024, the adoption and approval of our Supplier Code of Conduct has been fully integrated into our procurement and level 1 supplier onboarding processes for all our imports. Our buying teams have increased their on-site factory visits to assess not only technical, visual, and financial aspects of the products but also to ensure compliance with our quality standards. These visits also help evaluate compliance with the transparency and performance requirements defined in our Supplier Code of Conduct.

G2MC Procurement Policy

G2MC's procurement policy applies to all Tier 1 suppliers.

Through this policy, G2MC seeks to align its business practices with its core values, while ensuring legal compliance and fostering responsible and sustainable relationships with its business partners and suppliers. Products distributed by the group are carefully selected by the purchasing team, which ensures that suppliers commit to complying with G2MC's Supplier Code of Conduct.

Risk Analysis

In general, the furniture manufacturing and distribution industry respects human rights and employs a skilled, adult, and experienced workforce.

Our internal assessment of risks related to forced labor and child labor within our supply chain remains rigorous. It is particularly focused on suppliers located in countries identified as high-risk, in accordance with the latest report from the U.S. Department of Labor.



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In 2024, 97% of products distributed by G2MC were manufactured in 14 countries:

Country % of products	
China	33,1%
Canada	20,8%
Italy	14,4%
Poland	5,9%
France	3,8%
Malaysia	3,6%
India	2,7%
Indonesia	2,7%
Turkey	2,5%
Vietnam	2,3%
Thailand	1,5%
Belgium	1,5%
USA	1,5%
Sweden	1,0%

Our suppliers' factories are primarily located in Asia, North America, and the European Union. They produce a wide range of furniture, from indoor to outdoor pieces. To ensure compliance with our ethical and quality standards, we have implemented control mechanisms including independent social audits, site visits by our sourcing teams, and contractual commitments to our Supplier Code of Conduct.

Our technical analysis targets higher-risk countries such as Turkey and Vietnam. To date, imports from these countries represent less than 5% of our total imports. All our main suppliers in these countries have approved and officially adopted our Code of Conduct, committing to respect its principles and requirements.

In 2024, we obtained **SMETA certifications** for the two factories of our main supplier in Asia. In addition, eight factories were visited by our internal teams.



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Grievance Mechanism

Although no corrective action was necessary during the 2024 fiscal year, we reaffirm our commitment to preventing any adverse impact on human rights or communities connected to our supply chain.

Our grievance mechanism allows employees in our supply chain to submit complaints confidentially via a dedicated email address (workers.rights@g2mc.ca), directly to GHS's Sustainability Team. This email is shared with Tier 1 factories as part of the GHS Code of Conduct and is also published on the GHS website.

Resolution Protocol

G2MC strictly prohibits and condemns any form of child labor, forced labor, or other human rights violations. An investigation will be conducted into any factory suspected of forced labor, human trafficking, or child labor. Based on the investigation's findings, a disengagement or resolution plan will be adopted.

Investigation

The process is overseen by G2MC's Planning Director and Vice President of Purchasing. Upon receiving information or allegations of forced labor or child labor, the investigation process will be immediately initiated:

- Analysis of facts and local laws to understand the nature of the issue
- Establishment of communication with factory management; if concerns persist, communication with local authorities and other clients of the factory will follow to inform them of the allegations
- Request for a **SMETA Ethical Audit** conducted by an independent organization as quickly as possible



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Resolution Plan

Following the investigation, our resolution team will contact factory management with a resolution notice. The factory must agree to the following:

- Participate in a victim remediation plan, including temporary financial assistance and access to proper education for child labor victims
- Accept monitoring by a qualified external NGO to oversee the corrective actions
- Cover the costs related to the implementation of the resolution plan

G2MC will conduct **monthly audits** until satisfactory and sustainable improvements are achieved. The factory may then resume production with **biannual audits in the first year**, followed by **annual audits**.

Escalation Policy

If the factory is uncooperative or fails to make sufficient improvements, G2MC will proceed as follows:

- The Planning Director and VP of Purchasing will organize a meeting with factory leadership to agree on a realistic resolution timeline
- If the factory fails to meet the agreed-upon deadlines, G2MC will notify the factory that the business relationship is terminated
- G2MC will implement an **exit strategy** and inform the **Retail Council of Canada**, warning other industry stakeholders



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Our Vision for 2025–2027

- Continue identifying all stakeholders in our supply chain, beyond Tier 1 suppliers. We also aim to enhance the traceability of textiles used in our products to better anticipate and mitigate risks related to human rights violations.
- Increase the collection of **SMETA (Sedex Members Ethical Trade Audit)** certifications from our manufacturing factories, and increase the frequency of **annual audits** conducted at our exclusive suppliers' facilities. These audits will be conducted by both internal teams and recognized third-party organizations, in line with international ethical trade standards.
- Continue enhancing the **visibility and accessibility of our grievance mechanism** for workers in our factories, notably through anonymous surveys, to encourage open, secure, and confidential communication.

A handwritten signature in blue ink, consisting of stylized initials 'PA' followed by a long horizontal stroke.

Philippe Arrata

Chairman of the Board

Home Société Group (G2MC Inc.)