

# Policy on *modern slavery*

# Groupe Dynamite Inc.'s *Policy on Modern Slavery*

## Comprising of Forced Labour and Responsible Recruitment

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### Overview

**Groupe Dynamite Inc. (hereinafter referred to as "GDI") is committed to respecting human rights, and we recognize our role in upholding these rights. We will continuously work to prevent modern slavery and human trafficking in our operations and to eradicate modern slavery and human trafficking in our supply chain.**

Our values help guide us when choosing our partners and setting expectations. We work with suppliers who share our values—who are accountable, who recognize and uphold legal, humane and ethical standards of production and care for the environment. A commitment to these internationally recognized principles is only the beginning.

### GDI's Commitment statement

GDI is committed to eradicating all forms of human trafficking and forced labour in the company's supply chain. Recognizing that some of the most vulnerable groups are migrant workers who have traveled within the country or from overseas to obtain employment, we have established a **Policy on Modern Slavery** that we require all of our supplier partners to adhere to in order to offer the greatest protection for this class of workers.

**Our Policy on Modern Slavery** sets out our global practices, policies and business processes to identify and address risks related to responsible recruitment and forced labour in our operations and supply chain. It is intended to meet the modern slavery disclosure requirements in certain jurisdictions: pursuant to the UK Modern Slavery Act; pursuant to the Australia Modern Slavery Act; pursuant to the California Transparency in Supply Chains Act and pursuant to the Canadian Charter of Human Rights

GDI refers to Modern Slavery as an umbrella term. Modern Slavery may also be associated with the worst forms of child labour, forced labour, risks associated with migrant labour and the trafficking in persons, and other slavery-like practices. For GDI, Modern Slavery encompasses the risks posed by but not limited to:

- Forced labour;
- Prison labour;
- Indentured labour;
- Bonded labour;
- Debt servitude;
- State imposed forced labour;
- Human trafficking;

where coercion, threats or deception are used to intimidate, penalize or deceive workers, thereby creating situations of involuntary work and exploitation.

GDI's focus is on ensuring fair, safe and healthy working conditions for the workers who make our products in alignment with international standards and norms. We treat forced labour, human trafficking and slavery as **zero-tolerance issues**. Business relationships can be impacted if such issues are found and can lead to enforcement action, warning letters and, if timely remedies are not offered, to termination.

### GDI's Code of Conduct v2

Further to our commitment, the GDI Code of **Conduct v2** states that: suppliers must ensure there is no use of forced labour, including but not limited to involuntary overtime and punitive, indentured, trafficked or bonded labour. All work must be completed on a voluntary and legal basis and in good faith.

### Objective

The objective of the **GDI Policy on Modern Slavery** is to set forth the minimum requirements and provide clarity to suppliers and supplier partners, agents and their third-party labour brokers for the appropriate, ethical, and fair recruitment and management of workers by, or on behalf of the supplier doing business with GDI. These provisions are a culmination of legal requirements and international standards established by widely recognized and credible organizations such as the United Nations' International Labour

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Organization (ILO), the Institute for Human Rights and Businesses, the Fair Labour Association, and Verité, and intended to meet the modern slavery disclosure requirements in certain jurisdictions such as the UK, Canada, Australia and California.

We recognize that some of the standards listed herein may exceed the countries' national laws or cover elements that are not legislated. When this is the case, the GDI Policy on Modern Slavery is intended to ensure that, despite cultural and legal differences among countries where we produce or source goods, the suppliers and their third-party labour brokers/agents, will comply with the **GDI Policy on Modern Slavery**, and/or law that offers the most benefit and protection to the worker. If a situation arises where this may be unclear, the supplier is asked to contact GDI at [responsibility@dynamite.ca](mailto:responsibility@dynamite.ca)

### **Effective date**

**GDI's Policy on Modern Slavery** is effective from June 2023.

## GDI's Responsible Supply Chain – Policy on Modern Slavery

**GDI's Policy on Modern Slavery** expressly forbids any forced, bonded, indentured, involuntary prison labour, slavery or trafficking of persons. Recognizing the particular vulnerability of **GDI's Policy on Modern Slavery** to exploitative labour practices and risks of forced labour, this Policy on Modern Slavery sets out the minimum requirements for the recruitment, selection, hiring and management of workers by, or on behalf of suppliers doing business with GDI.

Suppliers must comply with all applicable national and local labour laws, together with **GDI's Policy on Modern Slavery**. Where this standard and the national or local laws and/or guidelines have requirements in the same area, suppliers shall meet the more stringent requirements.

All work must be voluntary and workers must be free to terminate their employment with a supplier upon reasonable notice without penalty.

There shall be no fraud, deception, bribery or coercion in the recruitment, placement, transportation or management of workers. Suppliers and any of their third-party recruitment agents/brokers must be transparent at all times with workers about all aspects of employment terms and conditions. All workers must be employed and paid directly by the supplier, not by agents, sub-agents, or third parties. All workers must be provided a written employment contract, in their native language, prior to departure from the sending country that describes all the terms and conditions of their employment with the supplier.

Suppliers, recruitment agents or any other third parties shall not hold original worker identification documents, passports, travel papers or other personal documents, except as required by law. Where the original personal documents are held by law and with the worker's written consent, the supplier cannot deny access and must, upon the worker's request, return the documents. Suppliers shall establish appropriate due diligence and monitoring programs to screen and manage all third-party labour recruitment agents/brokers used to select, recruit and/or transport workers.

## Responsible Recruitment Practices

For foreign workers, labour exploitation often begins before their departure from their country of origin. Unethical recruitment practices leave workers uninformed or deceived regarding the terms and conditions of employment. Recruitment fees and related costs charged to workers often force them to avail loans, often with high interest rates and severe punishment for default, which render them vulnerable to debt bondage. Workers' identity or travel documents may be retained, making unfree recruitment likely.

During employment, workers can be subject to violations of their labour rights and various forms of discrimination, such as contract substitution, restrictions on freedom of movement and association, illegal or improper wage deductions, barriers to accessing effective grievance mechanisms and remediation, and social and cultural isolation.

Risks are particularly high when employment relationships are unclear, for instance, when work is subcontracted or outsourced to

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third-party labour providers for temporary migrant workers.

Women workers face a particular set of challenges in the context of international labour migration that makes them more likely to experience abuse and exploitation.

The involvement of a variety of intermediaries across multiple jurisdictions significantly heightens forced labour risks in a company's operations, sometimes outside the knowledge of the employer.

## Our Responsible Recruitment Guiding Principles align with the ILO's general principles for fair recruitment

At all times, workers should have access to free, comprehensive and accurate information regarding their rights and the safe and healthy working and living conditions of their employment.

### **Human Rights:**

Recruitment should take place in a way that respects, protects and fulfills internationally recognized human rights, including those expressed in international labour standards, and in particular the right to freedom of association and collective bargaining, and prevention and elimination of forced labour, child labour and discrimination.

### **Recruitment Agencies:**

In the absence of direct recruitment, workers must be hired through ethically compliant labour brokers and recruitment agencies. Suppliers must have a formal policy and due-diligence process in place for vetting recruitment agencies responsible for the labour supply.

### **Fees:**

Recruitment fees or related costs for hiring should be charged to the supplier and not borne by workers.

### **Contracts:**

The terms and conditions of employment should be through written contracts in accordance with national laws, regulations, employment contracts and applicable collective agreements. They should be clear and transparent, and in a language that the worker can understand. Workers' agreements' terms and conditions of recruitment and employment should be voluntary and free from deception or coercion.

### **Access:**

Freedom of workers to move within a country or to leave a country should be respected. Workers' identity documents such as passports, land title deeds, diplomas, employment contracts and so on should not be confiscated, destroyed or retained.

### **Grievance Mechanisms:**

Workers should have access to free or affordable grievance and other dispute resolution mechanisms without fear of recrimination or dismissal, and effective and appropriate remedies where abuse has occurred.

### **Return:**

At the end of the contract, and where there is no extension, in the absence of any other contractual or legal obligation, the supplier/factory hiring the worker, covers the costs of the migrant workers' return home.

## Monitoring & Enforcement

As a condition of doing business with GDI, every supplier/factory must comply with **GDI's Policy on Modern Slavery**. GDI will continue to develop monitoring systems to assess and ensure compliance regarding the suppliers'/factories' responsible recruitment practices.

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Suppliers specifically and irrevocably authorize GDI, its representatives and agents to conduct scheduled and unscheduled inspections of suppliers' facilities for the purpose of ensuring compliance with **GDI's Policy on Modern Slavery** as well as the **Code of Conduct v2**. During these audits or inspections, GDI, its representatives and agents must be provided with and shall have the right to review, make and keep copies of all factory related books and records maintained by suppliers, and to freely interview workers without a supplier representative being present.

When violations to **GDI's Policy on Modern Slavery** and or the **Code of Conduct v2** are reported, GDI and the supplier will agree on a corrective action plan that is aimed at eliminating the problem in an agreed timely manner. If it is determined that a supplier is knowingly and/or repeatedly in violation of either **GDI's Policy on Modern Slavery** or **Code of Conduct v2**, GDI and its representatives and agents shall take appropriate corrective action, which may include cancellation of orders and/or termination of business with the defaulting supplier. GDI further reserves its right to report the defaulting supplier to the proper authorities.

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### APPENDIX 1

#### Scope

**GDI's Policy on Modern Slavery** is intended for all suppliers to GDI globally that are involved in manufacturing GDI's products, materials, parts, components, subassemblies, and/or involved in processes related to that manufacturing or on behalf of GDI. GDI reserves the right to regularly assess the effectiveness of **GDI's Policy on Modern Slavery** and reserves the right to make revisions as necessary. Suppliers will be notified of any substantive changes and will receive adequate time for implementation.

#### Supplier Responsibilities

Suppliers are expected to comply with the **GDI Policy on Modern Slavery** contained herein and to maintain appropriate documentation in order to demonstrate compliance. Suppliers can and will be audited by GDI or any designated third-party firm for compliance with these standards as part of GDI's regular **Code of Conduct v2** audits. Suppliers must ensure they hire workers in a manner that is legally compliant and conforms to all local, national and international legal standards.

#### Legal Basis

GDI sets out the expected due diligence and conduct that applies to all suppliers and factories that produce goods for Groupe Dynamite Inc. or any of its subsidiaries, divisions, affiliates, or agents (together, "**GDI**").

It is not possible in this Policy to set out all the legal requirements relevant to the conduct of the factories' operations, for each of the countries in which GDI does business. It is a basic obligation of each Supplier and factory to know and comply with relevant local laws and regulations pertaining to the employment, health and safety of their workers. There is a range of international conventions, standards and norms that frame and explain the fundamentals of human and labour rights, which are also applicable and useful:

- The human rights documents of the United Nations;
- The conventions and recommendations of the International Labour Organization;
- The principles of international human rights organizations, such as Amnesty International;
- Guidelines established by international trade and commerce bodies, such as the OECD.

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## APPENDIX 2

### Guidelines & Definitions: Forced Labour

#### ILO 10 Principles for Business to Combat and Trafficking

1. Have a clear and transparent company policy (enterprises + supply chains);
2. Train staff (auditors, HR, buyers, compliance officers) to identify forced labour in practice and seek appropriate remedies;
3. Provide regular information to shareholders and potential investors, attracting them to ethical business practices;
4. Promote agreements and codes of conduct by sector and take appropriate remedial measures;
5. Treat migrant workers fairly. Monitor carefully the recruitment agencies, especially across border;
6. Ensure that all workers have written contracts, in language that they can easily understand, specifying their rights (wages, overtime, identity documents, etc.):
7. Encourage dissemination of good practices and the identification of at-risk sectors;
8. Contribute to prevention and rehabilitation programmes for victims (e.g. vocational training, job placements) either directly or through NGO partners
9. Build bridges between governments, workers, law enforcement agencies and labour inspectorates, promoting cooperation against forced labour and trafficking;
10. Find innovative means to reward good practice, in conjunction with the media.

#### Documentation, Procedures and Systems – Evidence of Good Management

##### FACTORY DOCUMENT CHECKLIST

Employment Advertising

Recruitment Agent management system (e.g. List of Reliable Recruitment Agents, Standard Agreement with Recruitment Agent, policy on recruitment fee)

Worker Employment Contract or Collective Bargaining Agreement

Forced Labour Policy and policy regarding freedom of movement in and out of the factory

Overtime management system (e.g. policy, procedure, records such as voluntary overtime form)

Payroll Records

Personnel Files

HR/Personnel forms such as annual leave applications and disciplinary measures/warning letter

Training records related to Forced Labour Standards

Local laws/regulations related to Forced Labour Standards.

##### Debt Bondage

A situation in which workers are bound in debt to a person or institution resulting from inherited debt, wage advances or loans to cover recruitment or transport costs or from daily living or emergency expenses, such as medical costs.

##### Forced Labour

“Forced or compulsory labour” is defined by the International Labour Organization (ILO) Forced Labour Convention, 1930 (No. 29),

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Article 2.1, as "all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily".

### **Political Coercion**

To compel a person by force, intimidation or authority to act or think in a certain way, for political purposes. For example, placing individuals in state labour camps in order to silence them or as punishment for their political opinions is a form of political coercion.

### **Prison Labour**

Work where one is compelled to perform due to lack of options, by choice while in prison, or outright against one's will, while in a condition of confinement or slavery.

### **Trafficking in Persons**

The Palermo Protocol defines "trafficking in persons shall mean the recruitment, transportation, transfer, harboring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation."

### **Worst Forms of Child Labour**

Labour ILO Convention No. 182 defines the worst forms of child labour as slavery, debt bondage, prostitution, pornography, forced recruitment of children for use in armed conflict, use of children in drug trafficking and other illicit activities, and all other work harmful or hazardous to the health, safety or morals of girls and boys under 18 years of age.

### **Migrant Worker**

The International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families defines a migrant worker as a person who is to be engaged, is engaged or has been engaged in a remunerated activity in a State of which he or she is not a national. For the purpose of this document, the term worker shall also include job seekers and aspirant migrants.

### **Labour Migration**

Movement of persons from one State to another, or within their own country of residence, for the purpose of employment. Source: International Organization for Migration (IOM) Glossary, 2019.

### **Labour Migration Process**

All stages and the series of steps taken in the context of both national and international movement of persons for the purpose of employment. This includes recruitment, deployment, employment, as well as return and reintegration or onward migration.

### **Labour Recruiter**

Public employment services, private employment agencies, all other intermediaries or sub agents that offer labour recruitment and placement services. Labour recruiters can take many forms, whether for profit or non-profit, or operating within or outside legal and regulatory frameworks. Source: International Labour Organization (ILO) General Principles, 2019.

### **Recruitment**

The act of advertising, information dissemination, selection, transport, placement into employment and—for Migrant Workers—return to the country of origin where applicable. This applies to both jobseekers and those in employment. Source: ILO General Principles 2019.

### **Recruitment Fees and Related Costs**

Any fees or costs incurred in the recruitment process in order for workers to secure employment or placement, regardless of the manner, timing or location of their imposition or collection. Source: ILO General Principles 2019.