

Supplier Code of Conduct v2

Groupe Dynamite Inc.'s *Supplier Code of Conduct*

<p>HUMAN RIGHTS Suppliers must commit to respecting human rights and refrain from any activity, or entering relations with any entity, which supports, solicits, or encourages others to abuse human rights.</p>	<p>FREEDOM OF ASSOCIATION Suppliers must recognize and respect the right of employees to join and organize associations of their own choosing and to bargain collectively.</p>
<p>FORCED LABOUR / MODERN SLAVERY Suppliers must not use any form of forced, involuntary or trafficked labour, including punitive, bonded, and indentured. No worker should pay any fees during their recruitment process and must be informed of the basic terms of their employment before leaving their home city or country. Workers must retain control of their personal documents/passports/identity cards and have freedom of movement within their workplace and living quarters.</p>	<p>DISCIPLINARY PRACTICES All employees must be treated with respect and dignity. No employee may be subjected to any physical, sexual, psychological, or verbal harassment or abuse, or to fines or penalties as a disciplinary measure.</p>
<p>CHILD LABOUR & YOUNG WORKERS Regardless of the local laws, Dynamite does not accept workers below the age of sixteen (16). The suppliers must comply with all applicable child labour laws, including those related to hiring, wages, hours worked, overtime and working conditions. If workers between the ages 16 and 18 are employed, the supplier must ensure that the 'young workers' classified by ILO, do not engage in night work or work that is considered hazardous.</p>	<p>HEALTH & SAFETY Suppliers must provide a clean, healthy and safe workplace free of chemical, electrical, fire, structural and other risks. Where applicable, worker housing must also meet these same standards.</p>
<p>DISCRIMINATION Suppliers must not discriminate against workers in hiring or other employment practices on the basis of age, race, skin colour, nationality, social or ethnic origin, religion or creed, gender, gender identity or expression, sexual orientation, maternity status, marital or partnership status, disability, political beliefs, trade union affiliation or any belief or characteristic protected by law.</p>	<p>ENVIRONMENT Suppliers must adhere and comply with all applicable local legal environmental laws and standards, and continuously make progressive improvements in environmental performance in their own operations and require the same of their partners, suppliers, and subcontractors.</p>
<p>WAGES, BENEFITS & COMPENSATION Suppliers must comply with all applicable laws related to wages and benefits. Workers must be equal or exceed the minimum wage, whichever is higher. Overtime work must be paid at the legally -required premium rates.</p>	<p>MONITORING AND ENFORCEMENT Suppliers must allow Dynamite and any of our designated third-party representatives full access to all facilities, accommodation, workers and records at all times. Suppliers must be able to document compliance with Dynamite's Supplier Code of Conduct v2.</p>
<p>WORKING HOURS Workers must not be required to work more than 60 hours in a week, including overtime. Overtime work must be on a voluntary basis. Workers must be given at least one day off in every seven-day period.</p>	<p>ANTI- CORRUPTION & GIFTS Dynamite has a strict policy that prohibits the solicitation, offering or acceptance of any gifts, gratuities or "pay off", or facilitation fee as a condition of doing business with Dynamite and/or as an attempt to gain favours. Suppliers must carry out their business operations in an honest and transparent way. They must comply with all local and international anti-bribery and anti-corruption laws and regulations.</p>

Note: This summary is intended solely to provide a quick overview. It should be noted that the full document and all of its criteria, must be adhered to and this is only an extracted version, not all encompassing.

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Introduction

Groupe Dynamite Inc. (hereinafter referred to as "GDI") is committed to conducting its business with a high standard of ethics, in compliance with applicable laws, and with a regard for human rights and fair labour practices.

GDI general principles of the **Supplier Code of Conduct v2** are based on industry best practice, norms, and internationally accepted labour standards, including the International Labour Organization's (the "ILO") core conventions, the *Universal Declaration of Human Rights* and the *California Supply Chain Transparency Law, Sustainable Development Goals, Canadian Charter of Human Rights*.

The **Supplier Code of Conduct v2** applies to all suppliers and factories that produce goods for GDI or any of its subsidiaries, divisions, affiliates, or agents (together, "GDI").

This **Supplier Code of Conduct v2** provides the foundation for GDI's ongoing evaluation of a factory's employment practices and environmental compliance. In case of discrepancies between the Supplier Code of Conduct or other internal requirements and local or national laws, the stricter rules must always be followed.

Human Rights

- We treat violation of human rights as ¹zero-tolerance issues.
- Suppliers and factories that produce goods for GDI must comply fully with all legal requirements relevant to the conduct of their businesses and must adopt and follow practices which safeguard human rights, workers' employment rights, safety, and the environment.
- Where there is any perceived risk of a violation of human rights, it is the responsibility of the Supplier to duly notify GDI immediately, together with the steps being taken to mitigate such a breach and the remediation of the adverse human rights impact where they have caused or contributed to this.

Forced Labour

Suppliers must not use forced labour², whether in the form of punitive labour, indentured labour, bonded labour or otherwise, or permit the trafficking in persons for the purposes of forced labour.

- No employee may be compelled to work through force or intimidation of any form,
- or as a means of political coercion or as punishment for holding or expressing political views.
- Suppliers shall abide by all applicable laws and regulations pertaining to the prevention of slavery and human trafficking, and, when requested, shall provide written certification to GDI that the materials used in their products comply with the laws regarding the prevention of slavery and human trafficking in the country or countries in which they do business.

Child Labour and Young Workers

- GDI requires the minimum age of sixteen (16). Supplier's and factories must respect the local laws and uphold all ILO principles pertaining to child labour and young workers.

¹ For the purposes of the **Supplier Code of Conduct v2**, human rights are a set of rights which recognize the inherent dignity, freedom, and equality of all human beings, as expressed in the United Nations International Bill of Human Rights and in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

² Please also review GDI's Modern Slavery Policy

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- The suppliers must comply with all applicable child labour laws, including those related to hiring, wages, hours worked, overtime and working conditions. If workers between the age 16 and 18 are employed, the supplier must ensure that the young workers' classified by ILO, do not engage in night work or work that is considered hazardous.
- Suppliers are encouraged to:
 - develop lawful workplace apprenticeship programs for the educational benefit of their workers; ,
 - allow eligible workers, especially younger workers, to attend night classes and participate in work-study programs and other government-sponsored educational programs.
- The supplier must maintain official documentation for every worker that verifies the worker's date of birth. In those countries where official documents are not available to confirm the exact date of birth, the factory confirms age using an appropriate and reliable assessment method.

Discrimination

- Suppliers must not discriminate in recruitment and employment practices.
- Decisions about hiring, salary, benefits, training opportunities, work assignments, advancement, discipline, and termination must be based solely on the ability to perform the job, rather than based on personal characteristics or beliefs, such as race, national origin, gender, religion, age, disability, marital status, parental status, association membership, sexual orientation, or political opinion.
- Suppliers must implement effective measures to protect migrant employees against any form of discrimination and to provide appropriate support services that reflect their special status.

Wages, Benefits & Compensation

- All legal requirements relating to wages and benefits must be met. Wages must equal or exceed the minimum wage required by law or the prevailing industry wage, whichever is higher.
- Workers have the right to compensation for a regular work week that is sufficient to meet workers' basic needs and provide some discretionary income. Benefits are paid on time and rendered in full compliance with all applicable laws, and payments are made in the manner that best suits the workers.
- Where compensation does not meet workers' basic needs and provide some discretionary income, suppliers must take appropriate actions to progressively raise employee compensation and living standards through improved wage systems, benefits, welfare programs and other services.
- Employees must be compensated for overtime hours at the rate legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate.
- The supplier must provide paid annual leave and holidays as required by law or which meet the local industry standard, whichever is greater.
- For each pay period, the factory provides workers with an understandable wage statement which includes days worked, wage or piece rate earned per day, hours of overtime at each specified rate, bonuses, allowances and legal or contractual deductions.

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Working Hours

- Employees must not be required to work more than sixty (60) hours per week including overtime or the local legal requirement, whichever is less.
- A regular work week must not exceed 48 hours, all overtime work must be consensual and not requested on a regular basis. Employees may refuse overtime without any threat of penalty, punishment, or dismissal.
- Employees must be allowed at least twenty-four (24) consecutive hours rest within every seven-day period and must receive paid annual leave.

Freedom of Association & Collective Bargain

- Suppliers must recognize and respect the right of employees to organize and be part of associations, that they choose freely, and to bargain collectively.
- Suppliers must develop and fully implement mechanisms for resolving industrial disputes, including employee grievances, and ensure effective communication with employees and their representatives.

Harassment and Abuse

- All employees must be treated with respect and dignity.
- No employee may be subjected to any physical, sexual, psychological, or verbal harassment or abuse, or to fines or penalties as a disciplinary measure.
- Suppliers must allow a non-retaliation policy that permits factory employees to express their concerns about workplace conditions directly to factory management or directly to Dynamite's Business Partners without fear of retribution or losing their jobs.

Health & Safety

- Suppliers must ensure and provide a safe and hygienic working environment and occupational health and safety practices which prevent accidents and injury must be promoted. This includes protection from fire, accidents, and toxic substances. Lighting, heating, and ventilation systems must be adequate.
- Employees must always have access to sanitary facilities which should be adequate and clean. Suppliers must have health and safety policies which are clearly communicated to employees (in a language understood by the employees).
- Where residential/dormitory facilities are provided to employees, the same standards must apply.

Environment

- Suppliers must adhere and comply with all applicable local legal environmental laws and standards, and continuously make progressive improvements in environmental performance in their own operations and require the same of their partners, suppliers, and subcontractors.
- This includes integrating principles of sustainability into business decisions; responsible use of natural resources; disposal of chemicals, waste, hazardous waste, adoption of cleaner production and pollution prevention measures; and designing and developing products, materials, and technologies according to the principles of sustainability.
- Suppliers must maintain procedures for notifying local authorities in the event of an environmental accident resulting from suppliers' operations.

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Transparency

- Suppliers must maintain all official documentation including but not limited to: employment records, proof of age, environmental certificates, licenses, test reports, worker's date of birth, etc., that can be requested either by Dynamite and/or any of its representatives or agents for the purpose of verification.
- It is the responsibility of GDI's Business Partners, suppliers and factories that produce goods for GDI, to communicate all principles in this document. All entities are required to maintain appropriate documentation to demonstrate compliance as you are subjected to regular audits either by GDI's designated and approved third- party providers or GDI's business teams.

Anti-Corruption and Gifts

- GDI prohibits the solicitation, offering or acceptance of any gifts, gratuities or "pay off", or facilitation fee as a condition of doing business with GDI and/or as an attempt to gain favours.
- If any GDI associate, agent, or affiliate, either directly or indirectly, seeks, demands, or requests gifts, gratuities, or fees in violation of this policy, the sSupplier has the affirmative duty to report such requests or demands to GDI.
- Any supplier, trading company, factory or manufacturer that violates this policy by offering or accepting any form of gift or gratuity to/from any associate, employee, agent, or affiliate of GDI will be subject to the loss of existing and future business, regardless of whether the gift or gratuity was accepted. In addition, any party that violates this policy will be reported to the appropriate governmental authorities.

Monitoring & Enforcement

- As a condition of doing business with GDI, every supplier/factory must comply with the Supplier Code of Conduct. GDI will continue to develop monitoring systems to assess and ensure compliance.
- 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 the Supplier Code of Conduct. During these audits or nspections, GDI, its representatives and agents must be provided with and shall have the right to review and 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 the Supplier Code of Conduct 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 the Supplier Code of Conduct, 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.
- If a breach, non-compliance situation should arise, please send an email immediately to GDI responsibility@dynamite.ca.