

**2023-2024 Report pursuant to the
Fighting Against Forced Labour and Child Labour
in Supply Chains Act**

GOODWILL RENAISSANCE QUÉBEC

30 May 2024

(19 June 2024 Translation)

Introduction

This report was prepared pursuant to the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “**Act**”) for the registered charitable organisation Goodwill Renaissance Québec (“**Renaissance**”) for the fiscal year 1 April 2023 to 31 March 2024 (“**Reporting Period**”).

Renaissance is a social economy enterprise with a business model based on sustainable development. It is a Québec recognized non-profit organisation and registered charity with the Canada Revenue Agency. Its two sectors of activity are used merchandise retail operations and work integration and employment training.

Renaissance has minimum age and maximum working hour policies to ensure part-time employees can pursue their studies. Renaissance respects the law and has a policy of not engaging with businesses that do not, for example, respect minimum wage legislation. During the Reporting Period, we did not take specific measures to prevent or reduce the risk that forced labour or child labour is used at any step of the production of goods in our supply chain.

That said, Renaissance recognizes the responsibility of all businesses to respect human rights, as described in founding principle #14 of the United Nations Guiding Principles on Business and Human Rights (UNGP), and undertakes to respect and to promote the respect of human rights, namely, by developing an action plan to prevent or reduce the risk that forced labour or child labour is used at any step of the production of goods in its supply chain.

Unless otherwise indicated, the information contained in this report is current to 31 March 2024. Unless otherwise indicated by the context, the use of the terms “our”, “we” and “us” refers to Renaissance.

1. Structure, Activities and Supply Chains

Renaissance is non-profit corporation that was created on 14 November 1994 under Part 3 of the Companies Act (RLRQ, C. C-38) and registered under the business number 1141380056. Renaissance is registered as a charitable organisation with the Canada Revenue Agency under the number 89723 3482 RR0001. It seeks to become Québec's social economy leader by creating an innovative network of partners generating employment programmes and economic activities inspired by the values of solidarity and sustainable development. Our revenue for the Reference Period was more than \$40 000 000,00.

Founded in Montreal in 1994 by executives from the Moisson Montréal food bank (today a partner entity), Renaissance's mission is to facilitate the socio-professional integration of individuals with difficulties entering in the work force while requiring them to take concrete steps to preserve the environment. It operates 19 thrift shops, 11 bookstores, 27 donation centres, a liquidation centre, a distribution centre and 7 boutiques throughout Québec.

Renaissance is a member of the Goodwill Industries International network (« **Goodwill** »), recognized as the largest international social and professional integration organisation. Founded in Boston in 1902, Goodwill today consists of 164 autonomous member organisations globally. To maintain its Goodwill membership accreditation, every three years Renaissance undergoes a rigorous evaluation process of the relevance and quality of its work integration services, as well as the integrity and efficiency of its organisation.

Since 1996, Services Québec has supported Renaissance's mission and work integration programme with up to 6% of the organisation's total revenue. Renaissance partners with numerous entities and is, notably, a member of the *Collectif des entreprises d'insertion du Québec* since 1995 (a group whose mission is to promote and support work placement members and support the social and professional integration of persons in search of a better future), and a member of the *Chantier de l'économie sociale* since 1996 (an independent organisation having as its core mandate the coordination, promotion and development of Québec collective entrepreneurship).

Supported by its 1350 employees throughout Québec, Renaissance deploys its operations under three missions that serve as the foundation for our community service: **the social mission** to integrate people in the workforce; **the environmental mission** to preserve our environment through salvaging and reusing goods; and **the economic mission** that allows us to offer clothing, household goods and books at a tax-free low price. All this revenue is reinvested in our social mission. Respect for human rights, therefore, is not just the foundation of the Act, it is at the heart of Renaissance's missions.

Renaissance is the largest integration enterprise in Québec and it is thanks to the generosity of its donors that it can strengthen its first mission, integrating people into the workforce, through its primary commercial activity which is the sale of used items. Each year, Renaissance diverts an increasing number of used articles from landfills rendering it a key player in waste management systems. For the fiscal year ending 31 March 2023, 26 148 tonnes of used goods were diverted from landfill sites.

Renaissance sells goods under its economic mission in boutiques and bookstores. Renaissance also sells *Boomerang* (post-consumer) recycled paint by Peinture Laurentide which is « 100% eco-friendly », produced in Canada and « UL Canada certified », reducing its environmental impact. Millions of kilogrammes of (surplus) paint are left by consumers at more than 1 200 drop-off centres. The sale of recycled paint constitutes a quarter of one percent of Renaissance's total sales.

Management

The management team reports to the General Manager who, in turn, reports to Renaissance's volunteer Board of Directors. Management team members head the following départements :

- Socio-professional Services
- Finance and Information Technology
- Human Resources
- Real estate and building maintenance
- Marketing and Public Relations
- Operations
- Sales
- Transport and Procurement

Renaissance's 1350 employees work in the administration, boutiques, donation centres, distribution centre, liquidation centre and the Employment Resource Centres (RERC) located in our 8 thrift shops. Our team of socio-professionals are dispatched between head office and the RERC.

Supply Chain

Through its social, environmental and economic missions Renaissance sells or re-sells the following merchandise:

- Donations from anonymous citizen-suppliers (each year we received more than 1.7 million items of used merchandise from the community);
- Donations from businesses disposing unsold merchandise (new goods);
- Purchased donation surpluses from partner non-profit organisations; and
- Paint produced by Peinture Laurentide (*Boomerang* products).

During the Reporting Period, and within the framework of a sustainable development plan discussed in greater detail herebelow, Renaissance undertook a mapping exercise encompassing all office goods and services purchased by the organisation and we are on the verge of finalizing a new procurement sustainable development policy.

At this time, our supplies come mainly from Québec vendors and, to the extent possible, we try to do business with social economy enterprises that support diversity (for example: catering services, training computers, document printing).

At this time, it is not possible for Renaissance to establish the provenance of its 1.7 million items of used merchandise received each year, nor the donations or surplus purchases from our partners. Renaissance, however, undertakes to develop an action plan to prevent or reduce risk that forced labour or child labour is used at any step of the production of goods in our supply chain.

2. Due Diligence Policies and Processes

Humans are first and foremost at the core of Renaissance's values and the foundation on which the organisation was built, operates and develops. These values are the expression of all voices within Renaissance and are shared by all of our employees who live by them daily: **solidarity, respect, recognition, loyalty, leadership and innovation**. Renaissance undertakes to respect and promote the highest standards of ethics, integrity and human rights, in all its relations with its employees, its work integration participants, its clients, its suppliers and the public at large.

During the Reporting Period, Renaissance did not develop due diligence policies or processes to prevent or reduce risk that forced labour or child labour is used at any step of the production of goods in our supply chain.

That said, a sustainable development strategy was developed in partnership with a sustainable development consultancy firm and all the organisation's services with a seat on the newly created Sustainable Development Committee. The ongoing strategic thinking includes defining Renaissance's "sustainable development" vision and mission that, in turn, will need to be reviewed to align with strategic planning and an analysis of 24 issues that have been identified as risk factors or keys to success.

The sustainable development project plan includes the following three themes and is currently awaiting approval of the Operations Manager;

- a. Embody sustainable development principles internally;
- b. Support Renaissance's social initiatives (acting for the good of the community); and
- c. Ensure good environmental management of Renaissance's activities.

Renaissance undertakes to consider the integration and incorporation of a human rights due diligence policy and process within the framework of its sustainable development plan.

In addition to its sustainable development plan, Renaissance developed a ten-year plan for the 2022-2031 period, and this, in accordance with the following four strategic courses of action: i) social mission development; ii) human resources development; iii) economic mission development; and iv) environmental mission development. This strategic planning exercise was reviewed during the Reporting Period, and it is currently undergoing a « theory of change » analysis to enable Renaissance to better position itself over the next six years.

To ensure respect for human rights internally, all Renaissance employees and integration participants must comply with a code of ethic and various organisation policies that include the prohibition of psychological harassment and the prevention of abuse; work health and safety; the non-use of drugs or alcohol at work; good management of overtime, of banked time and breaks; prevention of humiliation, negligence, and reprisals by clients; preventive measures; information security; remote working; medication management; prevention of financial exploitation; confidentiality; and information security. Employees have the right to report directly to the work relations department, without reprisal, and an investigation is launched to corroborate the truth of the employee's allegations. The necessary measures are then employed to put an end any practice that violates Renaissance's policies on matters of harassment, management abuse, prohibited practices and those related to workplace health and security.

During the Reporting Period, Renaissance developed a new digital platform where all its training programmes now reside. Renaissance offers several mandatory training courses to employees; for example, management of dangerous materials and a printed guide for employees who handle this type of merchandise. There are mobile trainers and on-site helpers for store teams. Training details, guides and other information are posted on a dedicated work health and safety bulletin board.

At this time, Renaissance is considering the possibility of developing a code of conduct for its suppliers for responsible procurement to obtain their undertaking to comply with all applicable laws related to human rights and to ensure the respect for human rights in their supply chains.

Renaissance recognizes that in order to identify, prevent, mitigate and account for how they address their adverse human rights impacts, businesses should perform due diligence. This process, as stated in operational principle #17 of the UNGP, should include actual and potential human rights impacts assessment, integrating and acting upon the findings, tracking responses to the findings, and communicating how impacts are addressed.

Operational principle #17 further provides that human rights due diligence (a) should cover adverse human rights impacts that the business enterprise may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships; (b) will vary in complexity with the size of the business enterprise, the risk of severe human rights impacts, and the nature and context of its operations; and (c) should be ongoing, recognizing that the human rights risks may change over time as the business enterprise's operations and operating context evolve.

3. Risks of Forced Labour or Child Labour

The Canadian Ombudsman for Responsible Enterprise (CORE) is a business and human rights dispute resolution mechanism created by the Canadian government that has the power to investigate and produce reports on allegations of violations of human rights allegedly committed by Canadian businesses operating abroad in the clothing, mining, oil and gas sectors.

Renaissance therefore recognizes that the clothing sector is one of the industry sectors with risks of forced or child labour.

Renaissance recognizes the possibility that parts of its supply chain may carry a risk that forced labour or child labour is being used, namely, in the production of clothing it receives as donations and resells. This is why it is undertaking to develop an action plan to prevent or reduce the risk that forced labour or child labour is used at any step of the production of goods in its supply chain.

4. Measures to Remediate

Renaissance has not yet documented any adverse impact related to use of forced labour or child labour in its supply chain and, consequently, has not taken any measure or other process to apply corrective measures in this regard.

5. Measures to Remediate the Loss of Income

Renaissance has not yet documented any adverse impact related to use of forced labour or child labour in its supply chain and, consequently, has not taken any measure or other process to apply corrective measures in the event of loss of income.

6. Training

Renaissance is considering establishing a responsible procurement training programme that could include awareness training for our employees for the need to prevent or reduce the risk that forced labour or child labour is used at any step of the production of goods in its supply chain. Renaissance did not offer such a training course during the Reporting Period.

7. Effectiveness Assessment

Renaissance has not yet put in place a structured process to measure the efficacy of initiatives on the issues related to forced labour and child labour. Consequently, Renaissance has no information in this regard.

8. Attestation

This report has been approved in accordance with the provisions of section 11(4)(a) of the Act by the Board of Directors of Goodwill Renaissance Québec for the fiscal year ending 31 March 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I certify that I have reviewed the information contained in the report for Goodwill Renaissance Québec. To the best of my knowledge and having exercised due diligence, I confirm that the information contained in the Report is true, accurate and complete in all material respects for the purposes of the Act.

I make the above attestation in my capacity as director of Goodwill Renaissance Québec for and on behalf of the Board of Directors of Goodwill Renaissance Québec.

I have authority to bind Goodwill Renaissance Québec.

(Signature on original French version submitted)

M. Yvon Arsenault, president and director
Goodwill Renaissance Québec
30 May 2024