



The Dufresne Group  
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**THE DUFRESNE GROUP INC.**  
**SECOND ANNUAL REPORT UNDER THE**  
**FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT**

**Overview**

This is the second annual report of The Dufresne Group Inc. (“TDG”) under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9 (the “Act”). The report is for the fiscal year ending December 31, 2024.

The report includes the following subsidiaries of TDG:

- TDG Furniture Inc.
- DFA Operations Inc.

**Corporate Overview of The Dufresne Group Inc.**

TDG is a retail furniture business with operations across Canada. It owns 12 Dufresne Furniture and Appliances retail locations across Ontario, Manitoba and Saskatchewan, as well as the [www.dufresne.ca](http://www.dufresne.ca) retail website. Dufresne stores sell furniture, appliances, mattresses and home electronics.

TDG also owns 39 Ashley Furniture retail locations across Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, as well as the [www.ashley.ca](http://www.ashley.ca) retail website. Ashley Furniture sells furniture and mattresses. The business also sells appliances in seven of the 39 retail locations, as well as through the retail website.

TDG is a privately owned business with a non-unionized workforce. It meets the threshold for an “entity” under the Act because it generates more than \$40 million in annual revenue and has more than 250 employees. All of TDG’s operations and employees are based in North America and the business follows the applicable North American labour laws.

As a retail business, TDG does not manufacture its own furniture or appliances, nor does it directly or indirectly control any manufacturers. Instead, it sources product from a limited number of large and well-established suppliers with business operations in Canada and the United States. Approximately 95% of TDG’s product is sourced from only 20 vendors.

The following table illustrates the location of TDG’s vendors.

Vendor Location	Approximate Percentage of TDG Product by Value
Canada	13%
United States	85%
Vietnam	1%
Other Asia	1%

TDG's vendors source from manufacturing facilities in Canada, the United States, Mexico, Vietnam, Korea, Thailand, China and Malaysia. Approximately 25% of total goods originate outside of North America. TDG sources internationally manufactured goods through North American direct manufacturers with overseas facilities, as well as through North America based distributors and three Asian direct-sourced manufacturers.

TDG maintains close working relationships with well-established suppliers to ensure ethical manufacturing and labour practices. TDG's values include fair and equitable pay and treatment of employees. It has communicated those values to its suppliers and expects them to meet the same standard.

TDG Furniture Inc. and Furniture Investment Group are the operating entities for the 39 Ashley Furniture retail locations, and are subsidiaries of TDG.

DFA Operations Inc. is another subsidiary of TDG and is the operating entity for Dufresne-branded stores.

### **The Risk of Forced Labour and Child Labour in TDG's Supply Chain**

Overall, TDG remains of the view expressed in the last report that there is a low risk of forced labour or child labour being used in TDG's supply chain. The majority of the furniture and appliances sold by TDG and its subsidiaries are manufactured in North America. The primary non-North American sources of product are Vietnam, South Korea, Malaysia and China. These countries no longer represent a high risk of forced labour or child labour. TDG notes that:

- While of these four countries, the risk of forced labour is highest in Malaysia, the Global Slavery Index ranks Malaysia as "moderate". Malaysia also ratified the ILO Forced Labour Convention, 1930 (No. 29), more than 50 years ago in 1957.
- Vietnam ratified the ILO Abolition of Forced Labour Convention, 1957 (No. 105) in 2020.
- China ratified the ILO Forced Labour Convention, 1930 (No. 29) in 2022.
- South Korea ratified the ILO Forced Labour Convention, 1930 (No 29) in 2021.

While Vietnam represents the highest risk of child labour, the overall prevalence of child labour in Vietnam is comparatively low, with Vietnam ranked in 71<sup>st</sup> place for child labour participation. To the best of TDG's knowledge, TDG does not source any product from countries in Central Africa for which the rate of child labour is highest.

TDG's primary challenge in tracking its supply chain is that the business operates as a retailer only and is not vertically integrated. As such, it must rely on suppliers. While suppliers label the country of origin for assembled products, TDG has no insight as to where the individual components for such products (e.g., the upholstery for furniture) are sourced.

### **Training Provided**

TDG has conducted awareness training on the legislation that has focused on Canada's obligations with respect to the elimination of forced labour and child labour, the specific obligations arising from the Act, and an assessment of TDG's supply chain and resulting risks. TDG's board

Signed by:  
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**MARK DUFRESNE**  
Chief Executive Officer

Signed by:  
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**MIKE LINTON**  
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