

**TDG FURNITURE INC. o/a ASHLEY HOMESTORE
and DFA OPERATIONS INC. o/a DUFRESNE FURNITURE & APPLIANCES
(collectively, the “Dufresne Group”)**

SUPPLIER CODE OF CONDUCT

The Dufresne Group is committed to conducting its business ethically and responsibly. This Supplier Code of Conduct communicates the minimum ethical and human rights values and practices that the Dufresne Group expects of itself, its subsidiaries and its suppliers.

The Dufresne Group is committed to upholding the values expressed in this code and expects its suppliers to demonstrate that same commitment. If a supplier fails to adhere to this code, the Dufresne Group may choose to terminate its business relationship with the supplier.

By agreeing to supply products or services to or to otherwise work with the Dufresne Group, a supplier confirms it will use its best efforts to comply with this code and to require its own suppliers and contractors to do so as well.

The Dufresne Group expects its suppliers to implement measures and maintain records to ensure that the supplier as well as its affiliates and subsidiaries comply with this code. This includes adequately monitoring affiliates and subsidiaries.

In this code, a reference to a supplier means the supplier together with each of the supplier's affiliates, subsidiaries, suppliers, and subcontractors that participate in the supply of products or services to the Dufresne Group.

SECTION 1 — COMPLIANCE WITH LAWS AND CODE

1.1 Suppliers should comply with all laws and regulations applicable to them and their supply of products or services to the Dufresne Group, including all applicable export control laws and international trade rules and sanctions.

1.2 Suppliers should fully comply with this code. If a Supplier cannot fully comply with this code due to local laws, customs or practices, it should notify the Dufresne Group of its inability to do so and comply with all other aspects of this code.

1.3 Suppliers should communicate any concerns related to this code or compliance with this code to the Dufresne Group in an open and transparent manner.

SECTION 2 — OCCUPATIONAL SAFETY AND HEALTH

2.1 Suppliers should ensure that:

- (a) the workplaces, machinery, equipment and processes under their control are safe and without risk to health;
- (b) the chemical, physical and biological substances and agents under their control are without risk to health when the appropriate measures of protection are taken; and

- (c) where necessary, adequate protective clothing and protective equipment are provided to prevent, so far as is reasonably practicable, risk of accidents or of adverse effects to health.

2.2 Suppliers should strive to continuously improve their safety performance and regularly review and update their safety programs and practices in a manner that ensures ongoing compliance with law and industry standards.

SECTION 3 — WAGES AND BENEFITS

3.1 Suppliers should ensure the payment of wages in legal tender, at regular intervals no longer than one month, in full and directly to the workers. Suppliers should keep an appropriate record of such payments. Deductions from wages are permitted only under conditions and to the extent prescribed by the applicable law, regulations or collective agreement, and suppliers should inform the workers of such deductions at the time of each payment. The wages, hours of work and other conditions of work provided by a supplier should be no less favourable than the prevailing local conditions (i.e., as contained in: (i) collective agreements covering a substantial proportion of employers and workers; (ii) arbitration awards; or (iii) applicable laws or regulations), for work of the same character performed in the trade or industry concerned in the area where work is carried out.

SECTION 4 — WORKING TIME

4.1 Suppliers should ensure that the regular working hours of its workers do not exceed the legal limit.

SECTION 5 — CHILD LABOUR & FORCED LABOUR

5.1 Suppliers should not use child labour or forced labour under any circumstances or contract with any suppliers or subcontractors that use any such child labour or forced labour.

5.2 For the purposes of this section,

“child labour” means labour or services provided or offered to be provided by persons under the age of 18 years and that:

- (a) are provided or offered to be provided in Canada under circumstances that are contrary to the laws applicable in Canada;
- (b) are provided or offered to be provided under circumstances that are mentally, physically, socially or morally dangerous to them;
- (c) interfere with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work; or

(d) constitute the worst forms of child labour as defined in article 3 of the *Worst Forms of Child Labour Convention*, 1999, adopted at Geneva on June 17, 1999; and

“forced labour” means labour or service provided or offered to be provided by a person under circumstances that:

(a) could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide the labour or service; or

(b) constitute forced or compulsory labour as defined in article 2 of the Forced Labour Convention, 1930, adopted in Geneva on June 28, 1930.

5.3 Suppliers should comply with all other applicable laws and regulations regarding the employment of persons under the age of 18 and only employ workers who meet the required minimum legal age.

SECTION 6 — DISCRIMINATION & HARASSMENT

6.1 Suppliers should not discriminate based on any ground prohibited under the laws of the place in which a supplier operates.

6.2 Suppliers should not harass any worker, nor knowingly permit, or fail to take steps to terminate, the harassment of any worker.

6.3 For the purposes of this section, the term “harassment” means:

- (a) a course of abusive and unwelcome conduct or comment undertaken or made on the basis of any characteristic referred to in subsection 6.1;
- (b) a series of objectionable and unwelcome sexual solicitations or advances;
- (c) a sexual solicitation or advance made by a person who is in a position to confer any benefit on, or deny any benefit to, the recipient of the solicitation or advance, if the person making the solicitation or advance knows or ought reasonably to know that it is unwelcome; or
- (d) a reprisal or threat of reprisal for rejecting a sexual solicitation or advance.

SECTION 7 — ENVIRONMENT

7.1 Suppliers should comply with all legislation and regulations regarding the protection of the environment that applies in the place in which a supplier operates.

7.2 Suppliers should support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the adoption of environmentally friendly technologies.

7.3 In this section, environmental matters include the reduction of greenhouse gas emissions, improved energy efficiency, use of renewable resources, waste reduction, reduction of plastics and packaging, and reduction of hazardous waste.

SECTION 8 — FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

8.1 Suppliers should respect the applicable legal rights of workers to associate freely with others, form, and join or not join labour unions or organizations or associations of their choice, and bargain collectively, without interference, discrimination, retaliation, or harassment and should comply with all applicable local and national laws pertaining to freedom of association and collective bargaining.

SECTION 9 — CORRUPTION

9.1 Suppliers should not participate in any corrupt practices, including extortion, fraud, bribery, abuse of power, embezzlement or money laundering.

SECTION 10 — CONFLICTS OF INTEREST

10.1 Suppliers should disclose to the Dufresne Group any conflict of interest, including if any employee or agent of the Dufresne Group has an interest in the supplier's business or economic ties with the Supplier.

SECTION 11 — INTELLECTUAL PROPERTY

11.1 Suppliers should comply with all applicable legislation governing intellectual property rights in the place in which a supplier operates.

SECTION 12 — WHISTLEBLOWING

12.1 Suppliers should allow workers to report incidents and concerns related to this code safely and without repercussion.

12.2 Anyone who believes that a supplier has engaged in illegal, unethical, or otherwise improper conduct, or conducted any other activity in violation of this code is encouraged to speak up and report such conduct using one of the following methods of communication:

- (a) privacy@dufresne.ca
- (b) 1-877-834-6963 – Confidential Tip Line

12.3 Suppliers should not retaliate against any person for reporting, in good faith, contraventions of this code, or for filing a complaint, testifying, assisting, or participating in any manner in any investigation, proceeding, or hearing conducted by a government enforcement agency or by the Dufresne Group.

SECTION 13 — MONITORING

13.1 Suppliers should establish and maintain appropriate management systems to enable them to comply with this code, actively review, monitor and modify their management processes and business operations to ensure that they align with the principles set out in this code, and maintain appropriate records to demonstrate compliance.

13.2 Suppliers should grant the Dufresne Group or its designated agent the right to access and inspect their facilities on request and provide all relevant information and documents that the Dufresne Group may need to verify the supplier's compliance with this code.

13.3 The Dufresne Group or its agents may conduct an audit or survey of any supplier and its affiliates, subsidiaries, suppliers, and subcontractors to validate their compliance with this code. Suppliers should ensure that their affiliates, subsidiaries, suppliers and subcontractors cooperate with the Dufresne Group and its agents in any such audit or survey.

13.4 If a supplier has a concern that either the supplier, the Dufresne Group, or any of their respective affiliates, subsidiaries, suppliers, and subcontractors are engaged in any conduct or dealings that are inconsistent with this code, the supplier should report the matter to the Dufresne Group.
