



Fighting Against Forced Labour and Child Labour Report

2023

1. Introduction

This report (the “Report”) constitutes 573349 Ontario Limited operating as The Butcher Shoppe (“Company”, “we” or “our”) response to the reporting requirements under Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”). It covers the Company’s activities during our most recently completed financial year from January 1, 2023, to December 30, 2023 (the “Reporting Period”).

The Report outlines the steps The Butcher Shoppe has taken during the Reporting Period to prevent and reduce the risk that forced labour or child labour (each as defined in the Act and together referred to as "modern slavery") is being used in our business and supply chains.

The Company takes modern slavery and our reporting requirements very seriously and we are committed to ensuring that we adhere to such requirements. We will continue to evaluate and assess our processes with respect to modern slavery in our business over time to ensure we are meeting all applicable reporting requirements and other legislation relating to modern slavery.

2. Steps Taken in the Previous Financial Year to Prevent and Reduce Risks of Forced Labour and Child Labour

The Butcher Shoppe has adopted policies and procedures that set out key principles that the Company, its stakeholders, and its representatives share in conducting business ethically. The Butcher Shoppe believes that ethical business practices are fundamental to long-term sustainability and ensures that all representatives of The Butcher Shoppe uphold and respect human rights as reflected in the UN Universal Declaration of Human Rights and the Canadian Charter of Rights and Freedoms.

During the Reporting Period, The Butcher Shoppe took several steps to prevent and reduce the risk that modern slavery is being used in our business and supply chains. Specifically, we:

- Established an internal working group to assess our current procedures and strengthen our current governance structure for handling modern slavery risks in our operations and supply chains.
- Engaged in conversations with key committees of the Company about the Act.
- Initiated various training and educational efforts to increase awareness among our senior management and key business units about our human rights policies and procedures concerning modern slavery.
- Initiated a review of existing internal policies and procedures against the requirements of the Act, particularly focusing on the prevention of modern slavery in our supply chain.
- Engaged an independent third-party outside of the Reporting Period to undertake a risk assessment of our operational activity and a subset of our Tier-1 supplier base and to provide us with a gap analysis of our current policies and procedures for preventing modern slavery in our supply chain, procurement, and compliance processes.
- Began mapping our business activities and Tier-1 suppliers and gathering information on these suppliers to understand and identify risks associated with our supply chain.
- Engaged our internal and external legal counsel to further assist us with our reporting requirements under the Act, which consisted of several meetings in which they provided advice to us in advance of, and following, the release of the government guidance in December 2023 pertaining to the Act.

We acknowledge that we are embarking on an extensive journey to understand and address modern slavery in our business. We plan to build upon the groundwork undertaken in the first Reporting Period, emphasizing practical and cooperative strategies using the outcomes of our business mapping activities and the gap analysis that was conducted outside of the Reporting Period to inform the creation of our plan to combat modern slavery in our supply chains. Beyond the Reporting Period, we outlined a strategy to refine our modern slavery risk management procedures on a mid- to long-term basis. We formulated a detailed 12-month plan, along with a multi-year strategy, to counter modern slavery.

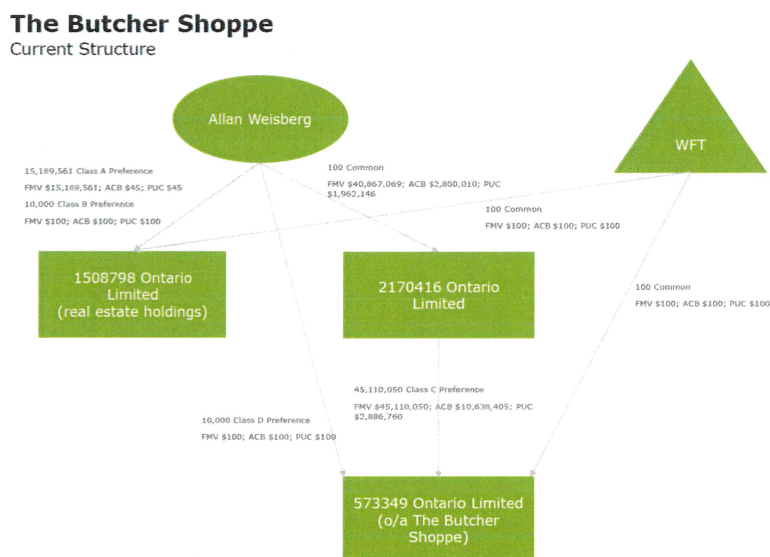
This will include:

- Establishing a governance structure to ensure responsibility and accountability for modern slavery risk management and the implementation of commitments, with overall responsibility assigned to a member of the executive team.
- Developing and implementing due diligence procedures and processes as part of the supplier onboarding process that will assist in identifying, addressing, and prohibiting the use of modern slavery in their activities and supply chains.
- Creating a Supplier Code of Conduct that clearly articulates minimum expectations of ethical compliance from suppliers.
- Adding a specific reference to the Human Rights Policy in supplier contracts and requiring suppliers to confirm compliance with the policy prior to onboarding.
- Framing a corrective plan detailing responses in the event of possible allegations of modern slavery.
- Begin mapping our Tier-2 suppliers and developing a stakeholder engagement framework to proactively interact with stakeholders.
- Designing a supplier management framework for The Butcher Shoppe to carry out supplier due diligence.

3. Our Structure, Activities and Supply Chains

3.1 Structure

The Butcher Shoppe is a Canadian company incorporated under the Business Corporations Act (Ontario) and is headquartered in Etobicoke, Canada. During the Reporting Period, The Butcher Shoppe had four reporting entities that were wholly owned by Allan Weisberg, Shareholder. The organization structure is shown below for reference.



3.2 Activities

From the first time we opened our doors in 1984, The Butcher Shoppe (TBS, www.butchershoppe.com) has carved out a reputation of delivering high quality custom-cut meats, prepared the old-school way to wholesale and retail customers across Ontario.

As a family-run business, the Weisberg family has roots dating back to the 1920's in the famous Meatpacking District in New York City. Our Founder, Allan Weisberg, learned the butchery trade from his father and he has continued embrace the traditional methods of delivering the best quality at an industrial scale.

Today, TBS has grown to become one of the largest foodservice processors in Canada. Putting our customers first and delivering a superior experience from ordering to fulfillment has enabled us to secure a broad range of customers including restaurant brands, sports arenas, convention and event centers and casinos. Also, we now sell online through butchershoppedirect.com directly to consumers. Our customers experience the best quality meat with a discernable taste and freshness. Our growth is driven by our core values.

- Quality & consistency
- Service & responsiveness
- Value & variety

Customization is built into the DNA of our company. We are enabled to meet the requirements of our customers big or small. Our trained team on the order desk translate each chef’s requirements to production orders. Our operations and supply chain are agile and are geared to meet complexity without compromising our core values.

Our core values are further bound by the commitment to our people. All our employees, starting from the frontline to our administrative staff, live by our core values every day. We take pride in our diverse and inclusive culture with our employees coming from over 15 countries. We believe our strength is embedded in this diversity. We hire talent from the top universities and programs in Canada and provide an environment of learning and development. We work as ‘one-team’ to give a 110%.

Stepping into this long heritage, Stacey Weisberg, President and Noah Weisberg, General Counsel, will continue Allan’s legacy by championing artisanal butchery and sustain the growth and keep the business in the family for generations to come.

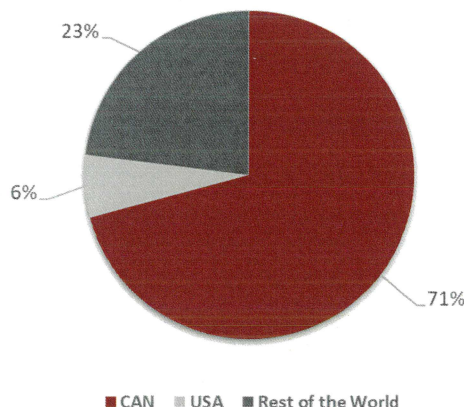
Entities should also describe the activities of any entities under their control. Note that entities are only required to report on the activities of subsidiaries that are entities with reporting obligations under the Act.

3.3. Supply Chains

The Butcher Shoppe works with many direct suppliers to source materials and services, most of which are primarily based in Canada, and some located in other countries. Although most of our materials and services are sourced from suppliers located in Canada, we acknowledge that numerous suppliers provide us with products originating from other jurisdictions, each with their own global supply chains. Internally at The Butcher Shoppe, the procurement process is currently managed by department heads and their respective teams to onboard suppliers who align with The Butcher Shoppe’s policies and procedures.

For the Reporting Period, our supplier spend by jurisdiction is represented below.

Geographic Source of Supplier Spend



4. Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour

We are in the process of reviewing our existing policies in the context of modern slavery considerations, and we plan to further embed a due diligence process into our operations that will support risk identification, mitigation, and remediation.

At present, we have a Human Rights Policy that demonstrates our commitment to prohibiting modern slavery practices. In addition, we have a Code of Business Conduct and Ethics that supports responsible and ethical business conduct, identification of unethical business conduct, and an existing grievance mechanism to report violations of the policies that are outlined below.

In line with our plan to integrate human rights within our due diligence processes, we aim to proactively establish and apply policies and procedures that firmly combat modern slavery risks. This will require developing the Supplier Code of Conduct and updating the Code of Business Conduct and Ethics to thoroughly address risks associated with modern slavery, liaising with stakeholders, and incorporating modern slavery considerations into our operations. We acknowledge the significance of protecting human rights throughout our supply chain and business operations, and we are devoted to executing definitive measures to reach this objective.

Human Rights Policy

The Butcher Shoppe has adopted a Human Rights Policy which ensures that all agents on behalf of The Butcher Shoppe uphold and respect human rights as reflected in the UN Universal Declaration of Human Rights and the Canadian Charter of Rights and Freedoms. A copy of our Human Rights Policy can be found on our website at www.TheButcherShoppe.com.

The Butcher Shoppe ensures policy compliance through regular review and assessment of human rights policies, practices, and procedures, along with consultations with stakeholders. Presently, our monitoring of compliance with the Human Rights Policy involves annually requesting employees and contractors to acknowledge their adherence to all policies, including the Human Rights Policy.

Code of Business Conduct and Ethics

The Butcher Shoppe requires the highest standards of professional and ethical conduct from our directors, officers and employees and has a Code of Business Conduct and Ethics Policy in which internal or external persons are encouraged to report a concern they might have about a violation of law, rules, regulations, or this Code. A copy of our Code of Business Conduct and Ethics Policy can be found on our website at www.TheButcherShoppe.com.

The Code of Business Conduct and Ethics also states that:

“Compliance with both the letter and spirit of all laws, rules and regulations applicable to our business is critical to our reputation and continued success.”

The Butcher Shoppe prohibits retaliatory action against any employee who, in good faith, reports a possible violation. However, it is unacceptable to file a report knowing it to be false. These reports are addressed and investigated by an investigations committee. Confidentiality and legal obligations are maintained throughout the investigation process.

The Ownership monitors compliance with the Codes by requiring that all personnel affirm in writing his or her agreement to abide by the Codes when commencing service with the Company. Compliance is also reaffirmed annually by all individuals. In addition, management provides reports on compliance with the Codes to the Owner on a regular basis.

5. Forced Labour and Child Labour Risks

To begin to understand our risk profile, we performed an initial review of potential modern slavery risks associated with key products, services, and geographic locations that relate to suppliers across our global supply chain. In reviewing the United Nations Global Compact Business & Human Rights Navigator, Global Slavery Index and UNICEF Global Datasets, we identified that our operations and supply chain are exposed to a low level of inherent risk of modern slavery.

When assessing and reviewing the risk of modern slavery, there are several factors tied to the country, industry, or operation that can influence the likelihood of such practices. These factors include the type of industry operations, workforce characteristics that might render workers susceptible, prevalent labour practices, geographically based regulatory landscapes, and human rights history.

The outcome of an inherent risk assessment does not necessarily imply that the operation is involved in modern slavery within their activities or supply chains. At The Butcher Shoppe, we understand the importance of initially evaluating inherent risks to determine where the risk of modern slavery is high. We then implement measures to minimize these risks.

To deepen our understanding of our inherent forced modern slavery risks, we engaged an independent third-party, outside of the Reporting Period, to undertake a risk assessment of our operational activity and a subset of our supplier base from which The Butcher Shoppe procured goods and services through the Reporting Period. As part of the inherent risk assessment, we worked with the third-party to map our operational activities and supplier sample to industry categories and sub-industries and identified the country of origin for each supplier based on available procurement data.

The third-party utilized its modern slavery risk assessment methodology to identify the inherent risk rating for each supplier. The risk assessment combined suppliers' geographic risk, industry risk and an industry controversy score to produce an inherent risk rating of low, low-medium, medium, medium-high, or high. As an inherent risk assessment, the results do not account for any specific due diligence or governance controls put in place by The Butcher Shoppe or specific suppliers to mitigate their specific modern slavery risks. The high-level findings of this assessment for our operations and supply chain are outlined in the following sections.

Currently, The Butcher Shoppe gathers information on suppliers and assesses it against its requirements through a thirty-party tool. The assessment covers various factors such as safety records, financial health, pricing, product quality, and past performance to determine their eligibility for the procurement. All the suppliers are required to onboard through this tool to collect information and require suppliers to conform to the criteria set out by The Butcher Shoppe. In the upcoming reporting period, The Butcher Shoppe is planning to expand the qualification criteria within the tool to include modern slavery requirements in the future procurement process for onboarding suppliers.

Additionally, we plan to engage with the highest-risk suppliers as identified through our risk assessment process. A Supplier Assessment Questionnaire will be administered via the tool to understand suppliers approaches to combating modern slavery risks and further understand our supply chain and the geographical location of the sourced goods.

Risks of Modern Slavery in Our Activities

The Butcher Shoppe directly employs workers across our business unit in Ontario. Our operational site is also supported by an indirect workforce employed by contractors to whom we outsource certain activities. This part of our operations was assessed to have a low inherent risk of forced labour and child labour due to factors such as their location in Canada and the predominantly high skilled workforce and low labour intensity of their activities.

Assessment of Supply Chain Risk

To gain a better understanding of the inherent risks in our supply chain, we followed a risk-based approach to select the suppliers for the sample assessed in the supply chain risk assessment. We recognize that inherent risk ratings are based on industry and geographic information about the supplier or activity, and do not consider specific due diligence or governance measures The Butcher Shoppe or individual suppliers have in place to mitigate potential risks of modern slavery. A further residual risk assessment would be required to determine whether these risk factors are mitigated or absent from The Butcher Shoppe's supply chain.

From our preliminary review, most of our suppliers who provide us with products or services are from low-risk countries. We found that this subset of our supply chain is exposed to low to medium level of inherent risk of forced and child labour due to the nature of the goods and services we procure, and our procurement footprint that sources goods from inherently low risk regions such as Canada, USA, and Australia. None of the suppliers from the subset were identified to have a high or medium-high level of risk. Medium inherent risk of forced labour and child labour was identified in suppliers across industries such as Construction Materials, Construction & Engineering, Consulting Services, Diversified Support Services which were procured from within Canada.

Although the information provided reflects the present understanding of modern slavery risks for The Butcher Shoppe, it only reflects the outcomes at a particular point in time and therefore requires further monitoring. We are actively pursuing further internal efforts to enhance the monitoring of supplier activities concerning modern slavery, and the classification of high-risk categories and countries might evolve as we gain additional insights over time.

6. Measures Taken to Remediate Forced Labour or Child Labour

To date, we have not identified any instances of modern slavery in our activities or supply chains and therefore have not undergone steps to remediate any harm of modern slavery.

Our Code of Business Conduct and Ethics includes information on providing a platform for employees, contractors, suppliers, and other third parties to make anonymous complaints via phone. This phone line serves as a mechanism to raise any concerns, including in relation to modern slavery. In the event of non-compliance, The Butcher Shoppe is committed to developing and implementing a corrective plan to improve and remedy the situation.

The Butcher Shoppe recognizes that efforts to prevent and reduce the risks of modern slavery can have the unintended consequence of contributing to a loss of income for the most vulnerable families. Remediation is a key step in this process and The Butcher Shoppe will endeavor to clearly outline the expectations for addressing remediation for individuals identified as victims of modern slavery in future reporting periods.

7. Remediating the Loss of Income to the Most Vulnerable Families

The Butcher Shoppe recognizes that efforts to prevent and reduce the risks of modern slavery can have the unintended consequence of contributing to a loss of income for the most vulnerable families. Remediation is a key step in this process and The Butcher Shoppe will endeavor to clearly outline the expectations for addressing remediation for individuals identified as victims of modern slavery in future reporting periods.

8. Training Provided to Employees on Forced Labour and Child Labour

The Butcher Shoppe directors, officers, employees, and consultants are required to certify that they have read, understand, and will comply with our Code of Business Conduct and Ethics when joining The Butcher Shoppe and on an annual basis thereafter. Additionally, during the Reporting Period The Butcher Shoppe discussed the Act and its requirements with certain committees of the Board. We began raising awareness of our broader human rights policies and processes with regards to modern slavery with senior management and key business units. The Butcher Shoppe is planning to develop a training program for its officers, employees, as well as contractors in procurement and supply chain roles. Furthermore, The Butcher Shoppe is dedicated to enhancing the capacity of our staff to

comprehend, identify, and effectively manage the risks of modern slavery within our operations and throughout our supply chains.

9. Assessing Our Effectiveness

The Butcher Shoppe has not yet implemented a system to evaluate how effective our efforts are in mitigating the risks of modern slavery. We are aware of our responsibility in identifying and reporting these risks within our operations and supply chain. Our aim is to consistently enhance our capacity to gauge the effectiveness of these measures.

10. Attestation Statement

This Report was approved by The Butcher Shoppe Director, in respect of the Company and its subsidiaries listed above on May 1, 2024, pursuant to paragraph 11(4)(b)(ii) of the Act and has been filed with the Minister of Public Safety and Emergency Preparedness.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects to the purposes of the Act, for the reporting year listed above.

I have the authority to bind The Butcher Shoppe.

DATED at Etobicoke, Ontario, this 31st day of May 2024.



Allan Weisberg

Chief Executive Officer