



Agrifoods International Cooperative Ltd

Modern Slavery Report

Fiscal Year End October 31, 2023



APPLICATION:

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As a leading food and beverage business, Agrifoods International Cooperative Ltd. (“Agrifoods”, “we”, “our” or “us”) recognizes the important role that we have in ensuring that our operations and products, and the supply chains that support these, adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. This Report sets out the steps we have taken during Fiscal 2023 (November 1, 2022, through October 31, 2023) to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by Agrifoods or of goods imported into Canada by Agrifoods.

PURPOSE, MISSION, AND VALUES:

At Agrifoods, we're dedicated to upholding and defending the human rights of all those who interact with our company, including our staff, agency workers, suppliers, and members of the community.

We view child and forced labour as unacceptable in our operations and work hard to ensure that everyone involved in our direct operations and supply chains receives fair treatment and just compensation for their labour. In order to provide the greatest results for employees throughout our value chain, we are dedicated to collaborating with our suppliers.

Our mission is to be the leading provider of innovative premium quality dairy and food products and services, returning value to our members and to be recognized as a successful, profitable and environmentally responsible cooperative.





ORGANIZATIONAL STRUCTURE:

Agrifoods International Cooperative is a dairy cooperative managed by an Executive Leadership Team, led by the CEO reporting to the Agrifoods Board of Directors. Agrifoods is pursuant to the Canada Cooperatives Act.

Agrifoods' Head Office is located in Burnaby, British Columbia. Agrifoods has five manufacturing facilities, ten transportation depots across six provinces and 570 employees located in Canada.

The traditional values upon which Agrifoods was founded underlie its commitment to continual innovation to serve its valued customers and consumers' changing needs. Agrifoods' family of brands – Organic Meadow,



Rolling Meadow, MeadowFresh, Scardillo, Earth's Own, Happy Planet, Happy Planet Creamery, and the Canadian Licensee of a2 Milk™, our products consist of Plant-based beverages such as Oat Milk, Almond Milk, Soy Milk, Oat creamers, Juices, Smoothies, Dairy products such as Organic / Grassfed Milk, Cheese, Butter, Sour cream, Kefir etc. We employ over 500 people and have become leaders in the health and wellness industry, producing a wide range of premium, on-trend, wholesome foods and beverages available from coast to coast. In addition, Agrifoods provides food-grade tanker transportation services.

ACTIVITIES AND SUPPLY CHAINS:

Agrifoods' supply chain includes suppliers and service providers from whom we procure our raw ingredients such as Oats, Almonds, Soybeans, enzymes, sweeteners, and packaging items such as corrugate, bottles, gable cartons, etc. Agrifoods procures raw materials from local and internationally recognized vendors, in accordance with our internal sourcing policies in conjunction with research and development (R&D)/quality assurance (QA) policies and in collaboration with our supplier partners. After that, our products are produced, packaged, and shipped by our direct store delivery (DSD) or third-party logistics companies to the customers (food service / distribution centres / retailers) before being placed in stores.

We use both semi-automated and automated processes in our operations at different facilities. Our finished goods and raw materials are stored at both internal and external (third party logistics) warehouses.





We collaborate with vendors who uphold our standards for sustainability, food safety, employees' welfare, and quality.

When it comes to the raw ingredients, and packaging that go into our products, we are dedicated to maintaining their quality, purity and traceability.

We acknowledge that we have an obligation to employees at every stage of our supply chain, and we strive to collaborate with them to identify and mitigate the risks associated with forced labour and child labour.

POLICIES

Ethics Policy

Agrifoods is dedicated to adhering to the highest ethical standards and all relevant laws, rules, and regulations. Every employee is obligated to demonstrate loyalty to the company and uphold the highest standards of business ethics and integrity. It is the responsibility of each employee to comply with the policies and procedures outlined in our company policy manual.

Recruitment Policy

Agrifoods practices equal opportunity and fair hiring processes when filling positions. It strives to hire only the most qualified individuals, based on their knowledge, skills, abilities, and other competencies. Agrifoods has adopted this policy to ensure that all employees and potential candidates are considered for employment opportunities through a consistent, fair, and barrier-free approach. In the interest of creating and maintaining a safe work environment for all employees, Agrifoods will not employ anyone under the age of 18.



Respectful Workplace

At Agrifoods, we hold our employees in high regard, and we want each member of our team to feel safe and comfortable in their work environment. This policy is fundamental to our core values and their work environment.



Agrifoods' Respectful Workplace policy is fundamental to our core values and represents our commitment to creating and maintaining a workplace that allows all employees to feel valued and respected. The Respectful Workplace policy is in place to support a culture of respect in the workplace, where individuals are free from bullying, harassment, violence and discrimination, to promote awareness, and to create an understanding of what is considered harassment, discrimination, and assault, and to provide a process to address employee complaints and concerns.

Supplier Code of Conduct

Although we don't currently have a supplier code of conduct for the reporting fiscal period, we have already started developing our code of conduct and interacting with our suppliers.

DETERMINING AND RISK OF FORCED AND CHILD LABOUR

Internal

We believe the risk of forced labour or child labor among our personnel is minor. Our Vice President of Human Resources, along with the Senior Leadership Team, oversee the implementation of our human resource policies. Our recruitment processes comply with Canadian standards, laws, rules and regulations, including those related to labour and employment. Additionally, we uphold our personnel's right to freedom of association.



Within Our Supply Chain

We think there is minimal risk of forced or child labour in our supply chain given of the nature of our business and the products we buy from our suppliers. We have discussed business ethics with our suppliers on several occasions. As most of our suppliers are based in Canada, we generally consider the risk that forced labour and/or child labour may be used in our supply chain to the below, given the protections provided by Canadian laws, rules, and regulations.

STEPS TAKEN TO ASSESS AND MANAGE RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

In Fiscal 2023, we did not come across any situation with forced labour or child labour within our supply chain.

Currently, the company does not have any mechanisms in place to assess the risk of forced or child labour with first-tier suppliers, but we are working on our Supplier's code of conduct.

We rely on the cooperation of all of our suppliers and expect them to uphold the highest standards of quality and ethics.

Furthermore, we rely on close communication among the key supply stakeholders to assure compliance and decrease risks:

- Our Corporate QA and Regulatory Department supports strategic sourcing by ensuring food safety, and environmental, social, and governance standards. It guarantees that sourcing adheres to Global Food Safety Initiative (GFSI) criteria and actively engages stakeholders in the assessment of needs and the selection of goods or services.
- The procurement department collaborates with the Quality Assurance and Regulatory Department to negotiate contracts and provide recommendations.
- The risk assessment model has been integrated into our supplier and vendor approval program to ensure it is covered during all new supplier assessments.



- We collaborate with the National Sanitation Foundation (NSF), which offers an annual compliance audit to GFSI requirements concerning our vendor management and approval, food safety and quality standards, and our supply chains.

REMEDIATION MEASURES

In the last financial year, we did not identify any incidents of forced labor or child labor within our activities or supply chain; consequently, we did not find it necessary to implement any measures to remediate such incidents or provide compensation.

TRAINING

Training for production and transport employees occurs on the job and includes specialized skill development, food safety, and health and safety compliance.



As a proactive measure, we are currently developing a policy on forced and child labor. All salaried employees involved in sourcing materials and hiring personnel will receive training on this policy and the company's expectations.

ASSESSMENT OF EFFICIENCY

We have not yet taken any measures to assess the efficiency of our Supplier Code of Conduct. We will identify forms of measurement internally and externally to reduce the risk of forced labour or child labour.



CONTINUOUS IMPROVEMENTS AND PROSPECTIVE INTERVENTIONS

We have recently started our journey identifying potential risks surrounding forced labour and child labour and are confident that we managed risk to the best of our ability at this time. We look to the next fiscal year to make continuous improvements.

For the next fiscal calendar, we are planning to work on the following:

1. Build a more comprehensive Supplier Code of Conduct Policy and share with our vendors
2. Develop a Business Code of Conduct Policy and share with all our employees.
3. Develop a Forced Labour and Child Labour policy and educate our staff involved in sourcing, supplier management and the hiring of people on this policy.

APPROVAL AND ATTESTATION

This report was approved by the Board of Directors of Agrifoods International Cooperative Ltd. for the financial year ending October 31, 2023, in accordance with subparagraph 11(4)(a) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I hereby attest that I have reviewed the information contained in the report for the entity listed above. To the best of my knowledge, and after having exercised due diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I make the above statement in my capacity as a member of the Board of Directors of Agrifoods International Cooperative Ltd. for and on behalf of the Board of Directors.

Tim Hofstra
Tim Hofstra
Chairperson

I have the authority to bind Agrifoods International Cooperative Ltd.

Date:

