

## Alliance Report on Forced and Child Labor in the Supply Chain

### **Structure and Activities of Reporting Entities**

This report is submitted jointly on behalf of Alliance Freeze Dried Ltd. (“Alliance”), its direct parent company Freeze-Dried Pet Calico ULC (“FDPC,” which does not have any independent operations), and Alliance’s subsidiary, Canature Processing Ltd. (“Canature Processing”) for the calendar year 2023. In describing these entities activities, reference is also made to other Alliance subsidiaries that are not themselves required to report but which are relevant to describing Alliance’s activities, including Canature Kitchen Ltd. (“Canature Kitchen”), Naturalpet Innovations Ltd. (“Naturalpet”), Superpet Nutrition Ltd. (“Superpet”), and AFD Processing Ltd. (“AFD”).

Alliance and its subsidiaries (collectively, “Canature” or “we”) are based in British Columbia, Canada and serve as North America’s largest integrated freeze-drying facilities, specializing in pet food and treats. To perform our services, Canature receives raw material for forming and shaping at its Naturalpet facility. The resulting products are then shipped to our processing plants, AFD and Canature Kitchen. After processing, the products will be transferred to our packaging plant, Superpet, after which the pet food and treats are ready for sale and consumption.

### **Supply Chain Overview**

Our supply chain is diverse in supplier-type, geography, and relationship. Canature primarily procures two types of materials: raw inputs for the pet food products we manufacture and packaging materials in which we package and distribute those products. Among the raw inputs, we primarily procure fish, beef, chicken, and other poultry.

Collectively, in 2023 we procured these various goods from 47 different suppliers, with spend ranging from more than \$2,000,000 per supplier to less than \$1,000 per supplier. 45 of these 47 suppliers are from either Canada or the United States, with the remaining two located in China.

Our suppliers primarily occupy two different types of roles in the overall food product supply chain: direct producer and/or manufacturer of inputs (including both food and packaging inputs) or wholesale broker of the same. As such, while we know the countries of each supplier (as stated previously), we do not necessarily know the country of origin for all of our procured goods, particularly in the case of brokers who themselves receive goods from various producers and countries.

### **Supply Chain Forced and Child Labor Risks**

While Canature has not historically taken formal steps to assess the extent of forced and child labor risk within its supply chain, nor do we have processes for doing so on an ongoing basis, we recognize that there is potential for such issues within the broader food and packaging supply chain. For example, according to the United States Department of Labor (USDOL) [Report on Child and Forced Labor](#), most recently published in 2022, beef, fish, and poultry are each goods that present risk of having been provided by child labor depending on the country of origin. Fish is also at risk of having been provided by forced labor in a more limited number of countries. Canature has not completed any supply chain mapping to assess whether its own procurement activities rely on suppliers from the companies in question, though we plan to do so in the future, and therefore does not currently have organic visibility in the many cases where we leverage wholesale brokers as intermediaries. As such, we cannot attest to the full extent of risk within our specific supply chain beyond what is known at the industry level.

### **Supply Chain Risk Mitigation and Remediation Practices**

Canature has several practices and controls in place to manage generalized supply chain risks, including supplier approval and review policies, supplier audits and corrective action completion trackers, and supplier certification screening requirements.

That said, these are currently focused on quality and food safety topics, including good manufacturing practices (GMPs), worker hygiene, pest control, and facilities maintenance, among others. These topics are not actively assessed or mitigated at present. Suppliers are not currently assessed for child and/or

forced labor, though we plan to expand the scope of our policies, audits, and other risk management practices to address these risks among our suppliers and/or their own upstream vendors. At present, our visibility into these risks, and our subsequent ability to manage them, are limited to industry-level insights, anecdotal information, or information gained in the course of other reviews or engagements (e.g., quality-focused supplier audits).

Similarly, we do not currently have any prescribed practices related to the remediation of incidents, nor to the remediation of any forgone income attributable to our efforts to mitigate the risk of child and/or forced labor. In 2023, we were not made aware of any incidents of forced or child labor in our supply chain and so did not have occasion to implement any remediation actions in response. In future revisions to our supply chain management program, we plan to build more formal incident response and remediation practices.

### **Supply Chain Management Training and Programmatic Evaluation**

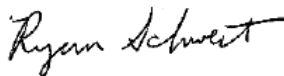
Canature maintains a robust training program for its employees, which include both full-workforce and role-specific topics, and which is offered at various frequencies, including at onboarding and on a refresher basis annually. Topics include but are not limited to GMPs, work safety, anti-harassment and anti-bullying, and disciplinary practices, among others. While several of these topics require education about the supply chain (e.g., food safety in the course of shipping receiving), they do not currently extend to cover risks of child and forced labor in the supply chain. After planned revisions to our supply chain management practices, we will incorporate these topics into future employee training.

With respect to evaluating the efficacy of our management of forced and child labor risks in the supply chain, we do not have any associated key performance indicators (KPIs) or other means of assessing efficacy given our limited risk management practices. Our supply chain management evaluation practices are again limited to more commercial and operational topics; for example, when we conduct audits and identify deficiencies, we issue requests for corrective action and ask suppliers to report on the completion of those corrective actions. In doing so, we are able to evaluate our audits' impact on improving the risk profile of our suppliers. To the extent that we choose to expand the scope of our audits in the future to address forced and child labor risks, their impact may similarly be evaluated through corrective action completion rates or other KPIs. We will consider best practices for monitoring the efficacy of any other new supplier management practices we introduce in the future.

### **Approval**

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 the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Signed,



Ryan Schweet  
Board Member  
May 28, 2024

I have the authority to bind the reporting entities represented in this report: Alliance Freeze Dried Ltd., Freeze-Dried Pet Callco ULC, and Canature Processing Ltd.