



Canadian Statement Against Forced Labour and Child Labour in Supply Chains
pursuant to an Act to enact the Fighting Against Forced Labour and Child Labour in
Supply Chains Act and to amend the Customs Tariff,
referred to as Canada's "*Modern Slavery Act*" (the "**Act**")
for the year ending December 31, 2023.

1. INTRODUCTION

This is a statement made by Bond Bakery Brands Limited, on behalf of it and its subsidiary Pace Processing and Product Development Ltd., in respect of the Act, as referenced above. Bond Bakery Brands Limited is a corporation incorporated pursuant to the laws of Ontario. Pace Processing and Product Development Ltd. is a corporation incorporated pursuant to the laws of British Columbia.

Forced labour and child labour remain significant challenges in global supply chains, posing ethical and legal concerns for businesses operating in various industries. This report aims to provide an overview of the steps taken by Bond Bakery Brands Limited and its wholly owned subsidiary, Pace Processing and Product Development Limited, to prevent and reduce the risk of forced labour or child labour within their supply chains, as well as to assess its current policies and practices.

2. REPORTING ENTITY

This report is being filed for Bond Bakery Brands Limited and Pace Processing and Product Development Limited ("the companies"). This statement covers the 12 months ending December 31, 2023.

3. STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Bond Bakery Brands Limited is headquartered in Toronto, Ontario, and is structured as a corporation. Bond Bakery Brands Limited is engaged in the production and sale of goods in North America. It is the parent company of four small and medium sized bakeries all located within Canada. Bond Bakery Brands Limited has a salaried team of 11 and assists its subsidiaries with advisory services related to sales growth and operational excellence, as well as access to funds for capital investments. While all manufacturing is in Canada, products are marketed and sold across both Canada and the USA. Pace Processing and Product Development Ltd., a subsidiary of Bond Bakery Brands Limited, operates within Canada, producing a variety of baked goods for wholesale distribution to grocery and foodservice retailers across North America. As of December 31, 2023, Bond Bakery Brands Limited had approximately 500 employees across all subsidiaries.

Pace Processing and Product Development Ltd. primarily produces cakes, cupcakes, pizzas and cookies for wholesale into grocery and foodservice distributors and retailers across North America. In 2023, 96.5% of Pace Processing and Product Development Ltd.'s sales were in Canada, with the remaining 3.5% of sales to the USA. Pace Processing and Product Development Ltd. sources all of its ingredients for its products from North American manufacturers and brokers. Along with raw ingredients for bakery products, it also uses substantial quantities of carton board, corrugated, plastic and other packaging materials. It stores ingredients in its warehouse in Surrey, British Columbia, and produces all product within its food manufacturing facilities in Surrey, British Columbia. Pace Processing and Product Development Ltd. has both salaried and hourly workers on payroll. All are legally able to work in Canada and are paid in accordance with applicable federal and provincial regulations. Once products are

produced, Pace Processing and Product Development Ltd. works with third party transportation partners to bring them to their final destination.

Bond Bakery Brands Limited and Pace Processing and Product Development Ltd. have tailored their policies to comply with applicable federal and provincial laws. The companies enforce strict hiring practices to ensure compliance with applicable labour regulations and require suppliers to adhere to ethical labour standards. Moreover, they have established an anonymous reporting system to encourage transparency and accountability within their operations.

4. POLICIES AND DUE DILIGENCE PROCESSES IN RELATION TO FORCED LABOUR AND CHILD LABOUR

Both Bond Bakery Brands Limited and Pace Processing and Product Development Limited have established policies and due diligence processes related to forced labour and child labour. These include embedding responsible business conduct into policies and management systems to ensure compliance with ethical labour practices, maintaining internal controls to ensure all workers are recruited voluntarily, as well as working with vendors to ensure they have policies and procedures in place to identify and prohibit the use of forced labour and child labour within their supply chain.

The companies have adopted a comprehensive Supplier Code of Conduct based on best practices outlined by the Fair Labor Association and the International Labour Organization. This code includes specific provisions addressing child labour and forced labour. Furthermore, Bond Bakery Brands Limited and Pace Processing and Product Development Limited work closely with suppliers to ensure adherence to these standards.

Consistent with the principles in the Employee Code of Ethics and Supplier Code of Conduct, the organization:

- Prohibits forced labour, child labour and discrimination
- Values diversity and consider it core to our business strategy
- Works to establish safe and healthy working conditions
- Compensates employees competitively and operate in compliance with applicable Canadian federal and provincial laws and regulations
- Respects the principles of freedom of association and collective bargaining

5. PARTS OF BUSINESS AND SUPPLY CHAINS THAT CARRY A RISK OF FORCED LABOUR AND CHILD LABOUR AND STEPS TAKEN TO ASSESS AND MANAGE THAT RISK

The risk of forced labour and child labour in the companies own operations is low due to policies and practices aligned with the Code of Ethics. However, it is recognized that certain aspects of the companies' supply chains – namely, the labour practices of the vendors and suppliers it works with – could carry a risk of forced labour or child labour. While the companies have not identified any such issues to date, public reporting has identified such risks in the sectors of certain products the companies require in order to operate (e.g., sugar). To mitigate these risks, the companies rely on established suppliers located within Canada and the USA. Further, in the 2023 financial year, Bond Bakery Brands Limited and Pace Processing and Product Development Limited undertook several measures to address the risk of forced labour or child labour within their supply chains.

These measures include:

- Bond Bakery Brands Limited and Pace Processing and Product Development Limited have implemented internal controls to ensure that all workers are recruited voluntarily, without coercion or exploitation.
- Bond Bakery Brands Limited and Pace Processing and Product Development Limited ask suppliers to have robust policies and procedures in place to identify and prohibit the use of forced labour and child labour in their activities and supply chains. This request is communicated to suppliers during onboarding.
- Bond Bakery Brands Limited and Pace Processing and Product Development Limited have developed and implemented grievance mechanisms to provide employees, contractors, customers and suppliers with channels for reporting any instances of forced labour or child labour. These mechanisms ensure that concerns are addressed promptly and effectively. More specifically, this mechanism includes a third party managed, anonymous reporting system that is available in multiple languages and can be accessed online, by telephone or by mail. This grievance system is communicated to employees during the hiring process, in onboarding documents and there is signage educating all stakeholders on the system and how to use it in every manufacturing facility and office. This reporting system is available 24 hours a day, 7 days a week from any location.

The anonymous ethics reporting line, along with standardized operations and human resources policies, training and oversight, and Supplier Code of Conduct, helps the Bond Bakery Brands Limited and Pace Processing and Product Development Limited teams feel confident that the risk of forced labour and child labour is low.

6. MEASURES TAKEN TO REMEDIATE FORCED LABOUR AND CHILD LABOUR

No forced labour or child labour has been identified within the supply chains of Bond Bakery Brands Limited or Pace Processing and Product Development Limited. Because of this, no measures to remediate forced labour and child labour have been undertaken, including in the 12 months ended December 31, 2023. The companies will continue to use the measures outlined in section 5 to reduce the risk of forced labour and child labour in the supply chain and assess for these risks, and to continue to build due diligence capabilities to proactively identify risks where impacts on people may be most severe across the supply chain.

7. MEASURES TAKEN TO REMEDIATE LOSS OF INCOME TO MOST VULNERABLE FAMILIES THAT RESULT FROM MEASURES TAKEN TO ELIMINATE USE OF FORCED LABOUR AND CHILD LABOUR

No forced labour or child labour has been identified within the supply chains of Bond Bakery Brands Limited or Pace Processing and Product Development Limited. Accordingly, no measures were taken to eliminate forced labour and child labour, and therefore, no measures were taken to remediate loss of income to vulnerable families that were impacted by said measures.

8. TRAINING PROVIDED TO EMPLOYEES ON FORCED LABOUR AND CHILD LABOUR

There is robust training of employees at Bond Bakery Brands Limited and Pace Processing and Product Development Limited during onboarding. This training includes a detailed review of the Bond Bakery Brands Limited Code of Ethics, which has language around forced labour and child labour, as well as education on the anonymous reporting system that allows employees, and any internal or external stakeholder, to report any breaches of the Code of Ethics. This anonymous reporting system ensures that

employees can report breaches in conduct without fear of reprisal by anyone within the organization. Posters highlighting key elements from our Code of Ethics are posted in manufacturing facilities and offices.

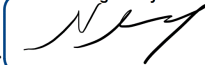
9. HOW ENTITY ASSESSES ITS EFFECTIVENESS IN ENSURING THAT FORCED LABOUR AND CHILD LABOUR IS NOT BEING USED IN ITS BUSINESS AND SUPPLY CHAINS

To assess effectiveness in ensuring the forced labour and child labour are not being used within its own business, Bond Bakery Brands Limited and Pace Processing and Product Development Limited rely on their employees to leverage the safe and anonymous third party reporting system in place. The companies measure the percentage of employees who have read and signed the Code of Ethics as an indicator of compliance to internal policies regarding forced labour and child labour. The entities work with trusted supplier partners within North America and leverages their historical reporting and records to assess effectiveness of ensuring forced labour and child labour are not used in their businesses.

ATTESTATION

This report has been approved by the Board of Directors of Bond Bakery Brands on its own behalf and on behalf of the other reporting entities.

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. For clarity, I am providing this attestation in my capacity as a director and officer of Bond Bakery Brands Limited, and not in my personal capacity.

DocuSigned by:

Signature: _____
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Name: Nicolas Mulroney

Title: CEO

I have authority to bind Bond Bakery Brands Limited and Pace Processing and Product Development Limited.

Date: 5/13/2024