

Craig Ofield Holdings Ltd./Bulk Barn Foods Limited

*Fighting Against Forced Labour
and Child Labour in Supply
Chains Act (Canada) Report*

(Fiscal Year 2023)

Introduction

This is a joint report made by Craig Ofield Holdings Ltd. (“**COHL**”) and its operating subsidiary Bulk Barn Foods Limited (sometimes referred to as “**Bulk Barn**”, “**we**” or “**our**” in this report) in accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “**Act**”), which came into force on January 1, 2024. The Act requires that businesses, that meet the criteria of being a reporting entity under the Act, state the actions that they have taken during the last fiscal year to prevent and reduce the risk of forced labour and child labour in their operations and supply chains. This report is made with respect to the 2023 fiscal year for each of COHL and Bulk Barn and covers the financial period commencing on January 21st, 2023 and ending on January 20th, 2024.

COHL has no operating business or employees and is purely a holding company that holds all of the issued and outstanding shares of Bulk Barn. As a holding company, COHL relies entirely on Bulk Barn for the purposes of managing and monitoring supply chain operations and compliance programs.

Bulk Barn is committed to respecting and protecting human rights, acting honestly and with integrity, and promoting a fair and inclusive work environment. Bulk Barn recognizes that all forms of modern slavery, including forced labour, illegal child labour and human trafficking are violations of human rights and are not to be tolerated in its operations or supply chain. We are committed to continuing to monitor and mitigate these risks in our business activities and supply chain. We expect all of our business partners and suppliers to share our commitment to respect human rights and to uphold the foregoing principles within their operations and supply chains.

Actions Taken in Previous Financial Year (2023)

As a Canadian retailer, Bulk Barn recognizes the complexity of the global supply chain and the challenges that exist in identifying and combating modern slavery. The fight against forced and child labour is a battle that must be fought on all fronts, with the support of the government, manufacturers, suppliers, and retailers. Bulk Barn is committed to upholding human rights and to working with our colleagues and business partners to identify and implement strategies to mitigate modern slavery within our business and supply chains. Supported by Executive Management, Bulk Barn embraced this initiative with the creation of a due diligence program overseen by our Merchandising Department.

The initial phase of our due diligence program was designed to understand our supply chain, assess the product and vendor information that was readily available, and to identify the number of potential items that could be considered higher risk for modern slavery. To achieve these goals, two new positions were created within our Merchandising Department to assist and oversee compliance and due diligence activities.

The accomplishments of the initial year of our due diligence program, include the following:

1. Completing a preliminary mapping exercise, identifying the main activities that Bulk Barn is involved in. These activities were identified as:
 - Procuring products for retail sale;
 - Procuring products for non-retail sale including supplies, fixtures and equipment;
 - Procuring services to support our corporate head office, distribution centre, and retail stores; and
 - Distributing retail products to franchised and corporate store locations.
2. Completing a supply chain mapping exercise for business partners/vendors with whom we have direct contracts/agreements. This mapping included vendors that provide merchandise which we sell to retail and wholesale consumers (referred to as “**tier 1 direct retail vendors**”), as well as vendors that provide products, supplies or services (i.e., brooms, signs, equipment, cleaning contractors and pest control contractors) used in the operation of our retail stores, corporate head office or distribution centre (referred to as “**tier 1 indirect retail vendors**”).
3. Conducting a review of our single ingredient merchandise sold as bulk product, including imported merchandise, that could be at risk of forced or child labour.
4. Creating and implementing a Third-Party Code of Conduct for Business Partners that includes, among other matters, our Human Rights and Labour Standard’s expectations of all our vendors and business partners.
5. Developing and launching a mandatory compliance training and awareness program that includes content on child labour, forced labour and modern slavery. This training was for a select group of employees whose job functions involved the procurement or transportation of retail products.

Structure, Activities and Supply Chains

Structure

COHL is a Canadian private company registered in the Province of Ontario. The sole business of COHL is holding all of the issued and outstanding shares of Bulk Barn. Bulk Barn is a wholly owned subsidiary of COHL.

Bulk Barn is a proudly Canadian privately held company, with registered corporate head office and distribution centre located in Aurora, Ontario. Established in 1982, Bulk Barn has successfully grown from one store to a chain of over 280 specialty bulk food stores, doing business in 10 provinces across Canada, all operating under the familiar brand name Bulk Barn®. Bulk Barn® stores are operated corporately by Bulk Barn and at some locations by licensed independent franchisee operators. Licensed independent franchisee operators are responsible for

the hiring, firing and management of their employees and are required to comply with applicable laws, including Human Rights and Employment Standards in the provinces in which they operate. Bulk Barn employs over 3,000 employees, employed throughout its corporate head office, distribution centre and retail stores.

Activities

Bulk Barn primarily operates in industries that would be described as the retail and wholesale trade. Bulk Barn's reportable activities include selling, distributing and importing goods into Canada. The Bulk Barn® chain of stores is supported by Bulk Barn's corporate head office which arranges for, among other matters, the purchase of merchandise sold at the retail stores as well as the transportation of merchandise to Bulk Barn® stores across Canada. Distribution to the retail stores is carried out from Bulk Barn's central distribution centre, located in Aurora, Ontario, or by direct delivery to stores by certain vendors.

Supply Chains

Bulk Barn provides Canadian consumers with the opportunity to purchase a variety of bulk and prepackaged food products and ingredients, pet food, natural health products, and consumer products directly from our chain of retail stores, or to purchase those products through third party e-commerce platforms (where available). Bulk Barn prides itself on creating a unique and exciting shopping experience, offering quality products and the flexibility to purchase as little or as much as a consumer may need.

Bulk Barn works with both domestic and international vendors, to supply consumers with a large and diverse selection of products. Ninety-nine percent of our tier 1 direct retail vendors are based in North America. Fifteen percent of our tier 1 direct retail vendors provide merchandise for which we are the importer of record (IOR), and the majority of these vendors are based in the United States. Similarly, ninety-nine percent of our tier 1 indirect retail vendors are based in North America. From this assessment we have determined that the risk of modern slavery for both our tier 1 direct retail vendors and tier 1 indirect retail vendors is low.

Policies, Procedures and Due Diligence Processes

Policies and procedures are the foundation of operational excellence in responsible procurement. With this in mind, Bulk Barn has integrated additional Human Rights requirements into its existing established vendor procurement program, including the following documents/policies:

Vendor Product Supply Terms

Our Vendor Product Supply Terms are an integral part of our established procurement procedures and are provided to all of Bulk Barn's new and existing vendors. The Vendor Product Supply Terms outline our compliance expectations of vendors, including responsible sourcing and the

requirements that: neither child labour nor forced labour be used in vendor supply chains; and that vendors maintain policies, practices, and procedures in relation to modern slavery.

By working with Bulk Barn, vendors accept our Vendor Product Supply Terms. All merchandise-related purchase orders reference our Vendor Product Supply Terms and link to our Vendor Portal where these terms can be accessed.

Third Party Code of Conduct for Business Partners

In fiscal 2023, Bulk Barn established a Third Party Code of Conduct for Business Partners. This document sets out our expectations of business partners concerning, among other matters, ethical conduct and compliance with law including Human Rights and Labour Standards. A copy of our Third Party Code of Conduct is available on the Bulk Barn Website: [Bulk Barn Third Party Code of Conduct for Business Partners](#). All of our business partners are expected to comply with these requirements. As of January 2024, this document has also been incorporated into our Vendor Product Supply Terms as a schedule.

Vendor Fair Trade Practices and Legal Compliance Policy Letter

Our vendor policy letter is provided to vendors, confirming their fair trade and responsible sourcing practices. The requirement for fair trade and responsible sourcing practices specifically includes having policies, practices, and processes to monitor conditions and implement standards to prevent the use of forced and child labour in vendor supply chains.

Human Rights Policy and Procedures

Bulk Barn's Human Rights Policy and Procedures, established in 2020, outline our commitment to providing an environment free of discrimination and harassment, in which all individuals are treated with respect and dignity and are able to contribute fully and have equal opportunities. Our policy applies at every level of the organization and to every aspect of the workplace environment and employment relationship, including recruitment, selection, promotion, transfers, training, salaries, benefits, and termination. It also covers rates of pay, overtime, hours of work, holidays, discipline, and performance evaluations. Our policy ensures all our employees have the right to freedom from harassment and discrimination. As part of this policy, training and education is provided to all employees.

Employees can report incidents and complaints of workplace violence and harassment including human rights issues to our Human Resources Department by confidential internal email, by telephone or in-person. Reporting and investigations are handled confidentially, and without negative consequence to the complainant for complaints made in good faith. Investigations are conducted and corrective actions are implemented where deemed necessary.

Bulk Barn's 2024 objectives concerning modern slavery procedures will be to build on our procurement procedures related to product and vendor risk assessments. We will work to develop a risk rating system for products from high-risk countries based, in each case, upon the

controls a vendor has implemented. We will also work to develop procedures to investigate supply chain related grievances, remediation procedures, and will determine how we will evaluate the effectiveness of our due diligence procedures.

Forced Labour and Child Labour Risks

Bulk Barn is committed to understanding and identifying the risks of forced and child labour within our business and supply chain. Like most retailers, our global supply chain is complex, providing various levels of product transparency.

Based on a high-level activity mapping exercise of our business activities and supply chains, we have determined that the inherent risk of modern slavery in our business operations and activities is low based on the following factors:

- All corporate head office and distribution centre employees are directly employed by Bulk Barn.
- Our Human Resources Department is involved in the hiring of staff for our corporately operated stores.
- Our Human Rights Policy and Procedures are applicable to all employees throughout the organization.
- There are long-standing business relationships with the main service providers for our corporate head office and distribution centre.
- Bulk Barn complies with provincial labour and employment standards in the jurisdictions in which it does business.

The activity identified as having a higher risk of modern slavery for our business is the procurement of agricultural commodities. Accordingly, this type of procurement activity was the focus of our risk assessment for the initial year of our due diligence program.

Utilizing the US Bureau of International Labor Affairs' Lists of Goods Produced by Child Labor or Forced Labor (referred to as the "**List**"), which identifies goods¹ and countries that are considered at risk for using child or forced labour, we conducted a review of our active single ingredient bulk merchandise, sourced domestically or imported, that could be at risk for forced or child labour.

We determined that approximately 30% of the merchandise in this category contained a risky good (as identified from the List) and could possibly be sourced from a country of risk. The remaining merchandise was identified as not being sourced from a country of risk; or the country of origin was not available.

¹ "goods" means goods, wares, articles, materials, items, supplies, and merchandise.

Our goals for 2024 will include: a validation of the country of origin of single ingredient bulk merchandise that contains a potentially risky good; to further explore the controls that each vendor of higher-risk merchandise has in place to address the risk of modern slavery, forced labour and child labour within their supply chains; and creation of a risk rating system based on the information that vendors can supply to support their modern slavery programs.

Remediation Measures

Bulk Barn is not aware of any situations where remediation actions were required.

Remediation of loss of income resulting from measures taken to eliminate the use of forced labour or child labour in the company's activities or supply chain

As noted above, Bulk Barn was not involved in any remediation, including remediation of loss of income in 2023.

Employee Training

In January 2024, Bulk Barn initiated its first annual mandatory child labour, forced labour and modern slavery awareness training program for employees who work on our procurement and supply chain teams. The content of the training, was intended to promote awareness of the new legislation, provide an explanation of key terms and definitions, examples of how modern slavery is used in the agricultural sector and examples of some of the riskiest imported goods.

Going forward, training will be held annually and will continue to elaborate on risks in the industry and ongoing developments in Bulk Barn's policies and procedures to identify, mitigate and reduce the risk of modern slavery in our business and supply chains.

Assessing Effectiveness of Our Strategies

The initial year of our program was designed to gather information to identify any potential high-risk merchandise and the country of origin of such merchandise. The objective of our second year will be to gather additional information from our vendors to create a risk-based rating system for higher-risk merchandise. These ratings will be based on the control measures our vendors employ to identify and mitigate modern slavery for their high-risk merchandise.

The measurement of our program's effectiveness will be based on annual objectives. For our second year, effectiveness will be based on gaining additional knowledge about how to prevent and reduce the risks of modern slavery through participation in industry group forums, webinars, consultations and educational programs, to help us to understand industry best practices, gain new insights on modern slavery risks and practical mitigation strategies. These strategies will be incorporated into our program, where applicable, and should further enable us to improve our program.

Thereafter, our program's effectiveness will be based on the risk rating of our vendors' modern slavery programs. Our aim will be to continuously improve the risk scores for our vendors of high-risk products.

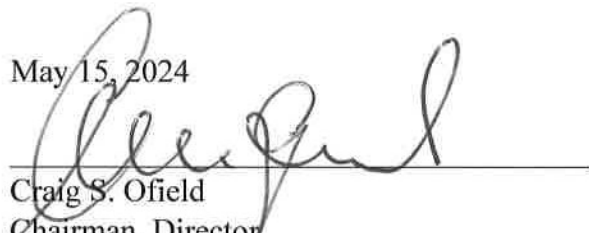
Approval and Attestation

The report was approved pursuant to paragraph 11(4)(a) of the Act by the sole director of Craig Ofield Holdings Ltd. and of Bulk Barn Foods Limited.

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 an officer and director of each of Craig Ofield Holdings Ltd. and of Bulk Barn Foods Limited, respectively, and not in my personal capacity.

May 15, 2024



Craig S. Ofield
Chairman, Director

I have the authority to bind Bulk Barn Foods Limited



Craig S. Ofield
President, CEO, Director

I have authority to bind Craig Ofield Holdings Ltd.