

BILL S-211 REPORT

**An Act to enact the Fighting Against Forced Labor and Child Labour in Supply
Chains Act and to amend the Customs Tariff**

For the fiscal year ended December 31, 2023

May 31, 2024

CLS Catering Services Ltd.

Introduction

CLS Catering Services Ltd. is a joint venture company owned by Airline Catering & Retail Invest Europe Africa Limited and Cathay Pacific Airways Limited. Airline Catering & Retail Invest Europe Africa Limited is a subsidiary of private equity firm Aurelius that owns LSG Group. LSG Group International (LSG Sky Chefs) is a global airline caterer and onboard retail provider within 49 countries and employing approximately 19,000 staff. CLS Catering Services Limited principal office is located in British Columbia with catering facilities located in Vancouver, Toronto, and Calgary. CLS's principal business activity is provision of in-flight catering services along with providing integrated service solutions.

Supply Chains

CLS procures both food ingredients and packaging for the production of airline meals, along with supplies and equipment required for operating its facilities. Materials are purchased either through a distributor or directly from the manufacturer. Key materials would be proteins, produce, and dry goods, along with packaging.

Policies

Corporate Responsibility

As indicated in our LSG Group Supplier Code of Conduct as it relates to Fighting against Forced Labor and Child Labor in Supply Chains:

We expect that our suppliers abide by the principles of the UN Global Compact and the fundamental principles of the International Labour Organization (ILO).

To this end, the supplier

- supports and respects the protection of internationally-proclaimed human rights in its own area of influence; ensures that it is not complicit in human rights abuses;
- upholds freedom of association and the effective recognition of the right to collective bargaining;
- is opposed to any form of forced and compulsory labour;
- is opposed to child labour;
- upholds the elimination of discrimination in respect of employment and occupation;
- ensure compliance with all applicable laws and regulations in the country where products or services are manufactured or delivered.

As indicated in LSG Group Code of Conduct as it relates to Fighting against Forced Labor and Child Labor in Supply Chains:

- Act in accordance with human rights, labor and social standards
- respect and uphold the dignity of our employees, customers, and business partners. In all our actions, we ensure that we act in accordance with human rights, the principles of the UN Global Compact, and recognized international labor and social standards. In particular, we reject child labor, forced labor, and exploitation of any kind.
- adhere to the right of free assembly, freedom of association, and collective bargaining, as well as the relevant regulations to ensure fair working conditions. Free choice of occupation, equal pay, and the right to rest and take regular paid vacations are firmly embedded in our company. It is important to us to promote and preserve the health and safety of our employees. We promote social security in our sphere of responsibility and respect the right to freedom of opinion and freedom of expression
- established ombudsman system to allow for the confidential submission of information regarding potential offences or violations of laws or rules applicable to our business

FORCED LABOUR AND CHILD LABOUR RISKS

We are assessing if any risk of forced and/or child labour exists in our supply chains and to better understand risk associated with country of origin of our materials and will continue with process in 2024.

REMEDIATION MEASURES

As indicated in our business code of conduct we have an ombudsman system that allows for the confidential submission of information regarding potential offences or violations of laws or rules applicable to our business.

TRAINING

The company provides mandatory training of LSG Compliance Guidelines & Policies, which includes Supplier Code of Conduct, Business Code of Conduct and how to confidentially report any concerns through ombudsman system.

ASSESSING EFFECTIVENESS

CLS is committed to ensuring that forced labour and child labour do not exist in our business and supply chain.

We continue to monitor the business and supply chain to identify if any forms of forced and child labour exist in our business and supply chain on an annual basis and address any issues accordingly.

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 CLS Catering Services Ltd. 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.

Date: May 31, 2024

A handwritten signature in blue ink is written over a solid black horizontal line. The signature is stylized and appears to be the initials 'LF'.

Luca Folin
Head of Canada Market
CLS Catering Services Ltd.
May 31, 2024
I have authority to bind CLS Catering Services Ltd.