



## **Annual Report for Financial Reporting Year 2023**

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## **1.0 Identifying Information about CapsCanada® Corporation and the Annual Report**

1. Reporting entity's legal name: CapsCanada® Corporation
2. Financial reporting year: 2023
3. Revised report: No
4. Business number: 888144912
5. Joint report: No
6. Reporting obligations in other jurisdictions: None
7. Entity categorization according to the Act: Federally incorporated entity doing business in Canada and meets size related thresholds
8. Sector/industry: Manufacturing
9. Location: 456 Silver Creek Industrial Drive, Tecumseh, Ontario

## **2.0 Description of the steps taken to prevent and reduce risks of forced labour and child labour, as per subsection 11(1)**

- 2.1 Conducted an internal assessment of the risks of forced labour and child labour in all raw material manufacturing sites.
- 2.2 Developed and implemented due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and child labour in the company's activities and supply chains.
- 2.3 Established requirement for the suppliers; a Supplier Code of Conduct which specifies CapsCanada®'s expectations for the suppliers has been developed and sent to suppliers of all raw materials.
- 2.4 Developed a Supplier Assessment Questionnaire for collecting information from raw material manufacturing sites with a high risk of having child or forced labor practices.
- 2.5 Developed and implemented training materials on forced labour and child labour.



### **3.0 Supplementary information addressing each of the seven requirements in subsection 11(3)**

#### **3.1 Structure, activities, and supply chains**

**3.1.1 Structure:** CapsCanada® Corporation is a federally incorporated company located in Tecumseh, Ontario.

**3.1.2 Activities:** CapsCanada® Corporation has been producing empty hard gelatin and vegetable capsules in multiple sizes and in a multitude of colours and printed designs and selling them in North America.

**3.1.3 Supply chains:** CapsCanada®'s supply chain includes sourcing of raw materials, combining the raw materials and manufacturing capsules, order fulfilment/sales and product delivery to the customer or to the third-party warehouses.

#### **3.2 Company's policies and its due diligence processes in relation to forced labour and child labour**

CapsCanada® Corporation established a policy and due diligence processes related to forced and child labour. The elements of the due diligence process include embedding responsible business practices into the management system, a questionnaire for the evaluation of child and forced labour risk in high-risk raw material manufacturing sites, and a standard operating procedure which provides details regarding the due diligence activities and the personnel responsible for them.

#### **3.3 The parts of the company's business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk**

A risk assessment was performed on the raw material manufacturing sites and results showed no manufacturing site with an elevated risk of forced or child labour. CapsCanada® will continue to identify risks in other parts of its supply chain.

#### **3.4 Measures taken to remediate any forced labour or child labour**

We have not identified any forced labour or child labour in our activities and supply chains.

#### **3.5 Measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in the entities activities and supply chains**



We have not identified any forced labour or child labour in our activities and supply chains; therefore, this sub-section is not applicable.

### **3.6 Training provided to employees on forced labour and child labour**

Human Resources department provides training on the policy regarding modern slavery which includes child and forced labour and this is mandatory for all employees. Quality Assurance Manager, Regulatory Affairs Manager, Controller (CTPAT and PIP Coordinator), Purchasing Clerk, Human Resources Manager, and General Manager are also trained on the standard operating procedure for meeting the requirements of the Modern Slavery Act.

### **3.7 Assessment of effectiveness in ensuring that forced labour and child labour are not being used in the entity's business and supply chains**

The standard operating procedure for meeting the requirements of the Modern Slavery Act is reviewed annually to assess its effectiveness and ensure it is relevant to the company's operations and current with regulatory requirements.



#### **4.0 Attestation**

In accordance with the requirements of the Modern Slavery Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity. 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.

Full name: Tom Breshamer

Title: General Manager

Date: *Mar 12, 2024*

Signature: *Tom Breshamer*

I have the authority to bind CapsCanada® Corporation.