

# FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

## CERMAQ CANADA LTD.

### REPORT FOR THE FISCAL YEAR ENDED MARCH 31, 2024

#### Introduction

This report by Cermaq Canada Ltd. (“**Cermaq Canada**”, “**we**” or “**us**”) is for the purpose of the *Fighting Against Forced Labour and Child Labour in Supply Chain Act* (the “**Act**”). The report, for the fiscal year ending March 31, 2024 (“**Fiscal 2023**”), sets out the steps taken to prevent and reduce the risks of child labour and forced labour in our operations and supply chains.

Cermaq Canada is committed to ensuring high standards related to the social and environmental impact of its business, including upholding human rights.

Cermaq Canada is a subsidiary of Cermaq Group AS, which holds other Cermaq subsidiaries operating in Norway and Chile. In this report, when referencing our policies and the steps taken to prevent and reduce the risks of child labour and forced labour in our supply chains, these may refer to policies or actions taken by Cermaq Canada itself or Cermaq Group AS which are applicable to Cermaq Canada.

#### Cermaq Canada’s Business and Supply Chain

Cermaq Canada is a leading salmon farming company, with operations in coastal British Columbia. Cermaq Canada produces one product: fresh, whole, farm-raised Atlantic salmon. Cermaq Canada exports salmon to the USA and Asia and sells within Canada.

Cermaq Canada has a head office in Campbell River, BC and employees on average 200 people. It operates land-based salmon hatcheries, a broodstock facility and marine-based salmon farms on Vancouver Island. It also has a sales office in Richmond, BC.

The most significant commodity in Cermaq Canada’s supply chain is salmon feed. Almost 100% of this product is sourced from Canadian feed mills, with a very small amount sourced from France and Norway.

Nets, services, and equipment are sourced from Canadian, US and offshore suppliers.

#### Steps Taken to Prevent and Reduce Risks in Fiscal 2023

The following steps have been taken to prevent and reduce the risk of child labour and forced labour in Cermaq Canada’s supply chains during Fiscal 2023:

- Continuing to implement anti-forced labour and anti-child labour standards and codes of conduct, including the Cermaq Supplier Code of Conduct, and the Cermaq Group Code of Conduct which includes whistle-blowing guidelines.
- Updating contractual terms and appendices to our standard contracts with suppliers, setting requirements for labour rights and respect for human rights.

- Requiring feed suppliers to certify to the Global Seafood Alliance's Best Aquaculture Practices (BAP) Feed Mill Standard. The BAP Feed Mill Standard includes indicators which must be complied with for certification. These indicators include prohibitions against forced and child labour, and indicators for wages and benefits, working hours, freedom of association and collective bargaining, and health and safety, among other things. The BAP Feed Mill Standard also requires third-party audits of the feed supplier facilities.
- Cermaq Canada has conducted a mapping exercise to identify country of origin for the finished goods and services that it purchases.
- From the mapping exercise, Cermaq Canada conducted an initial assessment to categorize the potential risk of child and forced labour for the countries of origin of the goods and services purchased.

## **Policies, Due Diligence Processes and Training**

### Code of Conduct

The Cermaq Group Code of Conduct describes our ethical norms and standards for corporate responsibility. Cermaq Canada is committed to conducting its business with integrity and all Cermaq Canada employees are expected to act in accordance with global professional standards in accordance with our company values. The Code of Conduct builds on our values and provides all our employees and other stakeholders a clear understanding of what we stand for and the way we do business.

As part of the Code of Conduct, Cermaq Canada is committed to respecting human rights and labour rights principles, including the elimination of all forms of forced and compulsory labour and the effective abolition of child labour.

Cermaq Canada is committed to good working conditions for all our employees. We also expect our suppliers to operate to responsible labour standards and have standard for ethics and corporate social responsibilities.

### Supplier Code of Conduct

The Cermaq Supplier Code of Conduct sets out minimum standards for all Cermaq Canada suppliers. Suppliers are expected to uphold the standards in the Supplier Code of Conduct and to request similar standards of their suppliers and contractors.

All suppliers are expected to support and respect the protection of human rights (including that no forms of forced labour or child labour occurs in their supply chains). Suppliers are also expected to uphold the human rights of workers including: freely chosen employment, freedom of association and the right to collective bargaining, no discrimination, no harsh or inhumane treatment, meet or exceed minimum wages in country of operation, and no excessive working hours.

Suppliers are expected to maintain appropriate records to demonstrate compliance and communicate the requirements of the Supplier Code of Conduct to workers, suppliers, and sub-

contractors. Suppliers also agree to provide access to their premises to verify compliance with the Supplier Code of Conduct.

Suppliers that are in breach of the Supplier Code of Conduct can be rejected as suppliers, disqualified from tenders, or have contracts terminated. Cermaq may also choose to work with suppliers to obtain improvements for non-compliance and may end the supplier relationship if the supplier cannot demonstrate progress and improvements.

All Purchase Orders refer to the Supplier Code of Conduct. Additionally, all new suppliers who provide critical goods or services to Cermaq are required to complete a Supplier Self-Assessment Questionnaire that requires them to sign off on having read and complying with the Supplier Code of Conduct.

### Training

On an annual basis, all Cermaq Canada employees are required to complete training and acknowledge the Cermaq Global Policy Compliance that includes Cermaq's Code of Conduct. This training addresses ethics broadly and isn't focused specifically on forced labour and child labour.

### **Forced Labour and Child Labour Risks**

Cermaq Canada, as part of the Cermaq group, has started the process of identifying risks of forced or child labour in our supply chains.

The risk of forced or child labour in our operations is considered low since Cermaq Canada only operates in British Columbia, Canada. There are no prominent risks with the aquaculture industry in British Columbia.

However, there is a greater risk for some of our suppliers who operate in other countries or have subcontractors or suppliers operating in countries associated with higher risks of forced labour or child labour.

Steps we have taken to address and manage supply chain risks includes the mapping and assessment exercise we have conducted, requiring our feed suppliers to certify to the Global Seafood Alliance's Best Aquaculture Practices (BAP) Feed Mill Standard and requiring new suppliers of critical goods and services to complete a Supplier Self-Assessment Questionnaire.

### **Remediation Measures**

There have been no reported instances of forced labour or child labour in our activities or supply chains. As a result, the issue of remediation measures for instances of forced or child labour or for loss of income to the most vulnerable families have not arisen. Nevertheless, we are committed to taking appropriate steps to address instances of forced labour or child labour if they were to arise.

## Assessing Effectiveness

Effectiveness of our programs is assessed by annual evaluation of actual and potential impacts on fundamental human rights and decent working conditions related to our business operations and supply chains. We also conduct risk-based reviews of large suppliers. Effectiveness is also assessed through the implementation of the Cermaq Group's whistle-blower guidelines.

This Report for Fiscal 2023 was approved and attested in accordance with subsection 11(4)(a) of the *Act* and subsection 11(5) of the *Act*.

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Steven Rafferty

Director, Cermaq Canada Ltd.

May 30, 2024

*I have the authority to bind Cermaq Canada Ltd.*