

Champion Petfoods Holding Inc.
Supply Chains Act Report
January 1 – December 31, 2023

I. Introduction

This report is submitted on behalf of Champion Petfoods Holding Inc. (“**Champion**”, “we”, “us”, or “our”) in accordance with Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) for the financial reporting period ending December 31, 2023.

II. Structure, Activities, and Supply Chain

Champion is headquartered in Edmonton, Alberta, and operates as an independent business unit within Mars Petcare, part of Mars, Incorporated.

We are an award-winning Canadian pet food manufacturer that has been crafting cat and dog foods since 1985. Our flagship brands, ORIEN™ and ACANA™, offer a diverse range of products to meet the needs of many cats and dogs in all life stages, including premium kibble, freeze-dried food and treats, biscuits, and wet food.

Together with our affiliates, Champion sells and exports finished products to over 90 countries, including in Europe, the Middle East, Africa, North America, South America, and Asia-Pacific.

A. Supply Chain

Champion and its affiliates manufacture dog and cat food from a combination of domestic and imported ingredients at Kitchens located in Alberta, Canada and Kentucky, US, as well as at co-manufacturing facilities in the United States and Thailand.

The world’s best recipes come from the world’s best ingredients. We select our ingredients based on their nutritional value, digestibility, and superior flavour.

We rely on our strong supplier network that enables us to source quality ingredients from around the world. Specifically, we collaborate with a specially curated group of leading farmers, ranchers, and fisheries from around the world to import raw materials used to manufacture our premium range of products. Our raw materials are then carefully processed at Champion’s state-of-the-art Kitchens.

In 2023, Champion imported ingredients, packaging materials, manufacturing equipment, and/or finished pet food into Canada from Australia, Chile, Denmark, France, Mexico, New Zealand, Norway, South Korea, Thailand, the United Kingdom, and the United States. Together with our affiliates, we then sell and export our finished products to over 90 countries, including in Europe, the Middle East, Africa, North America, South America, and Asia-Pacific

III. Policies and Due Diligence related to Forced Labour and Child Labour

Just as our pet lovers hold us to the highest standards, we require the highest standards of professional and ethical conduct from all our employees (Associates) and suppliers. Champion maintains various policies and controls to prevent the risk of forced labour or child labour being used in our facilities and supply chains, as further described below. We believe that everyone touched by our business should be treated with fairness, dignity, and respect.

A. Policies

1. Champion's Operations

Champion communicates our ethical standards through several internal policies, such as our Code of Conduct, which seek to ensure that our operations are free of forced labour and child labour.

Champion's Code of Conduct identifies our core values: Teamwork, Responsibility, Authenticity, Innovation, and Leadership. The code reflects our commitment to a culture of honesty, integrity, respect, and accountability. It outlines the basic principles and policies with which all Associates are expected to comply. It addresses our strict standards related to fostering a harassment- and discrimination-free workplace, and our commitments to ensuring the protection of Associates from injury or occupational illness.

Champion's Code of Conduct also expressly states that all Associates must respect and obey the laws of all jurisdictions in which we operate, to the extent those laws are applicable to their employment. All Associates must certify annually that they have read, understood, and will comply with these policies.

Ensuring our Associates are supported in their work is important to us. This is why each Champion Associate receives access to our Associate and Family Assistance Program which provides independent, confidential services related to legal advice, financial assistance and counselling, mental health, as well as family and parenting support.

As a result of our efforts, Champion has received a number of workplace awards, including *Best Managed Company* (2022), and *Alberta's Top 70 Employer* (2019-2022).

Champion is committed to ensuring that all forms of unlawful employment or exploitation of children are prohibited. This is why we have established a set of internal controls to ensure that our hiring practices are able to prevent the use of forced labour and child labour in our operations. For example, Champion does not hire individuals under the age of 18. All prospective candidates must undergo a background check (including both age and criminal history checks), education verification (where applicable), and employment verification. In circumstances where Champion uses an employment agency to hire staff, the agency must provide Champion with proof that it conducts equivalent checks.

2. Supplier Code of Conduct

Champion's Supplier Code of Conduct ("**Champion Supplier CoC**") communicates our expectations and standards to our suppliers. Following our acquisition by Mars, Incorporated in 2023, we began the process of implementing a variety of Mars' responsible workplace, human rights, ethics, and sustainability policies and procedures, including the Mars Supplier Code of Conduct ("**Mars Supplier CoC**"). At present, many of our suppliers are still bound to the Champion Supplier CoC, but on a rolling basis, we are transitioning our suppliers to the Mars Supplier CoC for consistency and updating our contracts accordingly.

Champion's suppliers are expected, at a minimum, to comply with applicable laws and regulations. If the applicable Supplier CoC establishes a higher standard than is required by law, Champion expects its suppliers to be guided by the higher standards set out in the relevant Supplier CoC.

We expect all our suppliers to communicate the standards and expectations set forth in the applicable Supplier CoC throughout their own supply chain.

a) Champion Supplier Code of Conduct

Prior to its acquisition by Mars, Incorporated, Champion maintained its own Supplier Code of Conduct, which remained in use throughout 2023 as we began implementing a variety of Mars' responsible workplace, human rights, ethics, and sustainability policies and procedures.

Champion's Supplier CoC communicates our core values and expectations to our suppliers. It applies to third parties that Champion does business with, including direct and indirect suppliers and vendors, co-manufacturers and co-packers, labour providers, logistics providers, distributors, licensees and consultants, as well as their parent, subsidiary or affiliate entities, and sub-contractors.

(1) Forced Labour

Champion does not tolerate any form of abusive or illegal labour in our supply chain such as forced labour or human trafficking. All forms of forced labour and human trafficking are prohibited, including any form of prison, slave, bonded or forced indentured labour. Under the Champion Supplier CoC, suppliers must ensure that:

- The recruitment, transportation, transfer, harboring, or receipt of persons, by means of threat or use of force, coercion, or other means, for the purpose of exploiting them is prohibited.
- In advance of employment, workers are provided accurate and understandable information about the basic terms of their employment clearly stating their rights and responsibilities as well as information on wages, hours, and holidays in a language that they understand.
- Workers are free to leave work and terminate their employment upon reasonable notice without penalty. Employers must not, directly or indirectly, retain any personal identification, travel documents or wages as conditions of employment.
- Job seekers and current employees are not charged or required to pay fees or deposits to gain or maintain their employment.
- Employees have the right to freedom of association including the right to collectively bargain, consistent with local laws.
- Employers are compliant with applicable wage and hour laws.

(2) Child Labour

Champion does not tolerate any form of child labour in our supply chain. We expect our suppliers to prevent child labour in their operations and encourage them to participate in industry efforts aimed at the elimination of such practices wherever they exist. We expect our suppliers to implement controls that:

- Verify the employment eligibility of their employees.
- Prohibit the use of, or benefit from, child labour in any way, including by refusing to use factories or subcontractors that use or benefit from child labour.
- Ensure that their hiring practices are consistent with the International Labour Organization (“ILO”) conventions.
- Ensure that any employment of workers under the age of 18 does not interfere with schooling or vocational education or expose children to risks that can harm physical, mental, or emotional development.

b) *Mars Supplier Code of Conduct*

The Mars Supplier CoC can be accessed online, in several languages, at the following link:
<https://www.mars.com/about/policies-and-practices/supplier-code-of-conduct>

The Mars Supplier CoC describes the human rights standards that tier-one suppliers are expected to uphold, including on child labour and forced labour. The policy prohibits the use of all forms of forced labour, including any form of prison, trafficked, indentured, or bonded labour.

With respect to forced labour, suppliers must ensure that:

- (a) All forms of forced labour are prohibited, including any form of prison, trafficked, indentured, or bonded labour.
- (b) Original personal identification and travel documents are not retained, and freedom of movement is not restricted.
- (c) Workers are not charged or required to pay fees or deposits to obtain or maintain employment. Pay is not withheld, and no conditions are present that constrain a worker's ability to freely choose employment.
- (d) Accurate and understandable information regarding the nature of work, compensation, work hours, and benefits is provided in writing in advance of employment.

With respect to child labour, suppliers must ensure that:

- (a) All forms of unlawful employment or exploitation of children are prohibited.
- (b) No individuals are hired under age 16 or under the legal age of work or compulsory schooling, whichever is higher (subject to exceptions recognized by the ILO).
- (c) Individuals under 18 years of age are not hired for positions that include hazardous work or that interfere with normal educational activities.
- (d) Where applicable, child protection measures are in place to ensure that children suffer no harm, exploitation, or abuse as a result of the activities of workers in the workplace or in employer-provided housing or transport.

c) *Mars Supplier Code of Conduct Guidebook*

We recognize that suppliers may need additional direction on how to implement Mars' Supplier Code of Conduct in their workplaces. This guidance is contained in the Supplier Code of Conduct Guidebook ("**Guidebook**"), which can be accessed online at the following link:
<https://www.mars.com/about/policies-and-practices/supplier-code-of-conduct>

The Guidebook provides guidance for suppliers, including good practice examples for developing management systems to identify, remediate and prevent forced labour, child labour, and other human rights risks.

For example, it includes a section on child labour due diligence that references the ILO-IOE Child Labour Guidance Tool for Business.

B. Due Diligence

In 2022, Champion began strengthening its third-party risk management practices in key areas, including supply chain integrity. This work continued throughout 2023, as further described below.

1. Supplier Due Diligence

Champion's strong network of suppliers enables us to source the best ingredients and materials for our products. Our commitment to trust and transparency has led us to implement a robust risk-based supplier vendor audit approval program and detailed ingredient traceability system.

For example, all new ingredient suppliers must complete an Ingredient and Supplier Development Questionnaire which requests information related to a suppliers' facility, quality management, food safety, and internal controls. Champion uses this information to assess whether a supplier meets our standards and expectations. Specifically, Champion audits its suppliers (either virtually or on-site) against its food safety and quality requirements to determine whether to qualify them as an approved supplier and do business with them. Champion is in the process of reviewing its tools to strengthen its ability to identify risks of forced labour or child labour in supplier operations.

2. Internal Counterparty Screening

In 2023, Champion began using third party platforms to conduct due diligence screening on certain potential and existing counterparties, including various participants in our supply chains, adopting a risk-based approach. These tools screen potential counterparties against international data and restricted party lists, including those relevant to forced labour such as sanctions issued under the US Department of the Treasury's Office of Foreign Assets Control's (OFAC) *Uyghur Human Rights Policy Act*, the US Department of Homeland Security UFLPA Entity List, and the US Customs and Border Protection (CBP) Withhold Release Orders and Forced Labor Findings. Suppliers were also subject to adverse media searches to assess reputational risk that may arise from negative media coverage.

3. External Audits

Champion is committed to developing and continuously improving its management of forced labour and child labour risks in its supply chain. As part of Champion's adoption of Mars' Next Generation Supplier program and Sustainable Sourcing programs, Champion is reviewing the past external audit records of shared suppliers. Certain suppliers deemed to be high-risk have

been subject to either Sedex audits, in accordance with the Sedex Members Ethical Trade Audit (“SMETA”) 4-pillar audit protocol, or EcoVadis assessments, or both. Champion is reviewing its approach to external audits as it continues to integrate its procedures with Mars Petcare.

SMETA is an ethical audit methodology that encompasses all aspects of responsible business practice. A SMETA 4-pillar audit covers labour, health, and safety standards, as well as environmental assessments and business ethics.

EcoVadis is an internationally recognized collaborative platform that allows companies to assess their social, environmental, and ethical performance. The EcoVadis score covers a broad range of management systems including environmental, labour and human rights, ethics, and sustainable procurement. Scores are based on evidence-based assessments, adapted to each company to account for the company’s size, location, and industry.

In 2024, Champion intends to continue working with its suppliers to address any issues discovered through its ongoing due diligence efforts. Champion is pleased to now be part of the Mars Petcare family of businesses. With this new ownership, Champion will be strongly committed to, and privy to, witnessing and learning how Mars promotes and advances its respect for human rights across its value chain.

While Champion is proud of its existing policies and practices, we are committed to doing even more in the years ahead to advance our commitment to human rights, and we look forward to adopting best practices from our new parent and other leaders in this crucial global movement.

C. Other Compliance Mechanisms

1. Reporting Ethics Concerns

Champion is fully committed to respecting human rights in its own operations and in its supply chain. A critical component to this commitment is encouraging the escalation of concerns about human rights issues related to Champion. Any Associate with a concern can raise it to Champion through Mars’ Ethics and Compliance reporting channels available at: <https://secure.ethicspoint.com/domain/media/en/gui/75477/index.html>

In 2023, Champion began adopting the Mars Ombudsman Program which is an independent and confidential resource available to all Champion Associates that can be used to report any workplace issues.

Champion’s Human Resources team also maintains a general HR inbox. Associates can submit any complaints related to workplace conduct to this central inbox.

2. External Grievance Mechanisms

Champion expects our suppliers to provide confidential reporting mechanisms to workers and other parties across their value chains that can be used to report concerns and violations related to any of our policies, such as the Mars Supplier CoC or Champion Supplier CoC.

In 2023, Champion's subscription continued to a third party ethics reporting tool available online at the following link: <https://clearviewconnects.com/#/>. The tool allowed individuals, including Associates and Champion's suppliers, to raise concerns or report unethical behaviour through secure and confidential means. It is monitored by an independent third-party and is available 24/7 in several languages. Champion also maintains an online form on our website which allows individuals to document and submit any concerns related to our company.

IV. Identifying Forced Labour and Child Labour Risks in Our Supply Chains

Champion recognizes that the agricultural sector and seafood industries carry risk of forced labour and child labour. We also recognize that there are human rights risks associated with operating in specific geographies or purchasing specific commodities and services. This is why we are committed to collaborating with our suppliers to better understand how they manage these risks and how they implement the expectations set forth in our supplier codes of conduct.

Champion also acknowledges that certain parts of its Associate population, such as hourly-wage workers, may be more vulnerable workers. Each hourly-wage Associate receives an individual agreement which explicitly outlines their wage rate, entitlement to standard annual increases, and, where applicable, their bonus. Champion's hourly-wage Associates also receive pay training to understand how their wage and pay increases are determined.

V. Measures Taken to Remediate Forced Labour or Child Labour or Loss of Income

Champion has not been made aware of any instances of forced or child labour in its operations or supply chains in 2023. Accordingly, during 2023, no measures were taken to remediate instances of forced labour or child labour, or remediate loss of income resulting from remediation measures.

VI. Training

In 2023, certain teams with particular responsibility for procurement or who have interactions with suppliers received training which addressed forced labour, including how to identify indicators of forced labour and examples of forced labour reported in the agricultural industry and in the consumer-packaged goods (CPG) manufacturing sector.

VII. Assessing Effectiveness of Forced Labour and Child Labour Policies and Due Diligence

At this point in the development of its compliance program, Champion does not assess the effectiveness of its various measures to address forced labour and child labour risks but intends to do so as its program evolves. Champion understands its processes must be continually evaluated for them to be further strengthened.

VIII. Attestation

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.

Full Name: Stacey Osborn

Title: President

Date: May 30, 2024

I have the authority to bind Champion Petfoods Holding Inc.