



2024 Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

Introduction

This report has been prepared by Chewters Chocolates (1992) Inc. (**Chewters Chocolates**) pursuant to the requirements under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the **Act**) for our financial year ending July 31, 2023.

Chewters Chocolates is dedicated to being a socially and environmentally responsible organization. We are developing, implementing, and continuously improving sustainable supply chain practices to protect the human rights of workers impacted by our operations and supply chains.

Organizational structure, activities, and supply chain

Chewters Chocolates is a privately-owned company founded in 1992. Our head office and manufacturing facility are in Delta, British Columbia. We manufacture chocolates for leading chocolate brands, distributors, wholesalers, and the hospitality industry, in Canada and outside of Canada. We have approximately 120 employees, including unionized workers. We occasionally employ temporary workers through reputable employment agencies licenced to operate in British Columbia.

As a food manufacturer, our facilities are subject to regular food inspection audits in accordance with Health Canada requirements. We have achieved Safe Quality Food (SQF) level 3 certification, which is granted to the safest food producers by the Safe Quality Food Institute. In 2023, we received certification under the Rainforest Alliance (RFA) Sustainable Agriculture Standard: Supply Chain Requirements, and the Fair for Life Certificate of Compliance by ECOCERT Environment SAS for fair trade and responsible supply chains.

Chewters Chocolate's supply chain consists of ingredients, packaging, and equipment used in our manufacturing facilities. We map the source of our ingredients to comply with Canadian food quality and safety standards. In this reporting year, we imported manufacturing equipment, parts, and supplies from Europe and the United States. We imported most of our ingredients and packaging from long term suppliers in the United States. We imported approximately one-third of our ingredients and raw materials from Belgium and a small percentage of ingredients were imported from other European countries and Asia.

Steps to prevent and reduce the risks of forced labour and child labour

In the reporting year, the steps taken by Chewters Chocolate to prevent and reduce the risks of forced labour or child labour in our operations and supply chain focused on continuing to comply with applicable safety, employment standards, and human rights laws in our Canadian manufacturing activities, vetting and auditing suppliers and mapping our products' supply chain to maintain food safety, quality, and industry food certifications. We also started reviewing our procurement practices and policies to obtain certification from the Rainforest Alliance and Fair for Life in October 2023.

Policies and due diligence processes

Chewters Chocolates is dedicated to being a socially and environmentally responsible organization. We have developed policies and processes to embed responsible business conduct in our operations and are

committed to continuously improving our approach to assessing the working conditions in our extended supply chains.

To address risks of forced labour and child labour in our operations:

- We have adopted policies and programs to assess safety hazards, including risks of violence or harassment of workers, and ensure compliance with employment standards, including minimum age requirements. Our employees work regular hours and are provided necessary breaks from work. Our employees are also entitled to leaves and benefits in accordance with applicable law, without discrimination, loss of seniority or deduction of wages.
- We occasionally hire temporary workers through licensed employment agencies in British Columbia. In late 2023, we requested and received written compliance confirmation from these agencies that they operate in accordance with applicable employment laws, including verification of workers' age and authorization to work in Canada.
- We have implemented a training and education program to ensure that our permanent, temporary employees and contractors receive training on safety and good manufacturing practices. Starting in late 2023, our quality assurance, human resources, supply chain, production supervisors, and warehouse employees receive training on RFA requirements related to sustainable agriculture, worker rights, and ethical supply chains.
- We encourage the reporting of any misconduct at the workplace through our Whistleblower Policy. We monitor grievances, complaints, or issues reported by our workers. We prohibit retaliation against any worker who submits a report.

To address risks in our supply chain:

- We procure our ingredients and packaging primarily from long-term suppliers through a centralized procurement process.
- During our supplier onboarding process and annual supplier audits, we require suppliers to provide information about the products they supply to us, their food safety program, food safety certificates, and audits by regulatory agencies and third parties. Although our supplier vetting processes did not expressly include questions relating to forced labour or child labour in the reporting year, these processes enabled Chewters Chocolates to assess risks in our supply chain by providing information about the working conditions of our suppliers' facilities and mapping the extended supply chain.
- In 2023, we obtained certification under the RFA Sustainable Agriculture Standard: Supply Chain Requirements and the Fair for Life Certificate of Compliance by ECOCERT Environment SAS for fair trade and responsible supply chains. This provides tools and assessments related to preventing child labour, forced labour, in our operations and supply chains, and for identifying and addressing those issues when they occur. Moving forward, our operations and supply chain will be subject to annual audits and internal assessments to maintain our certification in these programs and ensure that we are continuously improving our approach to assessing and preventing forced labour and child labour in our operations and supply chains.

Forced labour and child labour risk

Chewters Chocolates is aware that risks of child labour in the global food supply chain have been identified by government and non-governmental organizations, particularly for farm workers located in countries that are conflict-affected or have weak legal protections of workers. Our regular supplier vetting and audits, the location of our manufacturing facilities in Canada, and maintaining visibility of our supply chain reduce the risks of forced labour and child labour in our operations and supply chain.

Since 2023, we voluntarily participate in the RFA and Fair for Life certification programs to enable us to identify, monitor, and address any risks of forced labour and child labour in our supply chains. Moving forward, we will continue to review and monitor our approach to assessing risks to workers in the global food supply chain and are committed to continuous improvement of our risk assessment and due diligence processes.

Remediation measures and remediation of loss of income

Chewters Chocolate has systems in place to encourage reporting and monitor grievances, complaints, or issues reported by our workers in our operations. We do not tolerate any form of any form of retaliation against a complainant.

To date, Chewters Chocolate has not identified any incidents or received any report or complaints relating to forced labour or child labour in our operations or supply chain and, accordingly, has not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

Employee training

Our workers receive training in compliance with health and safety, employment, and human rights laws in British Columbia. In the reporting year, we did not develop training for employees that specifically addresses the risks of forced labour or child labour in our supply chains. Starting in 2024, our quality assurance, human resources, supply chain, production supervisors, and warehouse employees receive training on RFA requirements related to sustainable agriculture, worker rights, and ethical supply chains.

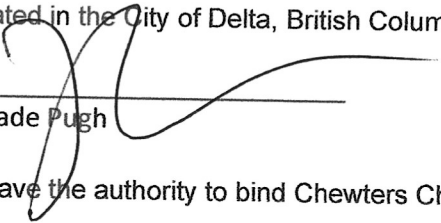
Assessing effectiveness

In the reporting year, we internally monitored workplace-related risks in our operations to comply with British Columbia employment, labour, human rights, and safety regulations. We also internally reviewed certifications and audits in our supply chain to comply with food safety and industrial certification requirements but did not develop programs to specifically assess our approach to preventing forced labour or child labour in our supply chains. Since 2023, Chewters Chocolate assesses effectiveness by voluntarily participating in the RFA and Fair for Life supply chain certification programs, which require regular external audits and internal self-assessments.

Approval and 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 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.

Dated in the City of Delta, British Columbia, this 30th day of May, 2024.



Wade Pugh

I have the authority to bind Chewters Chocolates (1992) Inc.