



2023 Modern Slavery Report

Mucci Farms

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Introduction

This document constitutes Cox Canada Acquireco ULC's (collectively "Mucci" , "we" "us" or "our") report ("Report") prepared by o pursuant to the Canadian *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") and sets out the steps that Mucci has taken and is continuing to take to combat forced and child labour in our business and supply chains. This is a joint Report made on behalf of Mucci and the entities listed in the table below. The Report covers activities for January 1, 2023 to December 31, 2023.

Mucci Reporting Entities	Principal Activities
Cox Canada Acquireco ULC	Parent company providing management services
Boem Berry Farms Ltd.	Greenhouse operations
Mucci Farms Ltd.	Greenhouse operations
Mucci International Marketing Inc.	Marketing, distribution services
Mucci Pac Ltd.	Manufacturing, packaging services

Our business and supply chain

Mucci is a leading vertically integrated greenhouse platform with farming, distribution, transportation and marketing operations based in Kingsville, Ontario. Mucci grows, sources, packages, markets and distributes non-GMO, greenhouse-grown produce, primarily consisting of tomatoes, peppers, cucumbers, lettuce, and strawberries to leading retailers across Canada and the United States. We are a pioneer in greenhouse innovation, with a history of integrating technology, growing techniques, and sustainable packaging.

Mucci employs over 1,500 employees across its Canadian locations. Almost 60% of these employees are our offshore workers who come to our farms and warehouses from a number of countries (e.g. Mexico, Jamaica, Honduras, Philippines and Guatemala) to provide us with labour to support our year-round production.

Our supply chains include the sourcing of raw materials to grow our produce, third-party sourced produce, packaging supplies, transportation and freight services, IT and telecommunications services, contract labour, greenhouse and equipment purchases, maintenance components and other materials and services to fulfill our business lifecycle.

Our Marketing business sources its produce from its own locally owned farms in Kingsville, Ontario and one in Huron, Ohio and also sources produce through a network of approximately 70 independent greenhouse growers in Canada, the US and Mexico, representing a total of 1,600 acres of greenhouse grown produce.

Our Farms source their raw materials including seeds, fertilizers, biologicals, pollination and growing media from a variety of suppliers. Seeds are supplied from Canadian and European suppliers; fertilizers, biologicals, and greenhouse supplies from Canadian suppliers; growing media (e.g. rockwool) from Canadian suppliers; and coco slabs are purchased from a European distributor that sources their materials

from Sri Lanka. Water for irrigation is sourced from the town water, while CO₂, natural gas, and electricity are purchased from local energy providers. Capital projects to build new greenhouse structures are supplied from various Canadian and a few European suppliers.

Our Distribution Center in Kingsville, Ontario procures packaging materials such as cardboard, corrugate, and plastic trays and bags from mainly Canadian vendors and one US vendor. These materials are used within all our own packing facilities and farms and sold to our grower partners who package produce in a finished good format.

Our Logistics group contracts with various external freight carriers to help manage the supply of products from our farms and grower network to the customer.

Policies

Mucci has several internal policies to support ethics and transparency in its core business. These include:

1. **Employee Handbook:** Mucci strives to have all employees treated in a fair and consistent manner. The employee handbook is designed as an overview of company policies and includes sections detailing the company's policy on human rights, discrimination, workplace violence as well as health and safety in the workplace.
2. **Human Rights Policy:** Mucci aims to foster a work environment that acknowledges and implements a strict human rights policy. Mucci respects and upholds the human rights of its employees, customers, suppliers and stakeholders as part of good business practice. This includes a requirement for no forced or child labour within its business and supply chain.
3. **Open Door Policy:** Mucci has an Open-Door Feedback Policy designed to encourage employees to communicate concerns, ideas, feedback or suggestions and provide the option of carrying concerns to the next higher level of management or human resources. This includes several confidential feedback channels such as a dedicated phone helpline and email address available to all employees.

Mucci reviews all policies and procedures on a regular basis and intend to continue to do so to reflect our commitment to compliance with relevant laws and regulations.

Due diligence processes

Mucci has developed several due diligence processes to support ethics and transparency in its core business. These include:

1. **Supplier Code of Conduct:** Mucci has drafted a Supplier Code of Conduct (SCoC) based on Canadian laws and regulations, as well as international conventions. The SCoC includes specific expectations for suppliers to maintain a commitment to no forced or child labour. Suppliers are expected to identify forced and child labour risks within their supply chain and adhere to the standards of social responsibility outlined in Mucci's Supplier Code of Conduct.
2. **Site Visits:** Mucci team members will periodically perform site visits with key suppliers to ensure product quality, food and safety standards as well as addressing forced and child labour risks occurring on-site.

3. **Audits:** Mucci and vendors throughout its supply chain undergo several audits related to labour conditions, including forced and child labour, over the course of normal business operations.
 - a. Service Canada audits and inspections are implemented for Mucci sites periodically to determine compliance with the *Immigration and Refugee Protection Act* (IRPA) as well as the Temporary Foreign Worker Program (TFWP).
 - b. Sedex Members Ethical Trade Audit (SMETA) protocol audits are periodically conducted for a portion of Mucci's suppliers. SMETA is a prescriptive audit procedure covering Health and Safety, Labour Standards (including criteria related to forced labour and human trafficking), Environment and Business Ethics.
 - c. Customer social responsibility audits are conducted on a randomized basis for Mucci suppliers. These apply to suppliers for Mucci's large customers, such as Loblaw Inc., Costco Canada Ltd., Costco USA, Metro and Walmart to ensure compliance with the customer's forced and child labour and human rights policies.
4. **Recruitment:** Mucci follows clear recruitment processes and procedures when onboarding new staff and workers. For temporary foreign workers, Mucci submits a Labour Market Impact Assessment (LMIA) in coordination with the federal government. Upon approval of the LMIA, recruiting agencies support Mucci in hiring foreign workers depending on the country. These agencies are expected to follow guidelines set out in the Foreign Agricultural Resource Management Services (F.A.R.M.S) handbook which also contains requirements under the Immigration and Refugee Protection Regulations (IRPR). The agencies also follow the terms of the contract approved by Service Canada during the LMIA process. F.A.R.M.S, along with the respective consulates will then facilitate the process of bringing the foreign worker into Canada before joining Mucci's team and operations. As part of the recruitment process, temporary foreign workers are made aware of human trafficking, forced labour and workplace safety protections in place for them under Canadian law.
5. **Capital projects due diligence:** Mucci also executes many capital projects to build the infrastructure required for our operations (i.e., greenhouses). Mucci's existing due diligence processes for capital project vendors are focused predominantly on quality and cost competitiveness. Discussions are underway to determine how best to incorporate evaluation of social responsibility elements into the vendor management process for capital projects, specifically related to forced and child labour.

Forced labour and child labour risks

In 2023, our actions included, but were not limited to the following steps:

- Consideration of the latest advice from government and horticulture industry associations on Modern Slavery risks and control measures
- Reviewing and considering the Act and related guidance,
- Consulting an external consultant to assist with the review, evaluation and enhancements to Mucci's policies and procedures

Operations

Mucci considers the risk of forced and child labour within its own operations to be low. This is because our employees are all based in Canada only, which has a low prevalence of forced and child labour¹, a low risk of vulnerability to forced and child labour and a strong government response to forced and child labour. Additionally, our internal human resource policies mentioned above are well designed to protect and safeguard the rights of our employees against forced and child labour.

Supply Chains

Mucci considers the risk of forced and child labour within our supply chains to be low given that the majority of the goods and services we purchased were from low-risk jurisdictions² (i.e. Canada and USA) and none of our direct third-party suppliers were identified as being high risk based on our review of the risk ratings of publicly available information.

We understand that certain regions we supply from, mainly our produce purchased from Mexican suppliers and certain growing media (i.e. coco slabs) purchased from a Canadian or European distributor sourced from Sri Lanka are at a higher risk of forced and child labour. Our policies and due diligence processes help us to mitigate the potentials risks to forced and child labour in our supply chain.

Remediation measures

Through our assessment of our operations and supply chains regarding the risk of forced and child labour being used, we did not identify any instances of forced and child labour. Accordingly, no steps were required to remediate forced and child labour, or the loss of income associated with remediation efforts.

Training

Mucci conducts Human Rights, Workplace Violence and Sexual Harassment training for our employees so that they understand our internal policies and to increase awareness of labour risks taking place within our supply chain.

All employees are also expected to complete onboarding training, of which the materials have been enhanced to raise awareness and competency regarding forced and child labour risks.

Assessing effectiveness

Currently, we monitor social responsibility audit results and date of last compliance for each supplier to understand compliance across our supplier base. Monitoring these results provides us with an initial understanding as to the effectiveness of the measures that Mucci, and our suppliers, have put in place to reduce the risks of forced and child labour.

¹ [World | The Global Slavery Index \(walkfree.org\)](https://www.walkfree.org/)

² [World | The Global Slavery Index \(walkfree.org\)](https://www.walkfree.org/)

Plans for 2024

Starting in 2024, we began a risk-assessment process by identifying top-spend vendors within each business unit and engaging with them directly to verify:

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- Date of last compliance with relevant audits (i.e., Service Canada, SMETA, customer social responsibility audits, etc.)
- Existing forced and child labour or modern slavery policies, and processes or procedures to mitigate risks of forced and child labour in their business and supply chains.

In the second half of 2024, we plan to undertake the following actions to further deepen and strengthen our work to combat forced and child labour in our business and supply chains:

- **Due Diligence:** Establish additional due diligence checks to affirm suppliers' commitment to combating forced and child labour risks, starting with suppliers identified as relatively higher risk of forced and child labour.
- **Risk Assessment:** Expand our supplier risk assessment to deepen our understanding of potential exposure to forced and child labour risks in our supply chain.
- **Measure Effectiveness:** Explore ways to measure effectiveness of current forced and child labour risk-mitigation measures.
- **Remediation:** Review appropriate remediation measures in response to potential incidents of forced or child labour in Mucci operations or broader supply chain
- **Training:** Evaluate effectiveness of current training materials and programs and update as appropriate

Approval and Attestation

This Report was approved by the Board of Directors of Cox Canada Acquireco ULC on behalf of itself and the reporting entities listed in this Report, pursuant to section 11(4)(b)(ii) of the Act.

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.



Umberto Mucci
Vice President/CEO
May 31, 2024

I have the authority to bind Cox Canada Acquireco ULC.