



CROSBY FOODS LIMITED

Crosby Foods Limited

Canada's Trusted Food Manufacturer, Since 1879

327 Rothesay Avenue, Saint John,

New Brunswick, Canada E2J 2C3

Telephone: 506-634-7515

Fax: 506-634-1724

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ANNUAL REPORT

Bill S-211

PURPOSE

This annual report for the 2023 financial reporting year has been created by Crosby Foods Limited (“Crosby Foods”) for the sole purpose of meeting its obligations and reporting requirements for entities pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the “Act”).

OUR COMMITMENT

Crosby Foods is committed to preventing and reducing the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere, including goods that Crosby Foods imports into Canada.

CATEGORIZATION, SECTOR, AND INDUSTRY

i) Crosby Foods is an entity under the Act

Crosby Foods is a Canadian business that is headquartered in Saint John, New Brunswick. In terms of the Act’s threshold requirements, Crosby Foods has at least \$20 million in assets for at least one of its two most recent financial years, and it has generated at least \$40 million in revenue for at least one of its two most recent financial years.

ii) Our Sector and Industry

Crosby Foods imports molasses and supplies retailers across Canada and the United States. It also is engaged in the product development, contract, and private label manufacturing of dry powder blends, dry sugar blends, and liquid blends.

Crosby Liquid Bulk Terminal forms part of Crosby Foods’ supply chain of manufacturers, co-manufacturers, and producers. Crosby Liquid also provides a range of services, including third-party storage, heating, blending, and vessel loading and offloading.

STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

i) Our Structure and Activities



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Crosby Foods is a corporation incorporated in the Province of New Brunswick. Its key activities are the manufacturing, wholesale trade, retail trade, and warehousing of food products for local consumers and world markets. The company is engaged in producing, selling, and distributing goods in and/or outside of Canada, as well as importing into Canada goods that are produced outside of the country.

ii) Our Supply Chain

Crosby Foods sources and procures raw materials from various approved vendors from around the world. Guatemala is the primary source and supply of the molasses used in the products that are manufactured and distributed by Crosby Foods. North American vendors are also used to supply raw ingredients and packaging components to the company's manufacturing facility in Saint John, New Brunswick. The finished goods produced by Crosby Foods are primarily distributed across Canada with less than 5% going to the United States.

iii) Steps Taken by Crosby Foods in 2023

Crosby Foods took the following steps in the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the company or of goods imported into Canada:

1. Mapping activities;
2. Mapping supply chains;
3. Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains;
4. Contracting an external assessment of risks of forced labour and/or child labour in the organization's activities and supply chains;
5. Developing and implementing due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains;
6. Developing and implementing child protection policies and processes;
7. Monitoring suppliers; and
8. Engaging with supply chain partners on the issue of addressing forced labour and/or child labour.



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During the reporting period, Crosby Foods conducted an internal review of its supply chain and engaged in mapping activities as to where the company's suppliers are located, how the supplied goods travel to the facility in Saint John, New Brunswick, where the goods are processed, and how they are distributed to customers.

Further, in April 2023, a team from Crosby Foods visited its sole supplier of molasses in Santa Lucia, Guatemala. The team monitored the molasses mill from which the company imports molasses and raw ingredients. In particular, the mill was monitored for the quality of its systems and for compliance with Crosby Foods' expectations of its suppliers' business practices.

As a proactive measure, Crosby Foods engaged a third party contractor to conduct a SMETA audit on June 19, 2023 at the Crosby Foods' facility in New Brunswick. The audit included a review of the company's compliance with all applicable labour standards, health and safety requirements, and environmental and business ethics. The scope of the audit included all workers at the site, including direct employees, agency workers, workers employed by service providers, and workers provided by other contractors. The audit resulted in Crosby Foods' taking additional proactive measures and introduced a Child Remediation Policy and Program.

POLICIES AND DUE DILIGENCE PROCESSES

i) Crosby Foods' Policies and Processes

Crosby Foods has due diligence processes in relation to forced and/or child labour, including embedding responsible business conduct into policies and management systems.

In 2023, Crosby Foods maintained several policies and processes to help identify and manage potential forced labour and child labour risks within the business and its supply chain, including:

1. A Policy and Procedure Manual which prohibits the employment of workers under the legal working age pursuant to New Brunswick's *Employment Standards Act*.
2. An Employee Orientation Manual which recognizes Crosby Foods' responsibility to safeguard the well-being and safety of children and vulnerable individuals who may come into contact with the business. Crosby Foods is committed to creating a safe environment that promotes the welfare and protection of all individuals, particularly children, from abuse and neglect. All Crosby Foods employees and volunteers must adhere to the company policies and must report any concerns to the appropriate authorities as mandated by local laws.



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3. A Whistleblowing Policy which sets out a safe and confidential method for employees to report observations or activities that may pose an immediate threat of harm to any individuals.
4. A Visitor/Contractor Policy for the New Brunswick facility which explicitly prohibits children under the age of sixteen (16) to be permitted in the operation areas unless approved by the plant manager.
5. A Child Remediation Policy that establishes a framework for identifying, responding to, reporting, and remediating any instances or risks of harm, neglect, or abuse of children in Crosby Foods' internal business practices. This policy applies to all employees, contractors, volunteers, and stakeholders involved in Crosby Foods' operations.

ii) Supplier Policies and Processes

Crosby Foods also relies upon the due diligence processes of its suppliers in relation to forced labour and child labour. In particular, the company that sources molasses on behalf of Crosby Foods has an ethical sourcing policy whereby suppliers are required to remediate any non-compliance with forced labour and/or child labour standards in a timely manner, and to undergo a corporate social responsibility compliance assessment upon request.

iii) Customer Policies and Processes

Crosby Foods is further supported by the policies and processes required by its customers to help identify and manage potential forced labour and child labour risks within the business and its supply chain. As such, Crosby Foods has undergone ethical sourcing audits required by customers and recently developed the aforementioned Child Remediation Policy. Additionally, Crosby Foods intends to incorporate due diligence assessment language into its supplier approval processes which are currently managed and audited under the Supplier Quality Approval program.

FORCED LABOUR AND CHILD LABOUR RISKS

Crosby Foods has started the process of identifying risks of forced labour and child labour. Given that the total supply chain includes raw materials and commodities from other countries, including Guatemala and China, Crosby Foods is aware that there may be higher risk of child labour and forced labour associated with certain regions, goods, and industries.

In the subsequent reporting year, Crosby Foods will be taking additional steps to identify and address forced labour and child labour risks in its activities and supply chains.



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REMEDIATION MEASURES

Although Crosby Foods has identified forced labour or child labour risks in its activities and supply chains, the company has not identified actual instances of forced or child labour. As such, the company has not undertaken any remediation measures.

REMEDIATION OF LOSS OF INCOME

Crosby Foods has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains.

TRAINING PROVIDED TO EMPLOYEES

In 2023, Crosby Foods provided mandatory training to its employees on the following policies and procedures relating to forced and/or child labour: Policy and Procedure Manual, Employee Orientation Manual, Whistleblowing Policy, Visitor/Contractor Policy, and Child Remediation Policy. This training is mandatory for all employees and is part of the onboarding process for new employees. In the subsequent reporting year, Crosby Foods plans on implementing additional training for all of its employees on forced labour and child labour.

ASSESSING EFFECTIVENESS

In 2023, Crosby Foods partnered with an external organization to conduct an ethical trade audit of the company's facility in New Brunswick. The audit included a review of Crosby Foods' compliance with all applicable labour standards, health and safety requirements, and environmental and business ethics. The audit resulted in the development and implementation of the aforementioned Child Remediation Policy.

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.



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IN WITNESS WHEREOF the authorized signing officer(s) of Crosby Foods Limited have executed this report as of the effective date of the signatures set out below.

SIGNED

May 23, 2024
Date

CROSBY FOODS LIMITED

Per:

Name: James Crosby

Title: Chief Executive Officer

I have authority to bind Crosby Foods Limited