



Dare Foods Limited

2023 Modern Slavery Report

May 31, 2024



About this Report

Report Introduction

Dare Foods Limited (“Dare Foods”, “Dare” or “the Company”) acknowledges that the issue of modern slavery, which includes forced labour and child labour, is a multifaceted problem that can manifest in various ways within global supply chains. As a longstanding Canadian, family-owned enterprise with a rich history spanning over 132 years, the Company upholds its steadfast commitment to the principles of integrity and ethical business practices. This dedication empowers the Company to consistently deliver delicious, quality products, that are continuously enhanced to align with the evolving demands and expectations of the Canadian market.

Report Scope

This Joint Modern Slavery Report is provided in relation to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) and related guidance from Public Safety Canada, for the reporting period of January 1, 2023, to December 31, 2023 (“2023 fiscal year”). The Report provides an overview of Dare Foods’ ongoing efforts to prevent and identify instances of modern slavery in its business operations and supply chain. It also highlights specific areas where the Company plans to enhance its reporting and risk management practices in the near future.

This Joint Report has been prepared by Dare Foods Limited as the main reporting entity and includes its affiliate, Dare Holdings Incorporated.

Steps Taken to Prevent and Reduce the Risks of Forced Labour and Child Labour

Dare Foods has initiated efforts to gain a deeper understanding of the risks associated with modern slavery in its operations and supply chains. Specifically, in the 2023 fiscal year, the Company developed a Supplier Code of Conduct to enhance its policies and due diligence processes with suppliers to address the risks of modern slavery. This Report outlines the actions taken by Dare Foods thus far and its planned initiatives for the upcoming year.

Structures, Activities and Supply Chains

Business Overview

Dare Foods is a private, family-owned portfolio of food brands headquartered in Cambridge, Ontario. The Dare “Made Better” promise guides everything the Company does and comes to life through its portfolio of brands including Bear Paws, Breton, REALFRUIT, Boulangerie Grissol, and Whippet.



Company History

Dare Foods has a rich history that spans more than 132 years, with roots established by Charles H. Doerr in 1889, through the opening of a small grocery store in Kitchener, Ontario, producing and selling cookies and candies. In 1945, the Company underwent a legal and family name change from "C.H. Doerr Company" to "Dare" and in the years following, has embarked on expanding its products and distribution network throughout all regions of Canada and the United States (US). The Company continues to innovate by launching nutritious snacks and new products under its brand.

Corporate Organizational Structure

Dare Holdings Incorporated is the Canadian based parent company of Dare Foods Limited (Canadian operating entity) and Dare Foods Incorporated (US operating entity). The US subsidiary, Dare Foods Incorporated is not subject to the reporting requirements under the Act.

Activities

Dare Foods is primarily engaged in the manufacturing and distribution of baked goods and snacks. The Company owns a total of eight manufacturing plants located throughout North America, with five plants situated in Canada and the remaining three plants situated in the US. Each of these plants produce a wide variety of products that cater to the preferences of North American and international consumers.

The Company distributes its products through various channels, including major retailers, grocery stores, and online platforms and has established strong partnerships with these distribution channels to ensure its products are readily available to consumers.

Supply Chain

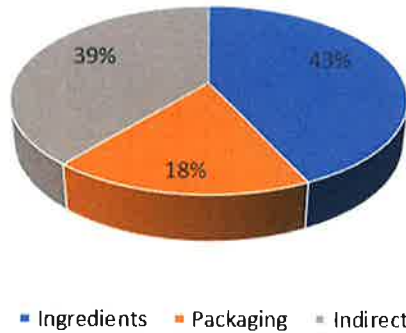
Effective 2023, Dare Foods has approximately 1,030 active suppliers on record. Most of its Tier 1 Suppliers (99%) are based in North America and the remaining 1% are located across Europe and Asia.

The Company's main procurement categories include food ingredients, packaging supplies and indirect products and services (capital equipment, maintenance suppliers, and corporate services) as indicated in Figure 1 below.

Figure 1



% of Spend



Values, Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour

Values

Dare’s values of *integrity, family, quality, innovation, and local mindset* have formed the foundation of its culture and approach to conducting business. These values are evident in the way that the Company interacts with its employees, customers, and suppliers.

Additionally, through the Company’s Sustainability Commitment, the “*Better Community*” Pillar of this Commitment highlights the Company’s dedication to fostering a culture and work environment that demands respect and integrity, keeps people safe, rewards excellence, champions diversity, and empowers everyone to learn and contribute their best. As part of this Pillar, the Company strives to be a positive and supportive member of the communities in which it operates. This includes a commitment to ensure the Company’s cocoa and chocolate are ethically produced without the use of forced or child labour.

Policies

In 2023, the Company established a **Supplier Code of Conduct Policy** to outline the expectations of its suppliers in upholding the Company’s values and commitment to sustainability. The Supplier Code of Conduct applies to all suppliers that produce products or services for Dare Foods. Suppliers are expected to operate in full compliance with all laws, rules and regulations of any governmental agency or authority of their respective countries, including those relating to labour, worker health and safety, and



the environment. The Policy clearly stipulates Dare Foods' zero tolerance for forced labour, the age requirement to avoid the use of child labour within its supply chain and the minimum legal requirements for working conditions and compensation for the jurisdiction in which the supplier is operating. In early 2024, Dare Foods communicated the Supplier Code of Conduct to all of its suppliers and required each of them to accept and agree to the terms as outlined in the Policy.

Additionally, Dare Foods has existing policies in place that address human rights matters as they relate to its employees. Although these policies do not currently specifically address forced labour and child labour concerns, they underscore the Company's commitment to comply with applicable laws and to foster a safe work environment that adheres to ethical practices and promotes respect for all individuals.

- **Employee Code of Conduct Policy:** This Policy guides the conduct of Dare Foods employees. It is based on the core value of integrity and addresses matters such as equal opportunity employment and discrimination, harassment and bullying, safety, conflicts of interest and confidentiality, environmental stewardship and whistleblowing. In specific reference to the matter of equal opportunity employment, the Company expects their employees to be assessed on their qualifications, efforts, and the quality of their work, whilst embracing the requirements of the human rights laws in the regions where the Company operates. Additionally, this Policy embodies Dare Foods' Whistleblowers Policy which describes how employees can raise concerns anonymously where they believe that there is non-compliance with the Employee Code of Conduct or any law, without fear of retaliation.
- **Human Rights Policy:** This Policy demonstrates Dare Foods' dedication to fostering an inclusive and equitable working environment for all employees, while respecting their freedom of speech and social relationships. The Policy ensures that Dare Foods maintain a work environment that is free from any form of discrimination and harassment, in accordance with legal requirements in all regions where the Company operates. Additionally, the Policy outlines a complaint procedure to address instances of discrimination or harassment, ensuring that the Company takes appropriate measures to cultivate a healthy work environment.
- Additionally, the policies noted below further demonstrate the Company's commitment to the health, safety and well-being of its employees. These policies include:
 - Accessibility and Accommodation Policy
 - Disconnection from Work Policy
 - Employee Wellbeing Program

All employees of Dare Foods are required to adhere to the above policies and uphold the Company's various commitments as outlined in these policies.



Due Diligence Processes

Dare Foods is dedicated to promoting transparency in its own business practices and its efforts to combat modern slavery within its supply chains. The Company expects its suppliers to maintain the same high standards as Dare Foods when conducting their own business operations. At Dare Foods, due diligence processes are in place to ensure that the Company exclusively engages with reputable and Safe Quality Food (SQF) certified suppliers.

- **Supplier On-boarding and Evaluation Procedures:** Currently, the Company's onboarding and evaluation process is focused on product quality. The Company provides new suppliers with a documentation package that includes its Supplier Code of Conduct and requires suppliers to provide information including their policies and procedures around product quality. Suppliers are required to update and sign-off on these documents at least every three years. To ensure compliance and to keep abreast of any updates, the Dare Foods' Quality team, in collaboration with the Procurement team, conducts supplier audits as part of their ongoing program.
- **Contractual provisions:** Presently, Dare Foods' contracts with suppliers do not incorporate any provisions pertaining to forced labour or child labour. However, the Company intends to revise its future supplier contracts in the near term to include clauses that prohibit the use of forced labour and child labour in the services and goods delivered to the Company. In addition, non-compliance or violations with the Supplier Code of Conduct may be grounds for termination of the business relationship with the supplier or require the implementation of a Corrective Action Plan.

Assessing the Risks of Modern Slavery in Dare Foods' Operations and Supply Chain

Dare Foods' present supplier onboarding and auditing procedures are designed to ensure that suppliers uphold high standards of quality, sustainability, and workplace values that align closely with Dare Foods' own values.

In 2024, the Company created and distributed a Modern Slavery Questionnaire to all of its suppliers to obtain a better understanding of its suppliers' current policies and practices with respect to the prevention and detection of modern slavery. The Company intends to review the responses of these Questionnaires in 2024 to gather insights into its supplier risk profile, which will further inform the development of a comprehensive strategy for identifying and mitigating modern slavery risks. Additionally, it will guide the establishment of supplier management and engagement procedures.

Components of the Business and Supply Chain that Carry a Risk of Forced Labour and Child Labour



Dare Foods' current supply chain primarily consists of Tier 1 Suppliers located in Canada and the US (99%). The remaining 1% comprises suppliers located in Europe and Asia. Upon assessing the country risk profile informed by the [Walk Free Global Slavery Index](#), it was determined that Dare Foods' overall risk is low as the majority of its suppliers are expected to adhere to the modern slavery and related labour legislation that has already been established in these regions.

Dare Foods plans to conduct a formal Risk Assessment in 2024 based upon the responses to its Modern Slavery Questionnaire and deeper assessment of its supply chain beyond its Tier 1 Suppliers. Using the outcomes of this Risk Assessment, Dare Foods will establish supplier engagement procedures specifically tailored to high-risk sectors.

Measures Taken to Remediate Forced Labour and Child Labour including Remediation of the Loss of Income to the Most Vulnerable Families

During the 2023 fiscal year, the Company did not identify any instances of forced labour or child labour in its operations or supply chains. Consequently, no remedial action has been necessary in the current year. However, Dare Foods recognizes the importance of continuous monitoring to ensure that risks related to modern slavery are effectively mitigated throughout its operations and supply chains. The Company is dedicated to conducting regular reviews of its risk assessments, ensuring that appropriate measures are implemented if the need arises in the future.

Training

Although Dare Foods did not offer formal training on modern slavery during the 2023 fiscal year, the Company intends to introduce awareness training on this issue in 2024. This training will be delivered to all employees. By implementing this training, Dare Foods aims to enhance the understanding of modern slavery risks and prevention strategies, especially among key personnel who play crucial roles in the Company's operations and decision-making processes.

Assessing Effectiveness

For the 2023 fiscal year, there were no actions taken by the Company to assess its effectiveness in preventing and reducing the risk of forced labour and child labour in the Company's supply chains. In future reports, Dare Foods aims to establish measurable key performance indicators (KPIs) to monitor its progress and effectiveness in the prevention and detection of modern slavery in its supply chains. The Company has already made a commitment to implement procedures by 2025 to ensure that its cocoa and chocolate are ethically produced without the use of modern slavery. The Company intends to develop KPIs to measure its progress towards meeting this goal.



Dare Foods Limited

Approval of Attestation

This Report was approved by the Dare Executive Committee.

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.

I have the authority to bind Dare Foods Limited.

A handwritten signature in blue ink, appearing to read "Peter Luik".

Peter Luik
President
May 31, 2024