



## **REPORT PURSUANT TO THE *FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT***

### **1. About this Report**

This report is made by Foodtastic Inc. (the “**Company**”) pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) and relates to the financial year running from November 1, 2022 to October 31, 2023 (the “**reporting period**”). References in this report to “Foodtastic”, “Company”, “we”, “our” and similar terms are to Foodtastic Inc.

### **2. Our Business and our Supply Chain**

Foodtastic, founded in 2016, is a franchisor of restaurant brands in Canada. Foodtastic is incorporated pursuant to the *Canada Business Corporations Act*, with our head office and our registered office located in Montreal, Quebec.

Foodtastic’s primary business is the franchising of restaurants, the operation of which is carried out by our franchisees. This business includes a diverse range of brands such as Freshii, Quesada, Second Cup, Pita Pit, Milestones, Fionn McCool's, Shoeless Joe's, Benny, La Belle et La Boeuf, Monza and others. Today, Foodtastic’s franchise networks are comprised of over 1,200 restaurants across all of its brands. In addition, Foodtastic also sells a limited selection of consumer packaged goods (CPG) products, consisting of prepacked food, to grocery retailers. Sale of CPG products comprises a significantly smaller portion of our business than the franchising of restaurants.

Foodtastic primarily arranges for the procurement of goods through distributors located in Canada. Such distributors procure goods from suppliers primarily based out of Canada and the United States of America, and subsequently sell and distribute such goods to our restaurant locations. These vendors are either located in Canada, or if located outside of Canada, are listed with our distributors and we therefore believe them to be subject to our distributors’ requirements, including our distributors’ vendor codes of conduct. Foodtastic also procures a portion of the goods through direct-to-store delivery vendors registered in Canada.

Our distributors consist of large, well-established, companies that maintain requirements relating to product sourcing and have established codes of conduct. Our understanding is that suppliers who wish to participate in the distribution network of these distributors are required to agree to such requirements and codes of conduct. In addition, we make efforts to select our suppliers based on their reliability and adherence to established industry standards. Many of our suppliers are reputable companies with robust policies and processes in place to ensure compliance with those industry standards, as well as local and international laws. The goal of this selection practice is to support a supply chain that operates efficiently and responsibly, minimizing risks and maximizing value for our stakeholders.

### **3. About Us and our Supply Chain**

As a leader in the Canadian restaurant industry, we understand that Canadian entities like Foodtastic, its suppliers, business partners and stakeholders can play a key role in the fight against forced labour and child labour. We recognize that forced labour and child labour can take different forms, including indentured servitude, human trafficking, forced labour, debt bondage, and the use of children for illicit purposes (collectively, “**Modern Slavery**”).

Foodtastic is committed to a responsible supply chain and to partnering with suppliers that share a commitment to doing business with integrity and by observing all human rights, in accordance with applicable laws. Foodtastic primarily aims to identify Modern Slavery risks and address those risks in our supply chain and operations through a process of continuous improvement and collaboration with all relevant suppliers and business partners across our operations.

### **4. Employee Handbook**

Although we have not yet implemented formal due diligence processes in our supply chains, we have begun embedding responsible business conduct into our policies and management systems. Namely, our Employee Handbook which permanent, temporary, full-time and part-time employees are subject to. The Employee Handbook outlines the importance of a positive and safe work environment and compliance with requirements regarding health and safety by providing provisions on working conditions, respect in the work place, health and safety, harassment and compliance with laws. In addition, the Employee Handbook includes a Code of Ethics promoting general workplace well-being by which all employees must abide.

Finally, the Employee Handbook contains a complaint mechanism applicable, mainly, to reporting and complaints on harassment incidents and providing measures to ensure that complainants and witnesses are protected from reprisal and any form of retaliation.

In addition to the measures described herein, we are currently contemplating the implementation of vendor policies that address ethical conduct, including those risks relating to Modern Slavery. While the Act encourages Canadian entities to assess and address Modern Slavery risks in their operations and supply chain, the Company is assessing how best practices can be effectively applied throughout the organization in the next financial year.

### **5. Risk Assessment**

We believe that the risk of forced and child labour within our supply chain is limited, given that we procure our goods from reputable distributors, reputable suppliers with robust policies, and local vendors. As a business acting primarily as a franchisor of restaurants, the principal supply chain risk with respect to Modern Slavery relates to farming / production of foodstuffs that are ultimately imported into Canada by our suppliers or their suppliers.

### **6. Acting on Identified Risks & Impact Assessment**

While we do not currently have policies and procedures in place to assess our effectiveness in ensuring that forced labour and child labour are not being used in our activities and supply chain, as we continue to deepen our understanding of human rights risks in our business activities and supply chain, we remain committed to reviewing and improving on our practices, including with respect to the fight against

forced labour or child labour. As our supplier and service agreements come up for renewal, Foodtastic will use commercially reasonable efforts to introduce protections against forced and child labour, to the extent that they do not already exist in such agreements.

To date, we have not received any reports or identified any specific instances of forced labor or child labor within our operations or supply chain. As a result, Foodtastic has not taken specific measures during the reporting period to remediate forced labour or child labour or loss of income in our activities and supply chains.

## **7. Employee Training**

Foodtastic aims to adopt robust policies and practices and ensure that they are clearly communicated to all employees, reinforcing our commitment to responsible business conduct and compliance with ethical standards. We have added provisions focused on forced and child labour, as well as human rights considerations, into all employee handbook and human resources policies.

## **8. Approval and attestation**

This report was approved by the Board of Directors of Foodtastic on May 30, 2024 pursuant to paragraph 11(4)(a) of the of Canada's Fighting Against Forced and Child Labour in Supply Chains Act (the "Act") on behalf of Foodtastic Inc.

(Signature page follows)

DocuSigned by:



D3B32D8D11074F4...

**Peter Mammis**

Director

Foodtastic Inc.

May 30, 2024

“I have the authority to bind Foodtastic Inc.”