

**Founders Group Holdings Inc.
Canada Modern Slavery Act Report
For the year ended 31 December 2023**

About this Statement

This is a joint statement of the steps Founders Group Holdings Inc. (“Founders”) has taken in an effort to ensure slavery and human trafficking are not taking place in our supply chain or business and covers Founders’ fiscal 2023, the period of 12 months ending on December 31, 2023. The following document serves as a statement complying with the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Founders has used the processes outlined in this statement during 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 entity or of goods imported into Canada by the entity.

The process of preparing this statement involved the participation of a wide range of internal stakeholders across many functions of Founders. For the purposes of the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act, this is a joint statement for the reporting entities, Founders Group Holdings Inc. and its wholly-owned subsidiaries (hereinafter referred to as “Founders”): Founders Group Inc., Walt’s Wholesale Meats, Inc., Armand Agra Inc., Presteve Group Inc., and Totally Chocolate LLC.

Reporting entities with business numbers are as follows:

Founders Group Holdings Inc. 726208416
Founders Group Inc. 706420528
Presteve Group Inc. 125924142
Presteve Inc. 731153946
Presteve Foods Limited 769139411
Saco Fisheries Limited 731142147
La Nassa Foods Inc. 731147740

All other entities included in Founders Group Holdings Inc. are not required reporting entities under the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Structure, Activities and Supply Chains

Founders is committed to respecting and upholding human rights, where teams are continuously focused on winning in the marketplace, developing the strength and scalability of themselves and their businesses, creating working lives that are more rewarding for all and making a positive impact on society. Founders is a corporation in Canada which conducts all of its operations through its wholly-owned subsidiaries. Founders markets, produces, manufactures, sells and distributes fresh and frozen meat and seafood, custom chocolate and dry food products to customers. These customers include restaurants, partner broadline distributors, eCommerce food businesses, institutional food distributors, grocery retailers and

individual consumers. Founders also has export sales to distributors in Asia, Europe and Latin America. Founders employs an average of 280 employees in Canada and 600 employees in the USA.

Founders is headquartered in Vancouver, Canada, and operates manufacturing facilities, sales, administration and warehouses in Canada and the USA across 11 locations.

We work primarily with suppliers in Canada and the USA. The principal raw materials we use are meat, fish, seafood, chocolate and biscuits. We also use cardboard, packaging materials, operating supplies and energy. A majority of these inputs are purchased from suppliers in Canada or the USA, where suppliers may import from other countries along their supply chains.

Policies and Due Diligence Processes

Founders completes a risk assessment of each subsidiary upon acquisition as part of our due diligence procedures, which includes risks in supply chain and labour. Ongoing risk assessments are conducted by management as needed. The Board of Directors provides oversight and receives regular updates from management teams on a monthly and quarterly basis which includes monitoring and approving strategies and policies relating to supply chain and labour.

We are committed to working with current and prospective suppliers to uphold ethical business practices. These policies include:

1. Governance Model – Founders' Governance Model is intended to outline expectations on compliance with relevant laws, regulations and binding agreements, guidance on shareholder and board interaction, financial reporting requirements and policy updates.
2. Employee Manual – Employee manuals provide guidance to all employees on expectations for employee conduct and compliance with relevant laws and regulations.
3. Country of origin review – Procurement teams use a series of questions that cover general administrative information as well as 3rd party audit certifications and other regulatory food safety standards as part of supplier and purchasing reviews.
4. Compliance with FDA, CFIA, and other regulatory food safety standards – This includes compliance with food safety and regulatory audits.
5. Standard terms and conditions of purchase – Used at Armand Agra. This is sent to suppliers each year, which prohibits human rights violations and requires attestation that the supplier complies with all human rights laws, including, without limitation, prohibitions on child labor, slavery, and human trafficking, in the countries in which it does business, and the producers or providers of any Ingredients comply with all human rights laws in the countries in which they do business.
6. Human Trafficking and Forced Child Labour Policy – Used at Presteve. Policy implemented to provide guidance and define acceptable practices around labour.

Forced Labour and Child Labour Risks

Founders has started the process of identifying risks, but there are still gaps in our assessment. Our initial risk assessment identified potential risks of forced labour and child labour relating to the following:

- Industries we operate in – vertically integrated fish harvester, processor and distributor which carries risk in fishing processing activities. This is managed through a Human Trafficking and Forced Child Labour Policy.
- Products it produces, purchases, or distributes – Meat, fish or seafood imported by suppliers in Canada or the USA which require fishing and seafood processing from tier three suppliers. Initial review of the suppliers and country of origin did not identify any issues.
- Products it sources / raw materials or commodities used in its supply chains – Chocolate purchased from suppliers in Canada or the USA contain cocoa that can be sourced from countries with higher risk of forced labour or child labour. Assessment of suppliers is completed as part of initial supplier due diligence. Key suppliers provide their internal policies and processes on managing the risk of forced labour.

We have not identified any forced labour or child labour in our activities and supply chains.

Remediation

Not applicable, we have not identified any forced labour or child labour in our activities and supply chains.

Remediation of loss of income

Not applicable, we have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

Training

The following programs are conducted for higher risk areas:


- Mandatory training at Presteve on their Human Trafficking, Forced and Child Labour Policy for all employees during onboarding.
- Purchasing team for chocolate requires suppliers to provide internal policies and processes.
- Purchasing teams for meat, fish and seafood require due diligence checks for new suppliers and country of origin reviews.

Assessing Effectiveness

Founders is committed to upholding responsible supply chains and recognizes the importance of continuous processes to identify and address any instances of forced and child labour throughout our businesses and their supply chains. We will assess the effectiveness of our existing approach by conducting internal reviews to assess strengths and opportunities. We will develop procurement practices to mitigate risks of forced and child labour, including expanding our supplier risk assessments to gain a deeper understanding of potential exposure, periodic supplier reviews and continued training.

Board 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 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.



Richard Harris
President & Board Director
29 May 2024

I have the authority to bind Founders Group Holdings Inc. and its wholly-owned subsidiaries.