



# Forced Labour and Child Labour in Supply Chains Report

Fiscal Year 2023

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## 1. ABOUT THIS REPORT

This joint report has been prepared in accordance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") by Freedom Pet Supplies Holdings Inc., covering its last financial year ending December 31, 2023.

The information provided in this report applies to Freedom Pet Supplies Holdings Inc. and its subsidiary Freedom Pet Supplies Inc. (collectively, "FPS", the "Company", "we", "our" or "us").

This report outlines the key actions taken by the Company within the last financial year to prevent and reduce the risk of forced labour or child labour in its business and supply chain.

## 2. OUR COMMITMENT

We are committed to respecting human rights. We view the protection of human rights as a fundamental corporate responsibility and have zero-tolerance for forced labour and child labour within our organization and our supply chains.

We strive to establish strong relationships with our employees, based on fairness, trust, and respect, and aim to create a work environment that is free from discrimination, harassment, and disrespectful behaviour. We are dedicated to providing equal opportunities for personal development, career growth, and ensuring healthy and safe working conditions for all employees.

## 3. PREVENTING AND REDUCING RISKS OF FORCED LABOUR AND CHILD LABOUR

During our last financial year, under the objective of preventing and reducing the risks of forced labour and child labour in our operations and supply chains, we continued to conduct our business responsibly, applying measures that are proportional to the relatively low human rights risks in our activities and supply chain.

Although we did not conduct comprehensive monitoring of all our suppliers, we have established an informal partnership with our suppliers ensuring that we have visibility on the identity of their manufacturing partners. This allows us to evaluate the level of risk such suppliers may represent as well as alignment with our core values, including the respect of labour

standards and human rights. We have also continued to nurture strong relationships with our business partners, which are built on mutual trust and ongoing collaboration.

This report provides a description of these practices, as well as an overview of some measures that we envisage, such as further training and the implementation of additional internal policies, understanding that these initiatives are constantly evolving.

#### **4. ABOUT US & OUR SUPPLY CHAIN**

FPS is a sales and marketing company that distributes quality pet food and supplies, in addition to providing transportation and warehousing services to ensure efficient delivery across major Canadian cities.

Headquartered in Ontario, Canada, the Company currently employs over 100 people. Our primary focus is on the Canadian market, where we sell and distribute products. We also import goods from foreign countries to supply our wholesale distribution.

The vast majority of our direct suppliers are located in Canada and the US. These suppliers account for approximately 97% of our purchases (about 54% in the US and 43% in Canada). We also have suppliers in foreign countries such as New Zealand and Singapore.

While we do not have complete visibility on all of our suppliers' sourcing, we are aware that our suppliers in Canada and the US predominantly source or produce their goods domestically. They also have sourcing or production in various other foreign countries, including China, Vietnam, Thailand, Germany, the Netherlands, Israel, Mexico, and India.

We mitigate our risks by fostering long-lasting relationships with well-established and renowned suppliers of the industry and we expect that all our suppliers conduct themselves in a manner that aligns with the standards contributing to FPS' respected reputation.

#### **5. POLICIES AND DUE DILIGENCE PROCESSES**

While we have not yet implemented our own policies and processes to prevent forced and child labour in our activities and supply chains, we are currently working on a plan to adopt policies and procedures to achieve targeted enhancements that will align with our risk profile and business operations. Once implemented, these policies and procedures will represent a milestone in our commitment to combat human rights abuses in our operations and supply chains.

In the meantime, we have continued to closely collaborate with our suppliers to maintain visibility on their activities and factories. While we have not conducted comprehensive monitoring of all our suppliers, we have implemented an informal partnership with our suppliers. Through this partnership, we ensure that we have knowledge of the identities of their manufacturing partners.

These efforts are part of our ongoing commitment to preventing and reducing the risks of forced labour and child labour.

Furthermore, to promote fairness, trust, and respect among our workforce, we have implemented an Employee Orientation Manual to create a work environment free from discrimination, harassment, and disrespectful behaviour. The Employee Orientation Manual establishes a shared responsibility among all individuals, including managers and employees, to uphold principles of respect, non-discrimination, and productivity, with a zero-tolerance policy towards any form of discrimination based on protected grounds.

Given that FPS has not identified any instances of forced labour or child labour in its activities and supply chains, no measures were taken to remediate such instances or to remediate the loss of income to the most vulnerable families that may result from measures taken to eliminate the use of forced labour and child labour.

In the event that any allegations of forced labour or child labour in our operations or supply chains are discovered, we will take them seriously and conduct an investigation as soon as possible to address any potential risks.

## **6. RISK ASSESSMENT**

Given that our direct suppliers are predominantly located in Canada and the United States, where labour standards are strictly enforced, we believe the risk that forced and child labour is used by our direct suppliers is generally low. Although we have not conducted a formal risk assessment process, we acknowledge that our direct suppliers operate their own factories and/or value chains which may extend to countries and regions potentially facing greater risk of forced labour and child labour, such as China, Vietnam, and Thailand.

Given that we have established long-standing business relationships with reputable suppliers in our industry, we are confident that cultivating these bounds can greatly enhance overall performance and risk management. That being said, we are committed to collaborating closely with our partners and suppliers to assess and address any risk of forced labour and child labour in our shared supply chains.

## **7. TRAINING AND CAPABILITY BUILDING**

During our last financial year, we did not provide formal training specifically addressing forced labour and child labour to our employees. However, in line with our ongoing commitment to enhancing awareness and fostering a culture of responsibility, we are currently in the process of implementing mandatory training sessions for select employees. As a result, we intend to provide training sessions in 2024 aimed at equipping our employees with the necessary knowledge and skills to identify indicators of forced labour and child labour within our operations and supply chains.

## **8. ASSESSING THE EFFECTIVENESS OF OUR APPROACH**

We remain fully committed to upholding our commitment to continuing to source products from our reputable and long-term business partners. While we acknowledge that the Company currently has no specific policies and procedures in place to assess the effectiveness of measures against forced and child labour, we believe that by fostering transparency from our suppliers and establishing responsible business relationships with them, we contribute to promote ethical practices throughout our supply chain.

## **9. APPROVAL AND ATTESTATION**

This report was approved by the Board of Directors of Freedom Pet Supplies Holdings Inc. on May 28, 2024, pursuant to subparagraph 11(4)(b)(ii) of the Act and constitutes the joint report for the entities listed in the first section of this report for the financial year ending December 31, 2023.

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 entities listed in the first section of this report. 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 indicated above.

I have the authority to bind Freedom Pet Supplies Holdings Inc.

(Signed) Domenic Mancini

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Full name: Domenic Mancini

Title: Director

Date: May 28, 2024