

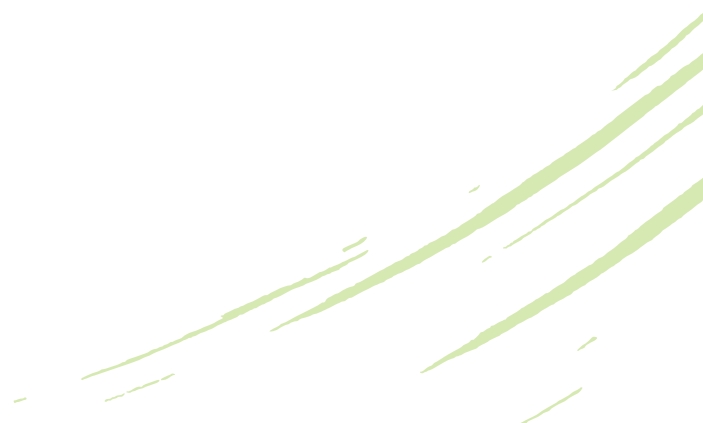


# Child and Forced Labour Report

May 1, 2024

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# Executive Summary

**At HelloFresh, our mission is to change the way people eat forever.**

As our customer base, geographic coverage and product offering expands, so too does our supply chain, adding to the vast number of individuals that play an important role in delivering fresh and healthy ingredients to millions of households in a safe and convenient way. We understand that our mission must never come at the cost of the safety, security and fair compensation for the work of anyone involved in our business or supply chain.

We know how important it is to understand all aspects of our business operations and supply chain so that we can detect, assess and remediate any risks of child and forced labour practices at any level of our supply chain. We acknowledge that across a vast supply network that is continually growing, and involves suppliers from a wide variety of industries, the risk of child and forced labour practices occurring within some part of our supply chain does exist, and we must be diligent and proactive to develop open and transparent relationships with all our suppliers, in order to minimize this risk to the greatest extent that we can.

This report outlines the actions taken to assess and address child and forced labour risks in our business operations and supply chain.

# Introduction

Grocery Delivery E-Services Canada Inc. (“**HelloFresh Canada**”) is a company incorporated in Canada. Our registered office is located in Toronto, Ontario. HelloFresh Canada forms a part of the HelloFresh group of companies worldwide, and is a wholly-owned subsidiary of its German parent company, HelloFresh SE.

This report given pursuant to Section 11 (3) of the Fighting Against Forced and Child Labour in Supply Chains Act (the “**Act**”) and covers the activities of HelloFresh Canada for the year January 1st 2023 to December 31st 2023.

This statement has been approved by the Directors of HelloFresh Canada.

HelloFresh Canada strongly supports the objectives of the Act . As part of our mission to embed the values of sustainability, ethical behaviour, strong governance and transparent oversight in all of our business practices, we are committed to addressing and striving to eliminate the risk of child labour and forced labour in our business and throughout our supply chain.

# Our Structure, Activities, Operations & Supply Chain

## Operating in Canada since 2016, HelloFresh is the leading provider of home-delivered meal kits to consumers nationwide.

In collaboration with our extensive network of suppliers, we source ingredients and packaging materials, and provide customers with pre-portioned ingredients and pre-cooked meals as part of a wide variety of carefully curated recipes for Canadians to enjoy at home.

As part of our commitment to providing the highest quality product offering for our customers, HelloFresh Canada has made significant investments in establishing the business processes and operational infrastructure to facilitate our growth and expansion. This includes a workforce of over 900 employees across Canada, the operation of distribution centres in Edmonton, Abbotsford, Brampton and Mississauga, our head office in Toronto, our vehicle fleet hubs, a fully integrated distribution and logistics chain, and a robust technology platform to facilitate our evolving operations.

## Operations

Our meal-kit and ready-to-eat operations revolve around the fulfillment and delivery of weekly meal box subscriptions for our customers, entailing a weekly cycle involving the procurement of various bulk, pre-portioned, pre-cooked, and pre-packaged meals and ingredients. Our operations also involve the procurement of packaging, insulation, and ice-pack materials to keep our food fresh throughout the delivery process.

The delivery and storage of inbound materials is coordinated at our distribution centres to facilitate the pick-and-pack and sorting process before our products are distributed to customers through a network of HelloFleet service or delivery providers.

The fast moving nature of our product offering means that we rely on building and maintaining strong and mutually beneficial supplier relationships. This includes streamlined coordination with our suppliers across various stages of the supply chain. Not only does this ensure that our production and distribution process goes smoothly, but it also allows us to prioritize partnerships that closely uphold labour, quality, safety, and sustainability standards, both globally and nationally.

Our business model diverges from the conventional operations of traditional grocery or food retailers and allows us to place heavy reliance on our supplier's ability to adapt flexibly to our operational requirements.

## Supply Chain

We work with a vast array of suppliers to facilitate our operations, and these can be broadly categorized into Upstream, Downstream or Indirect suppliers.

### Upstream Suppliers

Upstream Suppliers are those who supply our ready-to-eat and meal-kit businesses with raw materials and pre-production goods for further input, packing, preparation, processing and delivery. These include suppliers of the following categories:

- Meats & Other Proteins
- Fruits & Vegetables
- Bakery items
- Spices, Sauces and Condiments
- Packaging Materials (i.e. boxes)
- Recipe Cards & Other in-box materials
- Inbound Freight Providers

### Downstream Suppliers

Downstream Suppliers are those who provide inputs into our products from when they are received by HelloFresh Canada through to the end-delivery to our customers. Downstream suppliers include:

- Logistics and Outbound Freight Providers
- Third-Party Labour Providers
- Equipment & Maintenance Providers
- Utility Providers

### Indirect Suppliers

Indirect Suppliers are those who do not directly contribute to the fulfillment of our orders, but are necessary to the operation of a certain function of the business, or provide ancillary support to the business. Indirect Suppliers include:

- Cleaning & Pest Control Providers
- IT Providers
- Various Tech & Software Suppliers
- Insurance Providers
- Consultants, Advisers and Professional Consultants
- Property Development and Leasing Providers
- Suppliers of Marketing Services
- Utility Providers

**“At HelloFresh, we are committed to treating all people with dignity and respect.”**

# Policies Relating to Forced Labour and Child Labour

We have implemented different policies addressing child and forced labour in our own operations and supply chains. The following section describes these policies.

## Ethical Trading Policy

In 2022, updates were made to our Ethical Trading Policy to provide clearer standards to our suppliers with respect to human and labour rights, including child and forced labour practices. The Ethical Trading Policy outlines HelloFresh Canada's expectations of all of our suppliers. It also grants our business the ability to monitor, visit and audit suppliers and engage in corrective actions or escalation in necessary circumstances.

In 2023, we embedded the Ethical Trading Policy into our supplier onboarding and operating processes. As a further measure, we added a contractual clause in our Master Services Agreement ("MSA") that legally binds HelloFresh Canada suppliers to abide by our Ethical Trading Policy. Our Ethical Standards have been reflected in HelloFresh Canada's standard terms with our suppliers.

The overall objective of our Ethical Trading Policy is to ensure that every business engaged in an agreement for the supply of goods or services to HelloFresh Canada acknowledges the policy, signs a legally binding agreement, and complies with the policy on a continuous basis. Our Food Safety and Quality Assurance team and our Procurement team also conduct regular site visits to assess our suppliers in regards to food safety & quality. This includes ensuring our suppliers comply with the Canadian Food Inspection

Agency ("CFIA") regulations and meet business standards. As part of these supplier visits, we ensure our teams are aware of our policy to report a breach of ethics whenever it is observed.

### The new Ethical Trading Policy contractual terms provide us with the ability to:

- Require suppliers to provide HelloFresh Canada with the appropriate documentation and evidence of controls with respect to Ethical Trading Policy conformance;
- Require suppliers to register with the SEDEX (Supplier Ethical Data Exchange) platform, one of the world's largest data platforms for supply chain assessment and sustainable supply chain solutions, for the purpose of verification, data collection and monitoring;
- Carry out our own inspection at suppliers' premises or commission a third party to conduct an external audit of the premises or operations of a supplier; and
- Require suppliers to participate in relevant training relating to HelloFresh ethical standards.

The Ethical Trading Policy is supplemented by HelloFresh Canada's existing policy and corporate governance framework, including its global employee Code of Ethics, outlining values and expectations of every HelloFresh employee. This includes the expectations to not only act in a sustainable and ethical way in line with HelloFresh's values, but to also report instances of non-compliance with the Ethical Trading Policy and Code of Ethics by any HelloFresh Canada employee or

## Code of Ethics

Our Code of Ethics sets out our ethical standards as well as our expectations towards our employees to uphold our values and act sustainably - for our planet, our people, our community and our business. This code of conduct, which is binding for all of our employees, also clarifies how we expect every employee to help us protect human and environmental rights and sensitizes our employees that we are not tolerating any form of child labour or forced labor.

We expect everyone, at every level of our organization, to take an active part in upholding these ethical standards.

## Human Rights Statement

Our Human Rights Statement describes our strategy to meet our responsibility to protect human rights in our own operations and our supply chain.

## Due Diligence Processes

In connection with the HelloFresh Group's preparation for compliance with the German Supply Chain Due Diligence Act (which took effect on 1 January 2023), we have developed a comprehensive human rights strategy. Our human rights strategy includes measures to promote human and environmental rights, to identify risks to protect rights at an early stage, to minimize these risks through relevant and appropriate preventive measures, and to take corrective action in the case of violations. Our strategy is informed by international frameworks and guidelines and covers the following topics:

- Our requirements for ourselves and our partners
- Risk Analysis and Risk Management
- Our Prevention Programme
- Our Complaints Procedure
- How we deal with violations of human and environmental rights
- Monitoring & Continuous Development
- Documentation & Reporting

Please see the next section for more detailed information about how we assess and manage risks within our business operations and along our supply chain.



# Measures to Assess & Measure Risks in our Operations

## Own Operations

### Risk Assessment - Own Operations

In 2023, we conducted a risk assessment based on inherent country and sector risk data from SEDEX, a leading platform for responsible sourcing. This enabled us to identify potential human rights risks associated with our business activities. The results of this risk assessment are the basis for the development and implementation of preventive measures to address relevant risks.

### Risk Prevention & Management - Own Operations

To effectively manage and prevent risks associated with child and forced labor, we have established measures within our workforce, covering both direct hires and agency workers. During onboarding, protocols are implemented for direct hires to verify legal documentation and entitlement to work in Canada. This includes thorough checks on documents such as contracts of employment, driver's licenses, and work permits. Contracts are validated using digital signing platforms like DocuSign, and all necessary documentation is uploaded to our Workday Human Resources Information System. Moreover, direct hires must provide direct deposit information for payroll and attend in-person onboarding sessions for essential training and documentation confirmation.

Our Human Resources recruitment framework ensures compliance with the Provincial Employment Standards. Regular independent reviews and audits are conducted to ensure transparency and adherence to Canadian legislation governing

employment, including Employment Standards legislation, the Human Rights Act, Labour Relations codes, and Occupational Health and Safety legislation.

In the case of agency workers, our partners are mandated to adhere to our Ethical Trading Policy, with clauses enforcing compliance with Canadian legislation embedded within their contracts.

Effective communication is prioritized for both direct hires and agency workers, with information provided in various languages spoken by our staff. This includes town hall meetings and posters with QR codes for direct communication with our People Team. Controls are maintained for workforce engagement in product fulfillment, whether workers are directly employed or engaged through third-party labor providers. We are committed to continually enhancing controls over our third-party workforce to uphold our standards and effectively mitigate risks.

## Supply Chain

### Risks Assessment - Tier 1 Suppliers

We started with an initial risk assessment involving our Tier 1 suppliers. This process enabled us to pinpoint supplier groups with heightened ethical risks using inherent risk data. Subject matter experts then evaluated suppliers within these identified risk sectors to prioritize them for further action based on criteria like our influence, country of origin, and annual expenditure. Following this prioritization, we conducted more detailed risk assessments for the selected suppliers, as outlined below.

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## Risk Prevention & Management - Tier 1 Suppliers

As described in the overview of our supply chain, due to the level of integration and coordination required from many of our suppliers, HelloFresh Canada has strong and transparent relationships with our supplier network. As part of assessing supplier suitability from operational, safety or quality perspectives, we generally gain strong insights into their facilities and operating models. Please find how we are managing and preventing risks of forced and child labour with our suppliers.

### 1 Ethical Trading Policy Clause within our Master Services Agreement

As mentioned previously, we have integrated the updated version of our Ethical Trading Policy into our contractual Master Service Agreements with our suppliers. From 2023 onwards, all new suppliers must provide contractual assurances to comply with our Ethical Trading Policy before doing business with HelloFresh Canada. This helps manage child and forced labour risks as it builds a legal obligation to abide by our ethical standards.

### 2 Supplier Ethical Data Exchange (SEDEX)

As a further measure, all HelloFresh Canada suppliers in identified risk sectors are required to become a member of SEDEX. SEDEX helps companies manage risks by providing them with information to better understand their supply chain. This information includes: supplier locations and high level risks by severity and likelihood.

As part of SEDEX, our suppliers in identified risk sectors are also obligated to complete the Self Assessment Questionnaire (“SAQ”). The SAQ asks suppliers to share information regarding their ethical practices by completing a comprehensive set of questions related to Labour, Health & Safety, Environment, and Business Ethics. HelloFresh has contractual authority to address specific concerns raised by this survey, which uses an algorithm to flag potential risks within the responses. Compliance with this requirement is being monitored regularly.

### 3 Audits

Based on the conducted SAQ risk assessment, High Risk suppliers will be subject to Preventive Action and/or Corrective Action Programs, which could include:

- SMETA Supplier Audits and / or Visits
- Supplier Undertaking and Commitments
- Supplier executive declarations with respect to labour practices
- Supplier trainings
- Corrective and preventive action plans

### 4 Grievance Tools

HelloFresh maintains a Global Whistleblowing System including a tool which internal or external stakeholders can use to report suspected breaches of HelloFresh Canada policies by an Employee or Supplier anonymously (if preferred), including its Code of Ethics or Ethical Trading Policy.

### Measure to Remediate any forced / child labour risks in our operations

In the last financial year, we haven't identified any incident of forced or child labour risks to remedy. We therefore did not need to take any measures to remediate an incident of forced or child labour. Any potential violations reported through our whistleblowing system, audits or other channels, are assessed and appropriate preventive or corrective actions are initiated where necessary.

# Training Provided to Employees on Forced Labour and Child Labour

In 2023, we implemented an Ethical Training Strategy. This strategy included the following actions:

## **Ethical Trading Policy:**

One of our key priorities for 2023 was to further roll out supplier sign-off of our updated Ethical Trading Policy with a focus on those supplier groups that were identified to have an elevated risk .

## **Human Rights Statement:**

In 2023, we published our very first Human Rights Statement. This statement describes our strategy to meet our responsibility to protect human rights and the environment in our own operations and supply chains.

## **Internal training:**

We have rolled out Ethical Trade e-learning modules internally to our procurement, sustainability, food safety and quality staff, legal, human resources, local distribution centre management teams and senior management. This interactive training consisted of three modules on our human rights strategy, ethical trading standards and how to uphold human rights in your day-to-day work. The completeness of this training is being monitored and tracked.

**“ We will continue to dedicate resources where the risks of Child Labour, Forced Labour, and Modern Slavery practices exist. ”**

# Assessing the Effectiveness of Action Taken by HelloFresh to Address Risks of Forced and Child Labour Practices

The enhancement of HelloFresh SE's Ethical Trading Program is an effective measure at addressing the risk of child labour and forced labour within our supply chain, as it provides for explicit and legally binding commitments from suppliers, and equips HelloFresh Canada with the authority to assess and investigate any risks, and to take preventative or corrective action where appropriate. The expansion of relevant commitments in HelloFresh Canada's contractual terms ensures that the relevant ethical standards are non-negotiable and provides HelloFresh Canada with a greater level of confidence that these standards can be enforced.

Additionally, following the completion of the risk assessment described earlier in this statement, HelloFresh Canada will be in a position to more reliably measure the effectiveness of actions taken as a result of the risk assessment. We will be publishing data on the below:

1. Percentage of suppliers onboarded to Suppliers Ethical Data Exchange (SEDEX) in identified risk sectors
2. Percentage of suppliers who have signed the Ethical Trading Policy in identified risk sectors.
3. Percentage of high-priority suppliers who completed their SAQ in identified risk sectors.
4. Percentage of employees that have completed the Ethical Trading Training.

As part of the ongoing plan to utilize internal and external measures to collect information, seek verification and independently measure and test, we will continue to dedicate resources where the risks of child and forced labour practices exist, and are most prominent, and undertake actions to prevent and/or correct their occurrence wherever necessary.

## Process of Consultation

The HelloFresh Group is a worldwide group of companies operating in a number of jurisdictions, of which HelloFresh Canada is one component. As such, the measures that have been, and continue to be developed to address child and forced labour risks in supply chains around the world have been made on a consultative basis, ensuring that a single set of principles and values are communicated to our suppliers worldwide.

As a growing global business, HelloFresh SE is committed to presenting a "united front" in mitigating the risk of child and forced labour practices to the greatest extent possible, in order to uphold its role as a positive contributor to the business community, and in concert with its ambitions for sustainability, inclusivity and diversity, act as a good corporate citizen worldwide.

## Our Partnerships in Canada

**Sedex** | **Member**

HelloFresh continues to be a member of SEDEX who are a global not-for-profit membership organization which works with its members to improve working conditions in global supply chains. SEDEX has more than 60,000 members in over 180 countries. SEDEX is one of the ethical trade organizations that we require our suppliers to be members of before we start trading with them.

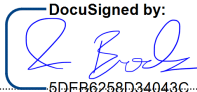
# Statement of Approval – Board of Directors

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of GDE Grocery Delivery E-Services Canada Inc.

In my capacity as a Director of GDE Grocery Delivery E-Services Canada Inc. and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

This Statement has been reviewed and approved by the principal governing body of Grocery Delivery E-Services Canada Ltd, CEO Ian Brooks in his capacity as Responsible Member. Grocery Delivery E-Services Canada Ltd. is a wholly owned subsidiary of HelloFresh SE and this statement was prepared in consultation with, and was reviewed and approved by, HelloFresh SE.

DocuSigned by:  
  
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**Ian Brooks**

CEO - Grocery Delivery E-Services Canada Ltd.

Board of Directors

Date: May 1, 2024

I have authority to bind GDE Grocery Delivery E-Services Canada Inc.

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