

2023 Modern Slavery Report

By GFS Canada Company Inc. and its Canadian subsidiaries set forth on [Exhibit A](#)

1. Introduction

This 2023 Modern Slavery Report (the “**Report**”) is produced by GFS Canada Company Inc. and its Canadian subsidiaries set forth on [Exhibit A](#) (“**GFS**” or the “**Corporation**” or “**our**” or “**we**”) for the financial year ending October 28, 2023 (the “**Reporting Period**”) and sets out the steps taken to prevent and reduce the risk that forced labour or child labour is used at any stage in our supply chain in Canada or elsewhere for goods imported into Canada by the Corporation.

This Report constitutes the first report prepared by the Corporation pursuant to Canada’s new Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “**Act**”).

2. Steps to Prevent and Reduce Risks of Forced Labour and Child Labour

We consider the respect of human rights to be a fundamental corporate responsibility and a value governing all of our activities. We place the highest importance on respecting human rights while conducting our business activities everywhere we operate. We expect the same of our business partners.

In general terms, we took the following steps during the Reporting Period to prevent and reduce the risk of forced labour or child labour in our business and supply chains:

- Reviewed and commenced work to update our Supplier Code of Conduct;
- Reviewed our internal Code of Business Conduct, which sets out basic principles to guide our employees;
- Reviewed our GFS North American Purchase Order Terms and Conditions;
- Reviewed and considered other supplier screening and mitigation efforts; and
- Commenced the development of employee trainings and awareness activities on fighting against forced labour and child labour;

Details of the above actions are set out in this Report.

3. Structure, Activities and Supply Chains

GFS is a distribution business specialized in the foodservice industry. GFS manages nine distribution centers (“**DCs**”) across Canada. All GFS DCs are operated by a single legal entity under one business number, Gordon Food Service Canada Ltd. (“**GFS Canada**”), with each of them able to list, order, purchase, receive and distribute products.

GFS services domestic customers only, the majority of which are independent restaurants and restaurant chains, as well as various institutions providing food services (hospitals, schools, other

institutions). GFS generally does not sell or distribute goods directly to retail consumers. The vast majority of products entering GFS's supply chain are purchased domestically from Canadian based vendors. In addition, the Company has approved a small percentage of foreign manufacturers and suppliers for direct purchasing and imports of goods. Based on data from the Reporting Period, all approved foreign suppliers were US based companies, with the exception of two suppliers from Israel and one from Belgium. Almost half of all goods imported by GFS Canada were wholly obtained or fully grown within the United States, which helps to reduce the potential exposure to production in its extended supply chain by forced, slave or child labor.

By regulating our sourcing footprint, we can concentrate our supply chain efforts solely on vendors and manufacturers from jurisdictions that lead the global efforts against child and forced labor.

3.1 Specialty Companies & Strategic Alliances

In addition to its core business operations in Canada, GFS oversees a network of Canadian Specialty Companies ("**SCs**") and Strategic Alliances ("**SAs**"), which provide a higher level of specialization in the areas of sourcing, processing and distribution of goods for the foodservice industry. Exhibit A to this report identifies a list of SCs and SAs covered by this report. While each of these businesses operate as a separate legal entity, each with its own vendor base and individual sourcing footprint, all of them share GFS's commitment to prevent and reduce the risks of forced labour and child labour in our supply chains.

Many of the policies and procedures outlined in this report are already fully adopted by all of GFS's SCs and SAs. Furthermore, several of them have implemented advanced verification measures such as visitations to factories and production sites, third party reporting, as well as requirements for formal corporate statements reaffirming suppliers' zero-tolerance towards any form of child and forced labor. These measures are an integral part of GFS's comprehensive efforts to combat modern slavery.

4. Policies, Governance and Due Diligence Processes

4.1 GFS North American Purchase Order Terms & Conditions ("GFS NA PO T&C")

GFS is committed to embedding human rights considerations into our policies and purchasing agreements with suppliers. Our GFS NA PO T&C specifically includes provisions prohibiting forced labor and human trafficking, including, but not limited to:

26. **Sanctions and Embargoes.** Supplier shall not source Products directly or indirectly, whether in whole or in part, from or through any country that is subject to embargo-type sanctions imposed by the U.S. government (as of the date of this agreement, Cuba, Iran, North Korea, Syria, and the Crimea region of Ukraine); or any person or entity that is designated on an applicable list of restricted persons, including but not limited to the Specially Designated Nationals and Blocked

Persons List and other sanctions lists enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the Consolidated Canadian Autonomous Sanctions List, the Consolidated list of persons, groups and entities subject to EU financial sanctions enforced by member states of the European Union, the HM Treasury sanctions list enforced by the UK government, and the United Nations Security Council Consolidated List of sanctioned persons (collectively, a "Restricted Person"). Supplier shall not use, hire, or retain any Restricted Person, or a vessel or aircraft designated on any restricted party list, in the transport of the Products to GFS. Supplier furthermore affirms that it is not, nor is it owned or controlled directly or indirectly whether in whole or in part, by any Restricted Person.

27. Forced Labor and Human Trafficking. Supplier represents that all goods or products supplied to GFS are manufactured without the use of forced labor (including the use of convict, indentured, slave, bonded, or other involuntary labor), child labor (including the employment of persons younger than the age of 14 or the local legal minimum working age, whichever is higher, or employment that otherwise violates applicable child labor laws in the jurisdiction where the work is performed), or human trafficking. Supplier represents that all goods or Products supplied to GFS have been manufactured and shall continue to be manufactured in accordance with all applicable Anti-Slavery and Anti-Human Trafficking Laws in the United Kingdom, United States, and other countries where Supplier operates, including, without limitation, the United Kingdom's Modern Slavery Act of 2015, the California Transparency in Supply Chains Act of 2010, and other supply chain requirements enforced by U.S. Customs and Border Protection ("CBP"). Supplier represents that none of the goods or Products supplied to GFS have been or will be subject to a Withhold Release Order by CBP. Supplier agrees to notify GFS immediately of any and all material changes at a Supplier factory or facility that supplies goods or Products to GFS with respect to forced labor or human trafficking risk factors or of any material changes that would affect the accuracy of any representation relating to forced labor, child labor, and/or human trafficking. Supplier further agrees to notify GFS of any and all allegations from any source of forced labor or human trafficking with respect to its operations in any country or the manufacture of any Product. Supplier represents that none of the goods or Products provided to GFS appears on any lists published by any governmental entity of goods produced by forced labor including the Bureau of International Labor Affairs List of Goods Produced by Child Labor or Forced Labor (collectively, "Forced Labor Lists"). If any goods or Products provided to GFS do appear on any Forced Labor List (meaning any goods on the list from the associated country(ies) on such list), Supplier shall promptly notify GFS in writing, and shall certify that it has made reasonable, good-faith efforts to determine whether the particular supplies or products at issue were produced with forced labor or child labor and has concluded that they were not. Upon making such a determination, Supplier agrees to allow GFS either to (1) review the documents and information

demonstrating such good-faith efforts and supporting the Supplier conclusions or (2) reject the goods at issue.

40.D. Representation, Warranties and Agreements About the Products. In addition to the authorities listed in section 12(d) of these Terms and Conditions, Supplier represents and warrants to GFS, and agrees, that the Products comply with all applicable laws, including, without limitation, the Fair Labor Standards Act of 1938, the Federal Child Labor Act, the Agricultural Marketing Act of 1946, the Occupational Safety and Health Act of 1970, the Federal Food, Drug, and Cosmetic Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Fair Packaging and Labeling Act and the Poison Prevention Packaging Act of 1970, the Poultry Products Inspection Act, the Federal Meat Inspection Act, Food Allergen Labeling and Consumer Protection Act of 2004, the Flammable Fabrics Act, the Federal Hazardous Substances Act, the Textile Fiber Products Identification Act, the Wool Products Labeling Act of 1939, the Fur Products Labeling Act, the Consumer Product Safety Act, the Occupational Safety and Health Act of 1970, 29 U.S.C. §651et q. and all standards, rules, regulations and orders issued pursuant thereto, the Copyright Act of 1976 and state and federal trademark laws and patent laws, the Bioterrorism Act, and the FSMA, as each may be amended from time to time.

The GFS NA PO T&C can be found here: <https://gfs.ca/en-ca/legal/>

SCs and SAs generally utilize different baseline purchase order terms and conditions when purchasing products from suppliers. However, those terms contain broad and comprehensive protections and commitments to comply with applicable law, among other things. We are evaluating potential updates to the SCs and SAs purchaser order terms and conditions that could mirror the above-described provisions.

4.2 GFS Supplier Code of Conduct (the “Supplier Code”)

GFS has adopted the GFS Supplier Code of Conduct, which is specifically referenced in Section 12 of the GFS NA PO T&C's (“(h) Supplier will comply with GFS’s Supplier Code of Conduct (the “Supplier Code”), which sets forth the principles and ethical standards with which GFS expects all its suppliers to comply”). The Supplier Code, which is reviewed annually, details our expectations of suppliers in respect of human rights, labour, legal compliance, health and safety, the environment, anti-corruption, ethics, and governance. The Supplier Code can be found here: <https://gfs.ca/en-ca/supplier-code-of-conduct/>

SCs and SAs generally have implemented a parallel Supplier Code of Conduct, and have similar obligations to comply embedded within their respective purchase order terms and conditions.

Our Supplier Code specifically includes provisions prohibiting child labour and forced labour, as follows:

LABOR AND HUMAN RIGHTS

We are committed to observing fair labor practices and to treating everyone with dignity and respect. Gordon Food Service relies upon human rights definitions as set forth by the United Nations Declaration of Human Rights (UNDHR). We expect our suppliers to make the same commitments by having controls in place that:

- Ensure a workplace free from discrimination or harassment
- Prohibit any form of child labor, forced labor, or human trafficking
- Verify the employment eligibility of their employees
- Ensure compliance with applicable wage, hour, and benefits laws
- Respect the right of employees to freely associate

BUSINESS ETHICS

We are committed to operating our business with integrity, respect, accountability, and honor. Our Cornerstone Values are the principles we believe in that guide our actions and interactions each day. We expect our suppliers to conduct business in accordance with the highest ethical standards and to have controls in place that prohibit and detect the misuse of company assets, corruption, bribery, fraud, extortion, and embezzlement. Gifts or hospitality exchanged in the normal course of business must be reasonable and customary and not be intended to influence business decisions or provide an unfair advantage. All suppliers' business dealings should be fair, legal, and honest.

4.3 GFS Business Code of Conduct

GFS strives to conduct its business activities and transactions with the highest level of integrity and ethical standards in accordance with all applicable laws and regulations. To further this goal, GFS has adopted the Code of Business Conduct (the "**Business Code**") which sets out basic principles to guide all employees. The Business Code reiterates the importance of acting lawfully, ethically, and fairly. The Business Code makes it clear that each employee is responsible for understanding and following all the laws and regulations that apply to the employee's role and duties at GFS; this includes laws prohibiting forced and child labor. Each employee also has a personal responsibility under the Business Code to bring violations or suspected violations to the attention of GFS. GFS established a toll-free hotline called "**The Integrity Hotline**" for employees to make such reports. The Integrity Hotline is a toll-free number (800-727-4811) and a website (www.reportlineweb.com/GFSIntegrityHotline) available to all employees. GFS policy ensures that no retaliation will occur as a result of anyone who, in good faith, reports suspected violations.

SCs and SAs have each generally implemented similar Codes of Business Conduct that apply to their respective employees.

5. Assessing and managing our risk

GFS evaluates and mitigates the risk of forced and child labor within its supply chain, focusing predominantly on the characteristics and geographic location of its vendors.

The company has adopted several restrictions in its Vendor Management System (“**VMS**”) that prevent listing of any new suppliers based outside of North America. As a secondary measure the VMS also identifies for prevention of listing products based on uncommon or suspicious 1. Corporate address; 2. Physical location of the goods offered for purchase; and 3. Currency. Finally, VMS also allows us to track vendors based on the type of products and food safety quality assurance standards, as well as trade compliance regulations.

Moreover, GFS employs a third-party service provider for real-time screening of our international suppliers. This screening platform employs an algorithm to detect potential matches within our foreign vendor network against extensive databases of prohibited and sanctioned entities managed by governmental authorities in the United States, Canada, and the European Union. Given the increasing number of regulatory bodies monitoring and documenting instances of forced and child labor violations worldwide, this screening tool stands as a vital component of our risk management strategy.

SCs and SAs are currently reviewing their current processes and procedures and evaluating, and potentially implementing and utilizing similar protocols as described above.

Additionally, our Legal Department generally participates in the negotiation of contracts when there are requested deviations from our standard terms and conditions, by providing recommendations to the procurement department and to SCs and SAs. The Legal Department endeavors to ensure that contracts comply with the legislation in force and with ethical practice standards.

6. Remediation Measures

In the Reporting Period, GFS did not identify any incident of forced labour or child labour in our activities or supply chain. Therefore, there was not a need to take any measures to remediate an incident of forced labour or child labour.

If we do identify any incidents of forced labour within our activities or supply chains, we will consider the appropriate remediation strategies in compliance with international standards.

7. Training

GFS has worked to develop training on matters related to forced labour and child labour. GFS is in the process of finalizing and initiating such new training initiatives. Employees throughout GFS Canada that have involvement with GFS's supply chain will be responsible for completing this training. Relevant and applicable employees of SAs and SCs will be included within these training initiatives as well.

8. Assessing Effectiveness

As stated above, GFS has in place a number of measures to prevent and reduce the risk that forced labour or child labour is used in our activities and supply chains. No activities to date have been undertaken to assess the effectiveness of those actions. GFS intends to assess its effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains at a later stage.

9. Approval and Attestation

In my capacity as a Director of GFS Canada Company Inc. and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

This Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of GFS Canada Company Inc. 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.

I have the authority to bind GFS Canada Company Inc.

Per:



Full Name: Dean M. Noble
Title: Director of GFS Canada Company Inc.
Date: May 22, 2024

Exhibit A

Reporting Canadian Entities of GFS Canada Company Inc.

Holding Parent Company:

- GFS Canada Company Inc.

Holding Company:

- GFS Investments Canada Inc.

Broadline Distribution Operating Entities:

- Gordon Food Service Canada Ltd.
- United Trimmen Ltd.

Specialty Companies (SC):

- Intercity Packers Ltd.
- Macgregors Meat and Seafood Ltd.
- Fresh Start Foods Canada Ltd.
- Neptune Fresh Produce Inc.
- J.G. Rive Sud Fruits & Legumes Inc.

Strategic Alliances (SA):

- Limson Canada Ltd.
- Capstone Logistic Services Canada Inc.