

CANFISCO GROUP

A Division of the Jim Pattison Group



Canfisco Group

Modern Slavery Report 2023

This Modern Slavery Report (the “Report”) addresses the period from January 1, 2023 to December 31, 2023 and has been prepared in compliance with Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* (Canada) (the “Act”).

This initial Report is made on behalf of **The Canfisco Group (“Canfisco”)** and is not a joint report.

I. INTRODUCTION

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As a leading business in the commercial fishing and seafood industry, Canfisco recognizes the important role that we have in ensuring that the supply chains that support our operations and products adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. This Report sets out the steps we have taken during the 2023 fiscal year to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by Canfisco or of goods imported into Canada by Canfisco.

For the purposes of this Report the use of the term “modern slavery” encompasses the use of forced labour and child labour.

II. CORPORATE OVERVIEW AND SUPPLY CHAINS

Business Overview and Supply Chain Structure

The Canfisco Group is a vertically integrated company with 118 years in the commercial fishing and seafood industry. The company’s head office is located at 301 Waterfront Road E, Vancouver, British Columbia, V6A 0B3. Canfisco harvests, processes, and markets sustainable seafood products from the waters of the Pacific Ocean to over 43 countries around the world.

We are primarily a purchaser and processor of North American caught seafood with processing plants in British Columbia, Alaska, and Washington State. We buy fish from local harvesters, stabilize the product through viscera removal and then freeze or can the processed fish, or sell it into fresh markets. In recent years Canfisco has moved further down the supply chain and now produces value added seafood products in our Vancouver and Washington State processing plants.

Canfisco’s main procurement categories of goods and services include:

- I. Fish from harvesters, labour, packaging materials (including metal cans/lids, plastic wrap/containers, cardboard boxes), Fuel (vessels and power generation)
- II. Cost of goods, which includes all the above was:
2023 = \$679,076,000 CAD and
2022 = \$699,754,000 CAD
- III. Total number of vendors for 2023 is listed below:

<u>2023</u>	<u>Total</u>
Vendors	3,380
Fish Harvesters	3,149

Raw Materials

The greatest share of our raw material purchases (approximately 98%) is fish sourced directly from North American harvesters. Most fish are bought from independent fishers, with a small amount harvested by company owned vessels. All fleets are near-shore vessels that make trips of no longer than 10 days at sea and deliver directly to facilities in British Columbia or Washington.

Of the company expenditures, 80% is either for the cost of fish or the cost of labour in our North American facilities. Ingredients are a much smaller component but are growing in conjunction with our new value-added production.

Packaging and Transportation

Other major expenditures are for packaging, transportation, and ingredients. Packaging consists of:

- Cans sourced 100% from North America;
- Cardboard and pallets 97% from North America 3% Spain; and
- Plastics and films 92% from North America and 8% from other countries.

Transportation is either local carriers or large international container companies.

None of the final products that Canfisco sells are produced in other countries. Only a small percentage of our supplies are sourced outside of North America.

III. POLICIES AND DUE DILIGENCE PROCESSES

Company Policies

Canfisco manages modern slavery risk through a variety of policies, procedures, and practices. Our policies reflect our commitment to human rights as well as the well-being of our employees.

The Code of Conduct policy is the roadmap we follow; it guides us and sets expectations for our behaviour and decision-making and was first enacted in July 2007. The Code of Conduct policy applies to employees at all levels of the company – executives, senior management, office staff and production employees.

Included in the policy are sections that address compliance with local laws and regulations, labour relations, modern slavery, and unacceptable workplace conduct. There are also policies and procedures in place for whistleblowers and bullying and harassment complaints. Canfisco's Whistleblower and Bullying and Harassment policies were enacted in January 2009 and January 2014 respectively.

A recent addition to the company policies includes provisions in our contracts regarding the acceptance of our modern slavery policy and supplier behavior expectations.

We require all Code of Conduct violations (actual or possible) to be reported. All reported matters are investigated, and appropriate action is taken to address any issue.

IV. RISK ASSESSMENT AND MANAGEMENT

We identify, assess, and monitor areas in our operations and supply chain where there may be a risk of modern slavery. An internal analysis conducted shows that overall, our company is in the low-risk category for modern slavery abuses. This is mainly because the majority of our business is conducted in our own North American facilities with products sourced locally from independent fish harvesters. The highest risk of modern slavery within our supply chain would be from supplies that are sourced outside of North America (only 2% of our supplies).

Each operating facility is fully compliant with the highest standards of environmental, quality, and food safety required for the products it manufactures. We have strong employment, labour, health and safety, and environmental programs at each site that are audited by various government bodies (Worksafe BC, Service Canada, State of Alaska OSHA, and Washington State OSHA). Several sites are also unionized, giving a further voice to employees.

The harvesters themselves are all near-shore fleets that are monitored for working conditions, safety, and fishing license requirements throughout the season. In Canada both the Department of Fisheries and Oceans as well as Transport Canada continuously check on fishing operations.

In Alaska, the fleets are monitored by the Alaska Department of Fish and Game, Alaska State Troopers, and the U.S. Coast Guard. The harvesters themselves are all near-shore fleets. Independently owned businesses adhere to all U.S. Coast Guard regulations in regard to vessel ownership and operation. They are also monitored for working conditions, safety, and fishing regulation requirements throughout the season.

On the supply side our company has made local sourcing a priority, so most expenditures are made with vendors that have facilities within North America. Even so, we require all major vendors to sign an agreement to follow our sourcing policies. Based on the size and purchases from vendors outside of North America, Canfisco has determined that the risk of labour abuse is minimal at this time. New vendors are evaluated prior to being brought on as a supplier.

V. MODERN SLAVERY REMEDIATION MEASURES

Employees and contract workers are encouraged to report misconduct and company policy violations. A “See Something...Say Something” philosophy is strongly encouraged across all employee groups and operating locations.

Employees are encouraged to report concerns related to discrimination, racism, bullying, harassment, illicit activities, forced labour, etc., to their Supervisor, Manager, or Human Resources, without fear of retaliation.

A secure and confidential hotline and email is available to report conduct that violates company policies or any behaviour that could put the company at risk.

Should anything come to light about the labour practices or unethical behaviour by a supplier or vendor, Canfisco immediately stops all purchases with that vendor until we are able to assess the situation and ensure that any concerns have been addressed to our satisfaction.

Note: We have not identified any instances of forced labour or child labour in our operations and/or supply chain.

VI. LOSS OF INCOME – REMEDIATION MEASURES

Due to the assessment of our supply chain as low risk, and the small amounts of our purchases from countries of concern, there are currently no measures in place to remediate any forced or child labour in our supply chain. As of the writing of this Report we have no knowledge of forced or child labour being used in our supply chain, but we are committed to the addition of processes to help identify these instances and support the development of an appropriate remediation approach.

VII. TRAINING

Understanding and complying with the Code of Conduct policy is a condition of working at Canfisco. All new hires are given a copy of company policies including the Code of Conduct, Bullying and Harassment, and Whistleblower policy when they are onboarded.

Office and management staff are re-issued company policies annually as a reminder of the company's expectations and their obligations as employees. Executive staff and senior management are also required to annually sign off on policy compliance.

There is no training specific to child or forced labour provided at this time.

VIII. ASSESSING EFFECTIVENESS

Canfisco is committed to preventing modern slavery in all its forms. We will continue assessing the effectiveness of our policies, procedures and practices to ensure they are current and effective in reducing modern slavery risks in our operations and supply chains.

The company already uses 3rd party ethical audit services for many of our own facilities, and this program will continue into the future. The use of 3rd party auditors ensures that the policies we implement are actually having the desired effect on the ground.

As Canfisco's reach into the Modern Slavery monitoring arena grows, we will continue to evaluate all new suppliers to assess the degree of risk, and tailor our response to the risk appropriately.

IX. APPROVAL AND ATTESTATION

This Report was approved pursuant to paragraph 4(a) of the Act by Canfisco's President Dave Morris on May 31, 2024 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at www.canfiscogroup.com.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for Canfisco. 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.

A handwritten signature in black ink, appearing to read 'Dave Morris', with a stylized flourish at the end.

Dave Morris on behalf of The Canfisco Group
President, May 31, 2024

I have the authority to bind Canfisco.