

REPORT ON COMPLIANCE WITH THE CANADA FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

May 2024



Introduction

Since 1945, Johnsonville, LLC (“Johnsonville”) has built a reputation as a company that acts with integrity. Doing the ethical, honest and right thing is important, especially in today’s competitive environment. We acknowledge that risks of forced labor and child labor exist within global supply chains; understanding and managing these risks requires a collaborative approach with our Johnsonville members (our term for our employees) and our supply chain partners. While the ultimate goal is to identify, manage, and mitigate 100% of risks, our duty is to strive to be better.

This report constitutes the first report prepared by Johnsonville to comply with *Canada’s new Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) and outlines the progress Johnsonville has made in the 2023 fiscal year to identify and reduce the risk that child labor or forced labor is used at any step of the production of our goods being imported into and sold in Canada.

Overview of Structure and Supply Chains

Johnsonville is a privately owned Delaware limited liability company (LLC) that manufactures and sells sausages, bratwurst, and other meat products. Johnsonville’s corporate headquarters is located in Sheboygan Falls, Wisconsin. Johnsonville employs over 2,100 employees and owns and operates 7 manufacturing facilities in North America, specifically in Wisconsin, Kansas, Vermont, and Illinois. Johnsonville also utilizes co-manufacturing partners to supplement production of select Johnsonville products where capacity or capability constraints exist. The products produced in our own facilities as well as those produced by our co-manufacturing partners are sold in the United States, and exported to Canada, Mexico, and over 45 other countries. Johnsonville imports products into Canada, does business in Canada, and meets the size requirements of the Act.

To produce our craveable sausage, Johnsonville partners with strategic suppliers for the purchase of livestock and animal products (meat, dairy), seasonings and other ingredients, packaging materials, third-party labor and services, and parts/supplies from across the globe. Our centralized End-to-End Supply Chain team ensures that we only partner with suppliers who meet our corporate standards for ethical production and quality products. The following categories make up 80% of our spend:

- **Livestock and Meat:** Johnsonville neither owns nor operates any farms. Instead, we partner with farmers and their supply chains to provide us with the highest quality raw materials. For a portion of our meat requirements, we purchase livestock and harvest the animals humanely. For the balance, we purchase meat from our supplier partners.
- **Supply Chain:** We partner with co-manufacturers to produce select Johnsonville products to fulfill growing demand and address specific business requirements. We also partner with transportation and warehousing partners to distribute our products throughout the United States, Canada, and Mexico as well as export to select countries.

- *Other Ingredients:* Our variety of sausages includes a number of other ingredients. Examples include but are not limited to casings, cheese, spirits, seasonings, and salt.
- *Packaging Materials:* We pack our sausage into high-quality packaging materials that ensure food safety throughout the shelf life of the product.
- *Human Resources:* The cost to pay our members and contingent labor.

Steps to Prevent and Reduce Risks of Forced Labor and Child Labor – Living the Johnsonville Way

Johnsonville is an organization with a strong culture (the Johnsonville Way) that guides the way we do business and treat one another. An important part of the Johnsonville Way is our supporting value of integrity, which means conducting business with the highest ethical standards and expecting the same of our supply chain partners. We respect human rights and demand compliance with laws from our members and supply chain partners.

In 2023, we took the following actions to prevent and reduce the risk of forced labor and child labor in our business and in our supply chains:

- Reviewed and updated our Supplier Code of Conduct
- Assessed several specific risks of forced labor and/or child labor as they were identified
- Required select suppliers to have in place policies and processes for identifying, addressing, and prohibiting the use of forced labor and/or child labor
- Monitored for reports of concerns with respect to forced labor and child labor

Additional details about these efforts are below.

Policies & Due Diligence Processes

Johnsonville relies on two key elements of our due diligence process:

Supplier Audits

Onboarding of critical raw material or co-manufacturing partners will include an [onsite audits](#) where Johnsonville members will interact with members on the floor of the facility and highlight any potential risks.

Supplier Code of Conduct

Johnsonville's Supplier Code of Conduct, which was updated in 2023, sets forth our expectations of suppliers and includes specific language prohibiting our supply chain partners from using forced labor or child labor. The Supplier Code of Conduct is provided to all new suppliers as a part of a standard onboarding package and is also available on our website at <https://johnsonville.com/policies/supplier-code-of-conduct/>.

As significant updates are made to the Supplier Code of Conduct, Johnsonville will re-publish the revised document to our strategic supply partners.

Risk Assessment

Johnsonville's highest exposure to the risk of forced labor or child labor comes through our supply chain, and that risk is greatest with products we purchase from certain geographies or sectors in accordance with the list published with the U.S. Department of Labor.

[List of Goods Produced by Child Labor or Forced Labor | U.S. Department of Labor \(dol.gov\)](#)

To date, Johnsonville has not completed a formal risk assessment of our suppliers, but instead in 2023 focused on immediate assessment of specific risks when those risks were identified. First, after federal officials identified the use of child labor in several third-party sanitation companies in the United States, Johnsonville worked with its sanitation suppliers to reiterate its anti-forced labor and child labor policies and its expectation that neither forced labor nor child labor was being used by such suppliers in Johnsonville's facilities. Johnsonville also required those suppliers to share their anti-forced labor and child labor policies with Johnsonville.

In addition, when we identified a second risk relating to a particular ingredient, Johnsonville collected additional details on the supply chain of that ingredient to ensure that ingredient was not being processed in a location with a high risk of forced labor or child labor. We were able to confirm that it is not and we now have increased visibility to the identities, locations, and policies of supply chain partners involved with that ingredient.

Monitoring

Johnsonville's current process for monitoring these risks is focused on reacting to reported concerns from our members and supply chain partners, either in direct communication or through our Ethics & Compliance Helpline. Our Ethics & Compliance Helpline is operated by an external third-party provider and is available 24 hours per day. Reporting can be done either by phone or online. Reporting parties can choose to make an anonymous report in confidence if desired.

Remediation Measures

To date, Johnsonville has not identified any violations of its child labor or forced labor policies and therefore we have not taken any steps to implement any remediation measures.

Training and Awareness

As appropriate for their roles, Johnsonville members receive regular training on Johnsonville's policies and on conducting business in a legal and ethical way. This includes training for new hires about Johnsonville's Code of Conduct as well as on the Johnsonville Way. In addition, Johnsonville members are reminded that our Ethics & Compliance Helpline is available to report concerns.

To date, Johnsonville's member training does not include any modules dedicated to identifying and reporting forced labor or child labor. In 2024, Johnsonville intends to identify or create a training module dedicated to these topics to deploy to targeted groups of our members.

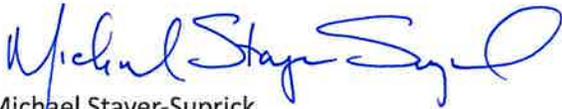
Assessing Our Effectiveness

In 2023, Johnsonville's focus was on developing our foundational capabilities with respect to identifying, reporting, and assessing risks relating to forced labor and child labor. To date, Johnsonville has not implemented tools to assess the effectiveness of its efforts to prevent forced labor and child labor in its supply chains, though Johnsonville has regularly reviewed its policies and procedures in this regard, including its Supplier Code of Conduct and its hiring procedures.

Report Approval & 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 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.

I have the authority to bind Johnsonville, LLC.



Michael Stayer-Suprick

Member, Board of Directors

May 30, 2024