

Lallemand Joint Report

Forced Labour and Child Labour in Supply Chains - Reporting Year 2023-24

1. Introduction

Lallemand Inc. and its subsidiaries (“Lallemand” or “Company”) is a privately held global group of companies headquartered in Canada, that specializes in the development, production, and marketing of microorganisms like yeast, bacteria, fungi, and their derivatives. The Company has a proprietary collection of yeast and bacteria that includes thousands of genetically identified and characterized strains. With the goal of reproducing, managing, and optimizing natural fermentation processes, Lallemand offers its customers not only the precise microorganism or derivative that fits their unique needs, but also the support, knowledge, and expertise that comes with more than 160 years of continuous manufacturing, research, and development in this field. The Company is organized into 11 technically driven business units focused on various yeast, bacteria, and fungi applications, namely Animal Nutrition, Baking, Bio-Ingredients, Biofuels & Distilled Spirits, Brewing, Cosmetics, Health Solutions, Oenology, Pharma, Plant Care and Specialty Cultures. Our international footprint comprises a global network of 50+ yeast, bacteria, fungi, and specialty chemical plants, as well as research facilities, distribution centers, and commercial offices, in over 45 countries on five continents, with over 5,500 employees distributed along its network.

This report sets out the steps Lallemand has taken to prevent ‘Modern Slavery’ in our business and supply chains up to January 31st, 2024. It has been prepared in accordance with the Canadian government’s Fighting against Forced Labour and Child Labour in Supply Chains Act, in effect since January 2024.

2. Structure, Activities and Supply Chains

2.1. Reporting Entities

This joint report is for the financial year ending January 31st, 2024, and has been approved by the board of directors of Lallemand Inc. on May 31st, 2024. It includes the activity of Lallemand Inc. (Canadian parent company) and the Canadian subsidiary companies that satisfy at least 2 of the 3 thresholds highlighted by the new legislation; namely, over 40 million CAD in revenue, 20 million CAD in assets, and a workforce of at least 250 employees.

The reporting entities included in this joint report are: 1. Lallemand Inc., 2. Lallemand Health Solutions Inc., and 3. Macco Organiques Inc.

For the purpose of the report, all reporting entities shall be aggregated under the title “Lallemand”, and this would be considered a joint report for all reporting entities.

2.2. Our Approach

In 2020, Lallemand published its Corporate Social Responsibility (CSR) policy, which establishes a common and consistent framework across Lallemand in terms of corporate social responsibility. It is one of our approaches to establish our emphasis on occupational health, environmental safety, and fair treatment of our staff, as well as their well-being and the quality of their work-life balance. Lallemand supports the Ten Principles of the UN Global Compact on human rights, labour, environment, and anti-corruption; the Universal Declaration of Human Rights; the International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights.

2.3. Supply Chain

Lallemand has well-established supply chains spreading across different parts of the globe. We maintain longstanding relationships with well reputed and established suppliers. When onboarding new suppliers, due diligence such as plant visits are an option available for utilization if deemed necessary.

3. Policies

Code of Conduct

Lallemand’s Code of Conduct sets forth the standards and values with which the Company upholds its operations. The Company establishes its basic core principles of respect, transparency, and open communication and expects compliance with laws in business and countries where Lallemand is located. These include fair competition, bribery and corruption, and other prohibitions whilst maintaining a focus on corporate governance to protect appropriate stakeholder interests, corporate social

responsibility, and sustainable environmental performance. A strong emphasis is placed on engaging with gifts and donations, transparency in records and accounting, as well as, in disclosing conflicts of interest, maintaining confidentiality and protection of assets and information, and ensuring employee confidence through a well-established whistleblower process. This Code is an internal document which applies to all employees and personnel engaged with Lallemand and is a mandatory condition for employment at Lallemand, violations of which can lead to sanctions and termination of contract.

Corporate Social Responsibility Policy

Lallemand's CSR policy establishes a consistent framework across all business units and companies controlled by Lallemand, as well as contractors working closely with or for Lallemand. The CSR policy outlines Lallemand's position regarding a healthy ecosystem, social equity, good organizational behavior, and sustainable development.

Supplier Code of Conduct

Lallemand's Supplier Code of Conduct applies to all suppliers who provide services and goods to Lallemand, indicating a proactive promotion of lawful, professional, and fair practices that integrate the respect for human rights, business ethics and the environment. This code sets forth guidance on what is expected from Lallemand's suppliers with respect to ethics, labour and human rights, health and safety, environmental concerns, diversity and inclusion, and compliance.

4. Risk Assessment and Due Diligence

We have reviewed the reporting entities. We have not identified any operations carrying significant risk potential with regards to forced labour and child labour. Due to this, no measures were required to remediate the impact of forced labour and child labour, or to remediate loss of income to vulnerable families. We assess the effectiveness of our monitoring measures through year-end certifications to ensure compliance across our global presence, in addition to an ESG workgroup which discusses ESG standards and compliance in monthly meetings. We intend on utilizing these measures to review our policies and procedures and focus on enhancements and improvements as needed.

5. Employee Training

All employees must adhere to and sign the Code of Conduct, Fraud Policy, IT Policy, and Confidentiality Agreement, before their induction process begins, helping Lallemand ensure that all new employees align with the Company's culture and values. Additionally, periodic emails are sent to employees, on adjusting to new software developments, cybersecurity awareness and an ESG newsletter highlighting achievements regarding sustainability milestones achieved.

6. Commitment

6.1. Future Goals

After establishing a clear scope of the Company's global presence, the next step entails expanding our purview in mapping first-tier suppliers scattered globally across the supply chain. Alongside such measures, we aim to strengthen Lallemand's position through the establishment of policies and procedures that help educate our workforce on matters of Modern Slavery, such as:

- **Modern Slavery Policy:** Lallemand's response to the new Canadian legislation has begun with enshrining its principles regarding adherence to forced labour and child labour legislation into a company wide policy. The policy will be available company wide and to the public, defining clearly what the Company means by forced labour and child labour and affirming our compliance with the new legislation.
- **Training Modules:** Training modules on diversity, fair wages and modern slavery are under development, educating our workforce and strengthening our position in combatting forced labour and child labour.

6.2. Related Policies

- Code of Conduct
- Corporate Social Responsibility Policy
- Supplier Code of Conduct

6.3. Contact

For further information, email us at esg-corporate@lallemand.com.

6.4. Approval

This joint report has been approved by the board of directors of Lallemand Inc., the parent company that controls each subsidiary companies included in the report (see 2.1 *Reporting Entities*).

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 or entities 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 Lallemand Inc.



Antoine Chagnon
President and CEO

May 31st, 2024