



**2023 Modern Slavery Report Pursuant to Canada’s *Fighting Against Forced Labor and Child Labor in Supply Chains Act***

**Entities:** Lancaster Colony Corporation and T. Marzetti Company  
**Reporting Period:** July 1, 2022 to June 30, 2023

**1. Introduction:**

- 1.1. This joint report (“**Report**”) is prepared by Lancaster Colony Corporation and T. Marzetti Company (collectively “**Reporting Entities**”, or “**we**” or “**our**”) and is made pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“**Act**”).
- 1.2. This Report relates to the financial year ended June 30, 2023 (the “**Reporting Period**”).
- 1.3. The Reporting Entities also report under the United Kingdom’s *Modern Slavery Act 2015* and California’s *Transparency in Supply Chains Act*.

**2. Steps taken to prevent and reduce the risks of forced labor and child labor:**

- 2.1 The general steps we have taken during the Reporting Period to prevent and reduce the risks of forced labor and child labor in our operations and supply chains include implementing policies and procedures that specifically address forced labor and child labor, adopting tools and technologies to monitor current processes and procedures, conducting an audit on certain suppliers and facilities, and engaging with third-party entities to address and improve social risks in our business practices and supply chains.

**3. Structure, Activities, and Supply Chain:**

**Structure**

**Lancaster Colony Corporation**

- 3.1. Lancaster Colony Corporation (“**Lancaster Colony**” or “**Lancaster**”) is a publicly traded company incorporated under the laws of the State of Ohio with principal executive offices located in Westerville, Ohio, United States. Lancaster has been listed on the NASDAQ exchange (LANC) in the United States since 1996. Lancaster Colony is the parent company to T. Marzetti Company.
- 3.2. Lancaster’s corporate governance system consists of a board of directors and officers that are responsible for the day-to-day operations of the company. Within the Reporting Period, Lancaster employed approximately 175 people worldwide. There were no employees located in Canada.

**T. Marzetti Company**

- 3.3. T. Marzetti Company (“**T. Marzetti**”) is a wholly owned subsidiary of Lancaster Colony Corporation and is incorporated under the laws of the State of Ohio with principal executive offices located in Westerville, Ohio, United States. The company has been in operation through

several different ventures since 1896. Within the Reporting Period, T. Marzetti employed approximately 1,375 people worldwide. There were no employees located in Canada.

- 3.4.** T. Marzetti Company is the importer of record for products into Canada on behalf of Lancaster Colony.

### **Activities**

#### **Lancaster Colony Corporation**

- 3.5.** Lancaster Colony is a manufacturer, marketer and seller of specialty food products for the retail and foodservice channels. Their brands include Marzetti® (a product line of salad dressings, vinaigrettes, sweet and savory dips and croutons), New York BRAND Bakery® (a product line of garlic toasts and knots, breadsticks, ciabatta rolls and croutons) and Sister Schubert's® (a product line of sweet and savory rolls and snack bites).
- 3.6.** Lancaster brand products are distributed in the United States and Canada and can be found at several grocery retail chains across the country.

#### **T. Marzetti Company**

- 3.7.** T. Marzetti Company is a manufacturer, marketer and seller of specialty food products for the retail and foodservice channels. Their brands include Marzetti®, New York BRAND Bakery®, Sister Schubert's®, Reames® (a product line of frozen egg noodles and dumplings), Girard's® (a product line of salad dressings and vinaigrettes), Caesar Cardini's® (a product line of salad dressings, vinaigrettes and croutons), Chatham Village® (a product line of croutons), Inn Maid® (a product line of egg noodles), Amish Kitchens® (a product line of egg noodles), Romanoff® Caviar (a product line of lumpfish and salmon caviar) and FlatOut, Inc.® (a product line of flatbreads). As of the date of this Report, FlatOut, Inc. has ceased production of all products.
- 3.8.** T. Marzetti brand products are distributed in the United States and Canada and can be found at several grocery retail chains across the country.

### **Supply Chain**

- 3.9.** We continue to enhance our risk-based approach to selecting our suppliers and verifying our product supply chains in order to help evaluate and address the risks of human trafficking and slavery in our supply chains.
- 3.10.** We partner with a diverse supply base to provide us with the raw materials, components, sub-assemblies, manufacturing services, finished goods, indirect goods, and services necessary to manufacture and distribute products to our customers and channel partners. A significant majority of our Suppliers (as defined herein) are based in the United States. The remainder are located in Canada, Germany, Great Britain, Israel, and Italy. A significant portion of our supply spend is on commodities, including soybean oil, flour, eggs, and sweeteners.
- 3.11.** Our products under all brands are manufactured in the United States.

**3.12.** In addition to the employees we hire directly from the United States, we also engage with temporary labor agencies to assist with the onboarding of temporary workers. We require the agencies that we work with to undertake measures to ensure worker's rights are protected in the onboarding process and throughout the employment relationship. There are minimum age requirements in compliance with applicable laws for all temporary workers and all third-party-employed workers who perform work on our premises.

**3.13.** We import products into Canada exclusively from the United States by road, with T. Marzetti as importer of record. Some products we import are temporarily stored in warehouses located in Canada. Other products are shipped by road directly to retailers and distributors across the country.

**3.14.** Between our respective brands, the only products imported and sold in Canada during the Reporting Period were products under the FlatOut, Inc.<sup>®</sup> and Sister Schubert's<sup>®</sup> brand.

#### **4. Policies and Due Diligence Processes in Relation to Child and Forced Labour:**

**4.1.** We strive to build comprehensive practices and – where appropriate – standardized processes to mitigate human rights risks across operations. Our approach to these practices and their measurements is a collaborative one.

**4.2.** We take the prevention of social risks in our supply chain seriously and are committed to endeavouring to mitigate any potential risks that may arise. We value and seek out Suppliers and Business Service Providers (as defined herein) committed to safety, diversity, training, benefits, a code of ethics and the wellness of their workforce. In addition to compliance with all applicable federal, state, and local laws and regulations, our Supplier Code of Conduct provides that our Suppliers must act in accordance with principles and guidelines that protect and promote human rights. We expect the same of our Business Service Providers.

**4.3.** Our policies are representative of an enterprise-wide, all-encompassing approach and are applicable to all of Lancaster Colony and T. Marzetti's activities.

#### **Policies**

##### **Supplier Code of Conduct**

**4.4.** Our Supplier Code of Conduct ("**Code**") applies to entities that provide goods or services to us, including direct suppliers, co-manufacturers, distributors, vendors, agents, and contractors ("**Supplier(s)**"). We do not require certain suppliers, such as business service providers we work with (including professional advisors, lawyers, accountants and certain software suppliers ("**Business Service Providers**")) to comply with the Code.

**4.5.** The Code specifically states the following (note that reference to "Lancaster Colony" would apply to both Reporting Entities):

**Treatment of Workers:**

*“Lancaster Colony does not engage in or tolerate the unlawful employment or exploitation of children in the workplace or the use of forced labor in the manufacture of products it sells or the raw materials for those products. Lancaster Colony values Suppliers committed to treating their workforce ethically and will not accept products or services from Suppliers that employ or utilize child labor or forced labor in any manner. Suppliers shall not support or engage in slavery or human trafficking in their own operations or any part of their supply chains. All labor must be performed by workers whose presence is voluntary, and, in addition to compliance with all applicable laws and regulations, Suppliers must act in accordance with principles and guidelines that protect and promote human rights. Suppliers shall ensure that they and any party in their own supply chain do not support, engage in or require any: Compelled, involuntary, or forced labor; Labor to be performed by children or minors in hazardous work conditions; Bonded labor; Indentured labor; Prison labor at less than minimum wage”*

**No Hazardous Work by Minors:**

*“Suppliers shall not support, engage in, or require any hazardous labor to be performed by any person under the age of 18, whether in their own operations or their supply chain. Hazardous labor involves any work, that by its nature or the circumstances in which the work is undertaken, involves the substantial risk of harm to the health or safety of the worker or coworkers if adequate protections are not taken. No person under the age of 18 years old may be employed or authorized by a Supplier to work on Lancaster Colony premises without prior approval of the Legal Department of Lancaster Colony.”*

**Gifts, Entertainment and Anti-Bribery**

*“Suppliers must not offer cash, favors, gifts, or entertainment of more than nominal value to any Lancaster Colony worker without the prior written authorization of the Lancaster Colony legal department. Suppliers must not offer, give, demand, or accept a bribe, kickback, corrupt payment, inappropriate gift, or improper advantage and must at minimum comply with all applicable anti-bribery laws and regulations. Suppliers shall also comply with Lancaster Colony’s Code of Business Ethics.”*

- 4.6. Each of our Suppliers is required to communicate the substance of the Code throughout its own operations and its entire supply chain. We require all Suppliers to comply with the Code and encourage Suppliers to implement robust management systems to ensure compliance with the Code and all applicable laws. Suppliers must also maintain documentation to verify compliance with the Code and the applicable laws and regulations.
- 4.7. We continue to perfect the processes by which we inform our suppliers of our expectations for compliance with the Code. We are developing a verification process to confirm that suppliers have received and understand the Code and, at a minimum, are clear on our expectations to conduct business in a manner consistent with the standards included in it. As of the date of this Report, Suppliers are now also typically requested to confirm and acknowledge their receipt and understanding of the Code directly to us. Additionally, when communicating with Suppliers, a

link to the Code is included in all email communications, along with a reference explicitly stating that compliance with the Code is expected.

- 4.8.** The Code also expressly states that each Supplier is expected to be responsible for any acts or omissions of its suppliers, vendors, agents and subcontractors and their respective facilities such that, if any of the same acts or omissions were done by any of the Suppliers, this would constitute a violation of the Code.

#### **Corporate Sustainability Disclosure Committee and Compliance Committee Charter**

- 4.9.** Our Corporate Sustainability Disclosure Committee and Compliance Committee Charter lays out our expectations for our Corporate Sustainability Disclosure and Compliance Committee (“**Committee**”). The Committee is responsible for overseeing our dedication to sustainable environmental practices and social-ethical responsibility. This encompasses, among other things, ensuring adherence to regulations pertaining to human rights, ethical sourcing, workplace health and safety, and ethical business practices.

- 4.10.** The Committee is responsible for, among other things: monitoring our overall strategy for sustainability initiatives and recommending policies, practices, and disclosures aligning with the strategy; overseeing our reporting and disclosure concerning sustainability and related matters; and monitoring current and emerging sustainability issues that may impact our business, operations, performance, or public image and recommending adjustments to our policies, practices, and disclosures to address these trends.

#### **ESG Policy Statements**

- 4.11.** Our ESG Policy Statements (“**ESG Statements**”) are clear that we are committed to promoting and respecting human rights and upholding an abiding commitment to uncompromising integrity. We are opposed to slavery and human trafficking and request employees and direct vendors to report any such violations immediately.

- 4.12.** The ESG Statements also state that under no circumstances will we tolerate bribes or quid pro quo payments that are designed to procure or retain business or secure an improper advantage for us. We require employees to report instances of corruption, fraud, and bribery as these behaviors do not align with our core values.

#### **Child and Forced Labor Policy**

- 4.13.** Our Child and Forced Labor Policy provides that we endeavor to prohibit and do not engage in, condone or tolerate the unlawful employment or exploitation of children in the workplace, or the use of forced labor (*i.e.*, any work or service that a worker performs involuntarily, under threat of penalty) in the manufacture of products we sell. We will not knowingly accept products or services from any Suppliers or Business Service Providers that employ or use child or forced labor in any manner.

- 4.14.** We restrict employment to persons 15 or older who have also reached the applicable local minimum employment age or the applicable mandatory schooling age, whichever is higher. If a

breach of the Child and Forced Labor Policy is uncovered, the policy requires that we investigate and implement remediation measures expeditiously.

### **Code of Business Ethics and Standards of Conduct**

**4.15.** All of our permanent full-time salaried employees, officers and directors are requested to accept and adhere to our Code of Business Ethics (“**Code of Ethics**”) and Standards of Conduct (“**Standards**”) by specifically signing off that they have received and read both documents and that they understand their obligations to follow the principles set forth therein. Failure to comply with the Code of Ethics and Standards may result in disciplinary action up to and including suspension or termination with or without prior warning.

**4.16.** The Code of Ethics demonstrates our commitment to creating a respectful workplace, including promoting a workplace that promotes the following behavior:

- honest and ethical conduct in all aspects of each employee’s, officer’s and director’s actions on behalf of the Reporting Entities;
- compliance with applicable laws, rules and regulations;
- prompt internal reporting of violations of the Code of Ethics and proper reporting of any illegal behavior; and
- reporting any known or suspected criminal or other unethical activity involving the Reporting Entities or our employees.

**4.17.** The Standards state, among other things:

- Our facilities are to be operated in full compliance with laws and regulations designed to safeguard health and safety, and protect the environment;
- We will comply with applicable labor and employment laws and will strive to provide a safe workplace that respects diversity and personal needs; and
- Action which is determined to be of a harassing or abusive nature to any other of our personnel or invitee on our premises is grounds for severe disciplinary action, including termination.

**4.18.** All reports are treated confidentially and are addressed as appropriate on a case-by-case basis. A toll free “Help Line” is available to anyone wishing to bring any such matter to the attention of management, supervisors, the Compliance Officer, or the audit committee of Lancaster’s board of directors. Concerns can also be raised to corporate counsel of Lancaster.

### **Due Diligence Processes**

**4.19.** Our Corporate Sustainability team supported by cross-functional partners leads our ongoing strategic efforts related to our due diligence processes, and we regularly enlist both internal and external resources to help ensure the safety and well-being of our employees and partners.

## **Site Audits & Corrective Action Plans**

- 4.20.** In accordance with the Supplier Code of Conduct, the Reporting Entities may, in their discretion, conduct audits of facilities to confirm an individual Suppliers' compliance with the Code. Upon request, the applicable Suppliers are expected to fully cooperate in facilitating these audits, and provide all relevant information and access to the premises. Where third-party audit standards such as those employed by EcoVadis or Sedex are used, we work with the applicable Suppliers to reach an agreed-upon standard, scope and methodology for carrying out the audit. Applicable Suppliers must provide us access to full audit reports or audit certificates completed by applicable third-parties such as EcoVadis or Sedex once they become available.
- 4.21.** In the Reporting Period, a social compliance audit was completed under the Sedex framework at our manufacturing facility for the FlatOut, Inc.® line of products. While we received positive observations regarding compliance with our related processes and procedures, we continue to implement measures designed to improve aspects of such processes and procedures.
- 4.22.** Any violations of the Code, and any unethical or illegal behavior, must be reported to our General Counsel. An investigation is then conducted relative to a specific Supplier to determine if a breach of the Code has occurred and the severity of the breach. We then work with the applicable Supplier to develop corrective action plans as necessary. If necessary, the Reporting Entities may terminate a business relationship with a Supplier, depending on the severity of the breach or the outcome of an audit.
- 4.23.** Suppliers must complete corrective actions for all non-conformance identified in both third-party audits and those conducted by us in a timely manner.
- 4.24.** We also have the right to audit the temporary labor agencies that we engage with for the purpose of hiring temporary workers for our manufacturing facilities. Within the Reporting Period, we conducted reviews of select temporary labor agencies and required remediation actions or enhanced compliance with our Code as necessary.

## **5. Risks of Forced Labor and Child Labor in Our Business Operations and Supply Chains:**

### **Business Operations**

- 5.1.** The food manufacturing industry continues to reflect notable risks for child labor and related concerns, and we recognize that forced and child labor can materialize in every aspect of our supply chain. We are working to identify areas where risks are likely to be higher, given specific indicators, and have prioritized these areas for training, risk assessments, audit, and remediation, as necessary.
- 5.2.** Our manufacturing facilities are located only in the United States, and each of the jurisdictions in which we operate have laws and regulations to protect workers from forced labor and child labor. We consider the risk of forced labor and child labor in our facilities to be low. Notwithstanding this, we recognize that some of our facilities are located in areas in the United States with higher vulnerable populations, and we endeavor to ensure that these areas are operating within our standards, expectations and requirements related to forced labor and child labor. In accordance

with the Code, our Suppliers are required to comply with applicable laws, including those related to the eligibility of their employees to work in the United States.

### **Supply Chain**

- 5.3. As noted, a significant majority of our Suppliers are based in the United States. As such, we consider the risk of forced labor and child labor in our supply chain to be low.
- 5.4. When monitoring risks in our supply chain, we account for social and environmental risks by industry, location, and other ways that consider our operations. Reliance on data to inform our perception of risks is a key aspect of our mitigation strategy.

### **6. Remediation Measures:**

- 6.1. There is nothing to report regarding remediation measures for specific instances of child or forced labor at this time. To the extent we felt corrective actions were necessary to address observations from the social compliance audit at our FlatOut, Inc.® facility or from due diligence efforts at other facilities, we promptly implemented them in collaboration with Sedex best practices and related recommendations.
- 6.2. To assist in future remediation measures, we have developed a remediation matrix that helps identify gaps in our responsible supply chain performance and requires internal teams to work cross-functionally to mitigate risks, remediate concerns, or initiate short and long-term strategies to improve performance.
- 6.3. We also endeavor to engage more actively with our membership in Sedex and EcoVadis to assist with assessing and implementing remediation measures as needed.

### **7. Remediation of Loss of Income for Vulnerable Families:**

- 7.1. There is nothing to report with respect to remediating any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labor or child labor in our activities and supply chains.

### **8. Employee Training:**

- 8.1. Within the Reporting Period, all salaried employees and some hourly employees at our manufacturing sites and our headquarters completed mandatory code of ethics training and training specific to child labor and other related concerns and risks.
- 8.2. Management and employees who have direct responsibility for supply chain management are also required to take ethics coursework. Though they are not required to complete specific training on mitigating human trafficking and slavery risks within the supply chain, as noted, our Code of Ethics requires employees to report any illegal or unethical behavior.

### **9. Assessing Effectiveness:**

- 9.1.** The Reporting Entities did not take any actions in the Reporting Period to assess our effectiveness in preventing and reducing risks of forced labor and child labor in our activities and supply chains. Notwithstanding this, we uphold an abiding commitment to uncompromising integrity and are committed to operating in a manner consistent with your values as well as ours.
- 9.2.** As noted, we have employed a series of due diligence measures regarding forced labor and child labor, including engagement with Sedex and EcoVadis to implement best practices across our operations regarding social risks.

## 10. Approval and Attestation

This Report was approved pursuant to paragraph 11(4)(b)(i) of the Act by the board of directors ("**Board**") of Lancaster Colony Corporation.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest for and on behalf of the Board of Lancaster Colony Corporation that I have reviewed the information contained in the Report for the Reporting Entities. Based on the knowledge of the Board, having exercised reasonable diligence, I attest for and on behalf of the Board that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the Reporting Period.

Full name: Alan F. Harris

Title: Director of Lancaster Colony Corporation

Date: 9/22/2024

Signed by:  
Signature: Alan F. Harris  
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*I have authority to bind Lancaster Colony Corporation and T. Marzetti Company*