

## 1. ABOUT THIS REPORT

This joint report covers the financial year ending December 31, 2023. It was prepared in accordance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") by Les Ingrédients Alimentaires BSA Inc. ("BSA") and Wiberg Canada Inc. ("Wiberg", collectively with BSA, "BSA Wiberg", the "Company", "we", "our" or "us"). The information provided in this report applies to both BSA and Wiberg.

BSA Wiberg respects and promotes human rights. We adhere to the labour law regulations and guidelines that are applicable to us, in particular regarding wages and tariffs, minimum wage, working hours, overtime, working conditions, health and safety and freedom of association. We comply with the core international conventions on labour rights and we reject child labour and forced labour throughout our organization.

[Questionnaire: See questions 1-2] As of December 31, 2023, no formal measures or policies have been put in place to specifically prevent and reduce the risk of forced labour and child labour occurring in our activities and supply chains. However, with a deep sense of social responsibility, we are dedicated to taking practical steps to address the issue of human rights, and to continue applying robust recruitment procedures to ensure voluntary recruitment.

As such, in 2024, in collaboration with our Austrian parent company, we have initiated significant measures to prevent and reduce the risk of forced labour and child labour occurring in our activities and supply chains. One important action we have undertaken is the adoption of a new employee code of conduct that explicitly prohibits the use of child labour and forced labour. This prohibition extends not only to our own operations but also to all our business partners.

This report describes the above action as well as additional initiatives that we are contemplating in order to continue our progress towards the highest standards.

## 2. ABOUT US & OUR SUPPLY CHAIN

### 2.1 About Us

[Questionnaire: See questions 3-5] BSA Wiberg specializes in the production of spice mixtures and the sale of small machinery primarily to food manufacturers. Our clientele is mainly based in Canada, with some clients in the US.



Headquartered in the province of Quebec, we have multiple locations in Canada, including Montreal, Oakville, and Vancouver, and more than 270 employees.

While production tasks are handled by our Montreal and Oakville facilities, our Vancouver facility primarily serves as a transfer point for goods produced elsewhere, with minimal production activities.

## 2.2 Our Supply Chain

Generally speaking, the vast majority of our suppliers are located in Canada and the United States. We also have suppliers in China, and to a lesser extent, in other various foreign countries, such as Slovenia, Poland, Denmark, Vietnam, Austria, India, Mexico, Germany, Australia, and Israel. Our top 20 suppliers are renowned as high-quality goods distributors in the North American market and we have established long-standing relationships with them, some of which span over 15 years.

Our direct suppliers also have their own value chain and although we may not have complete visibility into all of our suppliers' sourcing practices, we are aware that they procure their products in the US, China, and Canada, and to a smaller degree, in various European and Asian countries.

For example, phosphates and pepper comes from China and spices like cumin comes from India. We collaborate with manufacturers, distributors, and traders to prepare ingredients, including drying fruits for spice mixtures.

We also use packaging material purchased entirely in Canada and various equipment primarily purchased from European suppliers, and our gloves, hairnets, safety goggles, and hygiene items are sourced from qualified distributors in Canada, the US, and Europe (France, Austria, and Germany).

Having a comprehensive overview of our structure, activities, and supply chain increases our visibility and enables us to effectively identify potential areas for improvement, ensuring transparency and upholding human rights throughout our operations.

## 3. POLICIES AND DUE DILIGENCE PROCESSES

[Questionnaire: See questions 6-7] Aligned with our commitment to prioritize the well-being, safety, and human rights of our employees, we have established robust policies to safeguard their rights. However, we acknowledge that while our existing framework focuses on employment practices and values in our direct activities, we presently lack specific due diligence processes dedicated to addressing human rights concerns in our supply chains.



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### 3.1 Employee Manual and Harassment Policy

Our Employee Manual and Harassment Policy do not explicitly mention forced or child labour, but they cover aspects such as a workplace free from psychological or physical harassment, respect among individuals, safeguarding dignity, protecting the physical and psychological well-being of staff, probation period and overtime policies, which can contribute to preventing unfavorable working conditions. Employees who experience harassment can contact our human resources department for confidential intervention and resolution.

Both the Employee Manual and the Harassment Policy are scheduled for review in the upcoming fiscal year.

### 3.2 Code of Conduct

In 2024, we revamped our employee code of conduct (the “Code of Conduct”) to embed our responsibilities and commitments with respect to human rights issues.

The Code of Conduct demonstrates our firm commitment to comply with the International Labour Organization (ILO) core labour standards. It communicates our expectations to all our employees with respect to our zero-tolerance policy towards forced and child labour. Furthermore, the code indicates that the child labour and forced labour prohibition extends to all our business partners.

We expect our business partners to adhere to these standards and work together with us to create a responsible and ethical supply chain.

Our Code of Conduct provides employees with access to a compliant mechanism to report any concerns, behaviors, or incidents of harassment or discrimination to our human resources department or whistleblower hotline. We have zero tolerance for discrimination and harassment in the workplace and professional activities. This policy applies not only to our internal operations but also to our interactions and associations with suppliers and business partners.

### 3.3 Recruitment of Employees

We have a recruitment process that ensures legal compliance and thorough candidate verification. We validate résumés, verify social insurance numbers, and review relevant documentation in line with applicable legal requirements. We also plan to conduct background checks, permits and driving record verifications, criminal record checks, and credit record examinations to further enhance our internal processes.

Given that a minority of our employees are hired through placement agencies, we have initiated a comprehensive review of our contracts and processes with recruitment and placement agencies to mitigate potential

risks associated with human rights issues. This review ensures compliance with employment, health and safety, and immigration legal requirements.

We are also actively engaged in collaborating with our agencies to ensure that workers are not charged any fees or incurred costs, that no documents are withheld, and that all relevant laws and industry standards regarding employee wages, working hours, and minimum age are strictly adhered to. As part of our ongoing efforts, we continuously streamline and refine our recruitment procedures.



### 3.1 Due Diligence Processes

Our supplier selection process is based on purchasing specifications, evaluation forms as well as supplier certifications.

Through our supplier review process, we have confirmed that all our suppliers are certified under certification programmes that meet the Global Food Safety Initiative (GFSI) requirements, a food safety standard recognized by large retailers and that includes third-party audits. Although most certifications do not specifically contain human rights considerations, they provide comfort on important internal practices of our suppliers such as quality control and health and safety.

Furthermore, we have implemented a new software to track the procurement process of goods and products, which may be used in the future to send questionnaires to suppliers to better inform ourselves of their forced and child labour risks, if any. Our existing supplier approval checklist, which focuses on quality and food safety, could also serve as a foundation for integrating considerations related to human rights, as well as health and safety. Our supplier approval process currently considers information like the country of origin, which is useful in tracking suppliers and informing procurement decisions.

By choosing suppliers based on an evaluation of product quality, food safety, and competitive pricing, and establishing cooperative partnerships with them, we ensure meeting our customers' requirements. Raw materials are sourced from approved suppliers, following specific steps for qualification and approval to ensure quality and safety. Our commitment to health and food safety is further demonstrated through a customer grievance mechanism that allows for direct reporting to our sales representatives if an issue is identified. Reports are promptly escalated to our quality department for investigation and corrective actions. Regular reporting on key performance indicators (KPIs) helps prioritize high-risk categories.

With respect to supplier monitoring, we employ a scorecard system specifically for suppliers who have received complaints. This comprehensive scorecard evaluates multiple factors, such as service quality, shipment punctuality, and other relevant metrics. We are currently exploring potential changes to our supplier monitoring approach. One possibility we are considering is the implementation of a rotational system, where a portion of suppliers would receive the scorecard annually, regardless of complaints.

This proactive approach would enable us to integrate labour conditions into our monitoring initiatives and identifying any potential risks related to human rights issues, if we decide to move forward with such changes.

#### **4. RISK ASSESSMENT & REMEDIATION MEASURES**

[Questionnaire: See questions 8-10] Considering that we mostly procure our goods in Canada and the US, where labour standards are strictly enforced, we believe that the likelihood of forced and child labour being used by our direct suppliers is generally low. While we have not conducted a formal risk assessment process thus far, we acknowledge that our supply chain has a global reach and that our direct suppliers have their own value chains that extend into countries and regions with potentially higher risks of forced and child labour, such as South and East Asia.

To mitigate such risks, we have established long-standing and reputable relationships with suppliers in our industry, and we believe that fostering these connections can greatly enhance performance and risk management. Nevertheless, remain fully committed to working closely with our partners and suppliers to actively evaluate and address any potential risks of forced labour and child labour in our supply chains.

[Questionnaire: See questions 11-14] Given that we have not identified any instances of forced labour or child labour in our activities and supply chains, no measures were taken to remediate such instances or to remediate the loss of income to the most vulnerable families that may result from such measures. In the event that any allegations of forced labour or child labour are discovered in our operations or supply chains, we will take them seriously and conduct an investigation as soon as possible to address any potential risks.

#### **5. TRAINING AND CAPABILITY BUILDING**

[Questionnaire: See questions 15-16] During our last financial year, we did not provide formal training specifically addressing forced labour and child labour to our employees. However, we have established training programs for quality assurance and we are currently considering the implementation of a course for a specific group of employees who may be exposed to human rights risks in the near future.

#### **6. ASSESSING THE EFFECTIVENESS OF OUR APPROACH**

[Questionnaire: See question 17-18] While we have no formal procedures in place for evaluating the effectiveness of our measures against forced and child labour, we firmly believe that promoting transparency among our suppliers and cultivating responsible business relationships will enable us to champion ethical practices throughout our supply chain.



## 7. APPROVAL AND ATTESTATION

This report was approved by the Board of Directors of Les Ingrédients Alimentaires BSA Inc. on May 30, 2024 and the Board of Directors of Wiberg Canada Inc. on May 30, 2024, pursuant to subparagraph 11 (4)(b)(i) of the Act and constitutes our report for the financial year ending December 31, 2023.

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 entities listed in the first section of this report. 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 indicated above

I have the authority to bind Les Ingrédients Alimentaires BSA Inc.

*Natalia Murzina*

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Full name: Natalia Murzina  
Title: Canada Finance Lead  
Date: May 30, 2024

I have the authority to bind Wiberg Canada Inc.

*Joe Tewfik*

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Full name: Joseph Amr Tewfik  
Title: Director Of Sales  
Date: May 30, 2024



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