



## Background

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The measures introduced through *Bill S-211, Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“the Act”), aim to increase industry awareness and transparency and drive businesses to improve practices. There are seven mandatory reporting areas that must be investigated and reported on which include:

- The steps the entity has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.
- Its structure, activities and supply chains.
- Its policies and due diligence processes in relation to forced labour and child labour.
- The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.
- Any measures taken to remediate any forced labour or child labour.
- Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.
- The training provided to employees on forced labour and child labour.
- How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

This report is Link Snacks Inc.’s (“Link Snacks”) response to 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 (the Act), sections 11(1) and 11(3). Link Snacks satisfies the definition of an Entity within the Act by having a place of business in Canada, doing business in Canada, having assets in Canada, and meeting both the revenue and asset thresholds.

The financial reporting year of Link Snacks covered by this report is January 1<sup>st</sup>, 2023, to December 30<sup>th</sup>, 2023. This is the first version of the report submitted and the report is for the entity, Link Snacks Inc. (“Link Snacks” or the “Company”).

## Structure

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Link Snacks Inc., also known as Jack Links Protein Snacks, is a privately-owned and family-operated company headquartered in Wisconsin, United States. Link Snacks is one of the largest producers and marketers of meat snacks worldwide. The company was founded in 1986 and it operates globally, with factories in the US, Brazil, New Zealand, and Germany. Link Snacks currently employs approximately 4,000 employees across 10 countries. Out of this aggregate figure, there are a total of 2,859 employees in North America (2,784 employees in the US, 21 employees in Canada, and 54 employees in Mexico).



In order to qualify as an entity for the Bill S-211 reporting obligation, companies need to meet the following thresholds:

- At least \$20 million in assets
- At least \$40 million in revenue, and
- An average of at least 250 employees

Link Snacks meets the criteria for two out of three thresholds in Canada (assets and revenue).

## Activities

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Link Snacks produces and supplies meat snack products to markets around the world. The portfolio of our brands includes Jack Link's, LK®, Wild River®, Golden Island®, Country Fresh Meats™, BiFi™ and Peperami™. The company manufactures meat snacks such as beef jerky, turkey jerky, beef sticks, meat and cheese packs, kippered beefsteaks, sausages, and beefsteak and chicken tender bites. In Canada, Link Snacks operates as a distributor of the company's products.

## Supply Chain

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Link Snacks has a total of approximately 6,200 suppliers globally. This report analyzes the top 100 suppliers of Link Snacks, which account for majority of the procurement spend. The top 100 suppliers are located in six countries, five of which are outside of Canada. The countries include Canada, United States, Brazil, New Zealand, Mexico, and India. Figure 1 below presents the makeup of our supply chain by country.

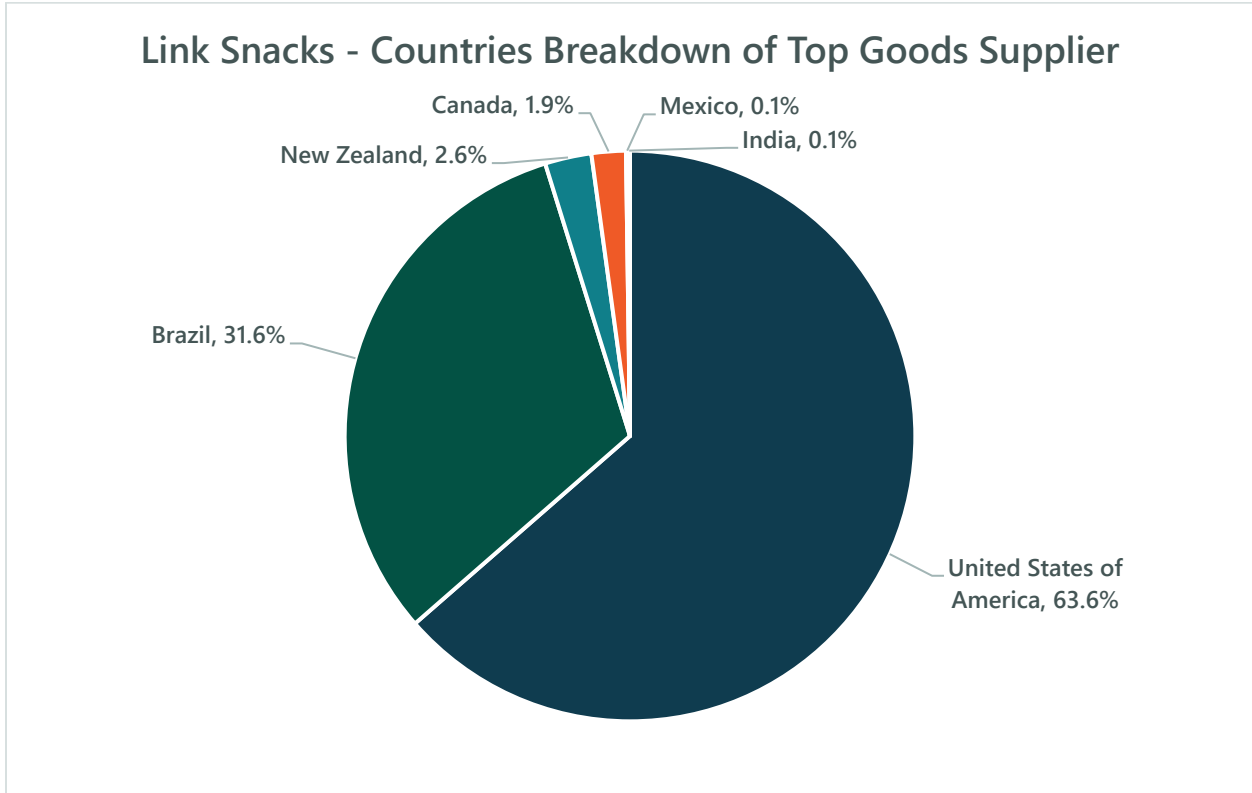


Figure 1

## Policies & Due Diligence

### Current Policies

Corporate policies are the foundation of all of our activities, and we have an open-door approach to receiving feedback from employees. Our **Code of Conduct** highlights our commitment to comply with all regulations and laws worldwide. As a global employer, Link Snacks prohibits the use of any illegal employment practices, such as forced labor, human trafficking, slavery, and other illegal practices. In addition, the code states that there is a clearly defined prohibition to any type of harassment, and a zero-tolerance approach for any behaviour that threatens the safety and security of employees. There are multiple channels for employees to report violations of this code, including speaking with their managers, HR representative, general counsel, or using the 24/7 ReportLine option (phone or email). The **Supplier Code of Conduct** explicitly mentions the protection of fundamental human rights and requires suppliers to prohibit forced labour, child labour, unlawful discrimination, harassment, or abuse of any kind. Link Snacks also expects our suppliers to abide by the laws of their country and certify that their operations do not incorporate forced labour or illegal child labour.

Our **Company Responsibility Policy** emphasizes our role in being a responsible global corporate



citizen and an employer of choice. In this policy, we commit to ensuring a safe workplace for all of our employees, maintaining a rigorous supplier selection process to ensure alignment with our values, and giving back to our communities. For employees working in the United States, our **Team Member Handbook** contains policies on unacceptable workplace conduct, defining types of harassment, and outlining procedures for reporting and investigation of such incidents. There are US state-specific team member handbooks available for employees as well.

At Link Snacks, are unwavering in our promotion of respect, ethics, integrity, and compliance with human and labour rights. In future reporting years, we will report our progress and strategy related to keeping forced labour and child labour out of our activities and supply chains.

## Due Diligence

Link Snacks applies rigorous due diligence measures to transactions within our supply chain in order to limit activity with a higher risk of forced labour or child labour. Link Snacks continues to work with well-known and reputable suppliers in the industry. As part of the procurement process, we use a **Supplier Score Card**, which has a points-based score and rating system to evaluate all suppliers on quality, delivery, cost, technology/innovation, and ease of doing business. Link Snacks conducts spot inspections of our strategic suppliers and their suppliers to ensure that livestock is raised as per ethical industry practices.

All suppliers are bound by the terms they sign, which are stated in their **agreements** and the **Supplier Code of Conduct**. Terms vary per agreement. Through this mechanism, we hold suppliers accountable by including clauses that clearly identify compliance with local laws and regulations.

Link Snacks engages vendors with whom we have long-standing relationships and have not encountered any known instances of risks associated with forced or child labour. A core tenet of Link Snacks' operations is building and maintaining strong relationships. The major vendors Link Snacks chooses to do business with are companies that are respected within their industry.

When hiring employees, Link Snacks ensures they are properly registered with the government, are paid at least a minimum salary wage, are enrolled in social security, and provided appropriate safety equipment.

## Risk Identification & Management

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### Countries of Operations and Risk

Using the *Walk Free Global Slavery Index* and the *U.S. Department of Labor List of Goods Produced by Child Labor or Forced Labor*, we had a risk assessment conducted on our countries of operations. These indexes use in-depth research in the area of forced labour and child labour and indicate the risks



associated with each country. We found that while there were low inherent risks of forced labour or child labour in Canada, the United States, as well as most of the countries listed below, there was an extreme inherent risk in Mexico. **This does not mean that evidence of forced labour or child labour was found to support this risk analysis**, but that there is an increased inherent risk which necessitates closer scrutiny by Link Snacks to ensure those risks do not flow through from the countries where they operate.

Country	Employees as of 2023 (#)	Inherent Risk per Country
Canada	21	Low
United States of America	2,784	Low
Mexico	54	Extreme
Germany	674	Low
Netherlands	73	Low
Belgium	2	Low
United Kingdom of Great Britain and Northern Ireland	8	Low
Australia	92	Low
New Zealand	148	Low
South Korea	4	Low

## Countries of Suppliers and Risk

Using the *Walk Free Global Slavery Index*, we had a risk assessment conducted on the countries where our suppliers are located. This index uses in-depth research in the area of forced labour and child labour and indicates the risks associated with each country. We found that while there were low inherent risks of forced labour or child labour in Canada, the United States, or New Zealand, there was an extreme inherent risk in Brazil, Mexico, and India. **This does not mean that evidence of forced labour or child labour was found to support this risk analysis**, but that there is an increased inherent risk which necessitates closer scrutiny by Link Snacks to ensure those risks do not flow through from the countries where they procure goods.

Country	Suppliers (#)	Supply (%)	Inherent Risk per Country
Canada	1	1.9	Low



United States of America	93	63.6	Low
New Zealand	1	2.6	Low
Brazil	3	31.6	Extreme
Mexico	1	0.1	Extreme
India	1	0.1	Extreme

Note: Supply (%) figures are rounded to the nearest 0.1%.

## Industry of Operation

According to Walk Free’s index, Link Snacks operates within the manufacturing industry, specifically in the business of ‘transformation of raw materials from agriculture, forestry, fishing, mining’. According to the index, this industry has inherent high-risk exposure to forced labour and child labour. However, certain risks are mitigated as Link Snacks is procuring 66% of its goods from well-known suppliers located in countries with a low inherent risk rating.

## Type of Goods Procured and Risk

Using the *Walk Free Global Slavery Index* and the *US Department of Labor’s List of Goods Produced by Child Labor or Forced Labor*, we had a risk assessment conducted on the types of goods of our suppliers. This index uses in-depth research in the area of forced labour and child labour and indicate the risks associated with each type of good. We found that the top 100 suppliers make up the majority of Link Snacks’ total spend for the year 2023. The major category of goods used for producing the snack products is meat, which is identified from the indices as having a high inherent risk of child labour. As per the risk indices, beef and poultry also have a high inherent risk of child labour. **This does not mean that evidence of forced labour or child labour was found to support this risk analysis**, but that there is an increased inherent risk which necessitates closer scrutiny by Link Snacks to ensure those risks do not flow through to the types of goods they procure.

Goods	Inherent Risk per Good	Country	Inherent Risk per Country
Meat (includes beef and poultry)	High	Canada	Low
Meat (includes beef and poultry)	High	United States of America	Low
Meat (includes beef and poultry)	High	New Zealand	Low
Meat (includes beef and poultry)	High	Brazil	Extreme



<b>Meat</b> (includes beef and poultry)	High	Mexico	Extreme
<b>Ingredients</b> (related to meat, e.g., spices)	High	India	Extreme

## Remediation Measures

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Link Snacks is in the process of understanding and evaluating supply chain risks related to child labour and forced labour. At Link Snacks, we commit to remediating human rights incidents and labour violations that occur within our operations and communities. This may include restitution, compensation, rehabilitation, satisfaction, and non-repetition. We will continue to monitor procurement processes to enhance the rigor of due diligence processes and ensure that we do not conduct business with entities that violate human rights or labour rights. If instances of child labour or forced labour are discovered within the activities of suppliers, activities with these parties will be ceased until these instances are remediated and discontinued.

## Awareness Training

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Link Snacks incorporates training for all employees on maintaining safe and respectful workplaces. We provide training on violence, harassment, procedures and work practices to mitigate risks, ways to get help, and report incidents of workplace violence and harassment.

Since our current policies explicitly mention forced labour and child labour, they will serve as a strong foundation as we look towards improving future training. Link Snacks recognizes the opportunity to enhance employee training relevant to this Act and will be evaluating staff training in the future. At Link Snacks, we emphasize that the people working on project sites need to be the 'eyes and ears' of the Company while being aware of the signs of forced labour and child labour.

## Assessing Effectiveness and Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

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Through our analysis, we found that all the types of goods procured by Link Snacks from its suppliers in the United States, Canada, and New Zealand carries a low inherent level of risk, but goods procured from Brazil, Mexico, and India carry an extreme inherent level of risk of child labour or forced labour. Link Snacks has taken the following steps to prevent and reduce the risk of child labour or forced labour:



1. Mapping supply chains: As part of this report, Link Snacks has mapped the supply chain to complete a risk assessment to align with the index.
2. Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains: As part of this report, Link Snacks has identified risks within their activities and supply chain that have inherent risks of child labour and/or forced labour.
3. Contracting an external assessment of risks of forced labour and/or child labour in the organization's activities and supply chains: As part of this report, Link Snacks assesses the risks associated with the goods procured against global forced and child labour benchmarks and indices.
4. Developing and implementing an action plan for addressing forced labour and/or child labour: Link Snacks has identified the need to develop an action plan to address emerging risks in our supply chain.
5. Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour: Remediation efforts relating to due diligence mechanisms in place have been identified, to reduce the risk of child labour and/or forced labour within the supply chain.
6. Developing and implementing training and awareness materials on forced labour and/or child labour: Link Snacks has identified the opportunity to develop employee training relevant to child labour and/or forced labour.

In the upcoming reporting years, Link Snacks looks towards implementing policies and practices concerning staff training and increasing awareness of forced labour and child labour; monitoring suppliers for evidence of forced labour and child labour; and integrating our Human Rights Policy across corporate policies.

At Link Snacks, we firmly believe that our greatest asset is our people. We are committed to creating a work environment that values and respects every employee, while upholding their rights and well-being. Furthermore, we are unwavering in our stance against forced labour and child labour practices. Our dedication to ethical business practices extends beyond our facilities as we continue our work to keep forced labour and child labour out of our supply chains.





## Attestation

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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.

John A. Hermeier

Full Name

*John A. Hermeier*

Signature

Director & Executive Vice President

Title

May 31, 2024

Date

I have the authority to bind *Link Snacks Inc.* and this report covers financial year 2023 and applies to *Link Snacks Inc.* and all entities considered reporting entities in terms of the Act and any controlling subsidiaries of *Link Snacks Inc.* if they apply.