



FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT REPORT

Fiscal Year **2024**



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ABOUT THIS REPORT

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") requires that businesses state actions they have taken during the previous fiscal year to prevent or reduce the risk of forced labour or child labour within their operations and supply chain. This report is made on behalf of Nature's Path Foods Inc., Manna Food Company Ltd. and Que Pasa Mexican Foods Ltd. (collectively, "Nature's Path", "we" or "us").

This report sets out governance processes, existing steps, measures, and progress made in the 2024 fiscal year (March 1st, 2023- February 29th, 2024) to prevent and reduce the risks of forced labour and child labour in our operations and across the supply chains. These processes and measures apply to Nature's Path Foods Inc. and Que Pasa Mexican Foods Ltd. which both manufacture food products; Manna Food Company Ltd. is the parent of these companies.

1. INTRODUCTION

At Nature's Path, our purpose is to leave the earth better than we found it. Through organic agriculture and socially & environmentally conscious business practices, we are committed to collaborating with our business partners, team members, and communities to create a more just and equitable food system.

As North America's largest independent certified organic breakfast and snack food company, we recognize the role we have as leaders in the organic industry, and the opportunity to actively uphold international human rights and labour standards and mitigate the risk of forced labour and child labour in our supply chain and business. We expect our business partners and suppliers to uphold the same values and principles within their operations and meet or exceed all applicable human rights and labour legislations.

2. STEPS TAKEN TO PREVENT AND REDUCE THE RISK OF FORCED LABOUR OR CHILD LABOUR

In the 2024 fiscal year, Nature's Path took the following steps to prevent and reduce the risk of forced labour or child labour in its business and supply chains. Details of these actions, ongoing programs and the teams involved are set out in this Report:

• 2.1 GOVERNANCE, POLICIES, AND TRAINING

Nature's Path hosted a cross-functional discovery session to gather input from key stakeholders to further enhance our foundational capabilities and processes associated with the continued management of our supply chain to address critical organic integrity and other social issues including forced labour and child labour issues and ensure human rights are not violated within our supply chain.

Nature's Path hosted its annual training to keep the team updated on the Sustainable Supply Chain Program and its expectations associated with forced and child labour mitigation, certifications and audits we conduct, control measures and other regulatory updates.

• 2.2 SUPPLY CHAIN RISK ASSESSMENT AND SUPPLIER VISITS

In accordance with Nature's Path Purchasing Policy and Supplier Approval Process, 100% of new and potential suppliers completed a Sustainable Supply Chain Survey. The survey requires suppliers to confirm their adherence to the Nature's Path Sustainable Supply Chain Code of Conduct and provide critical information related to their compliance with key provisions of our Supplier Approval Program ranging from business ethics, labour practices, and environmental sustainability to health & safety. This tool helps Nature's Path to determine each supplier's risk profile and assess their compliance with our expectations for specific forced labour and child labour risk prevention measures.

Nature's Path conducted an annual supply chain mapping exercise and risk assessment for key commodities based on standardized criteria across multiple core areas of assessment. Based on the results of the exercise, Nature's Path engaged in additional risk mitigation activities across the supply chain including desk audits, on-site supplier verification visits and strategic procurement initiatives to reduce risk exposure.

• 2.3 TRACKING AND MONITORING

Nature's Path updated its Sustainable Supply Chain Survey to improve the user experience and better assess our new, existing, and potential suppliers under our Sustainable Supply Chain Code of Conduct provisions and risk criteria. The Biannual Sustainable Supply Chain survey was deployed to collect data from all raw material suppliers. The supplier responses provided the Sustainable Supply Chain team with key data to inform the annual risk assessment process.

3. OUR STRUCTURE, ACTIVITIES, and SUPPLY CHAIN

• 3.1 OUR STRUCTURE AND ACTIVITIES

Nature's Path and its related companies are a manufacturer of organic cereals, granola, hot oatmeal, waffles, toaster pastries, tortilla chips, salsa, bakery products, and baby/toddler food and snack products. Founded in 1985, Nature's Path Foods Inc. is headquartered in Richmond, British Columbia and it and its related companies employ around 700 valued team members in Canada and the United States. In 1990, Nature's Path became North America's first third-party certified organic cereal company. More information about Nature's Path can be found on our website.

• 3.2 OUR SUPPLY CHAIN

Nature's Path has proudly been at the forefront of the organic movement since 1985, and we are committed to supporting the use of organic production methods in all agricultural products in our supply chain. All of our products are USDA National Organic Program (NOP) or CFIA Canada Organic Regime (COR) produced and bear the organic certification seal. We also have a strong mandate against the use of Genetically Modified Organisms (GMOs) products in all our supplies. In kind with our commitment to organic integrity, is our commitment toward socially ethical procurement practices, with particular emphasis on historic & emergent high risk or vulnerable sectors of the global agricultural sector. We source organic sugar cane from IBD Fair Trade certified sources, organic cocoa & chocolate ingredients from Fair Trade certified sources (Audited by FLOCERT) and organic palm oil from Roundtable for Sustainable Palm Oil (RSPO) certified sources. We strive to source our organic ingredients as locally as possible with 78% coming from North America.

Our products are sold online and in grocery and natural food stores in over 50 countries around the world. Brands include Nature's Path®, Nature's Path Flour®, Love Crunch®, Qi'a®, Que Pasa®, Flax Plus®, EnviroKidz®, and Love Child Organics®.

The Nature's Path Procurement & Supply Chain teams are a centralized function that: supports our operations across Canada and the United States, sources our raw materials and packaging for our manufacturing locations located in both countries, and manages our third-party transportation, warehousing, and co-manufacturing services.

Our primary raw materials include organic grains, cane sugar, vegetable oils, chocolate, cocoa, tree nuts, amongst other agricultural products. In addition to our agricultural raw materials, resources utilized to produce finished goods include packaging materials (cardboard, corrugated, plastic, metal, and glass) water, energy, and operating supplies. On average, the organic ingredients Nature's Path and its other related companies purchased in 2023 ensured that roughly 78,200 acres of farmland were kept under organic management using innovative climate-friendly practices to protect people and the planet – that's an area larger than the city of Saint John, New Brunswick.

• 3.3 OUR GOVERNANCE AND RESPONSIBILITIES

Nature's Path is a family owned and operated business. From a governance perspective, Manna Food Company Ltd. has a Board of Directors (the Board) consisting of seven individuals, and Nature's Path Foods Inc. has an Executive Leadership Team consisting of seven individuals.

The Board and the Executive Leadership Team are accountable for Nature's Path strategic objectives, including our Sustainability and purpose-driven matters. Oversight is provided at the Executive Leadership Team level and includes a cross-functional Nature's Path Sustainable Supply Chain Team that oversees our operational regulatory compliance, enterprise risk management, and our Nature's Path Sustainable Supply Chain Program. The Nature's Path Sustainable Supply Chain Team includes managers and directors from our Quality & Assurance, Regulatory Affairs, Mission & Strategy,

Supply Chain, Procurement, Finance and Research & Development teams.

Both Environmental & Social Sustainability as well as Justice, Equity, Diversity, and Inclusion (J.E.D.I.) are business enablers at Nature's Path, and are embedded into every aspect of the business, from everyday tasks to strategic decisions. The roles of Vice President, Mission & Strategy; Director, Mission & J.E.D.I.; and Organic Program Manager are accountable for embedding and advancing organic integrity, and social & environmental sustainability across our operations & supply chain.

4. OUR STRUCTURE, ACTIVITIES, AND SUPPLY CHAIN

Nature's Path is committed to protecting human rights and preventing forced labour and child labour in its business and supply chain. This commitment is underpinned by the company's purpose, values, relevant formal policies, social & environmental sustainability programs, and sourcing commitments.

Nature's Path takes an approach to Human Rights that is supported by its **Sustainable Supply Chain Program, Sustainable Supply Chain Code of Conduct, Sustainability Policy, Procurement Policy, Code of Ethics, and other formal policies** that set out Nature's Path responsibilities and expectations to respect and protect human rights across its supply chain.

• 4.1 SUSTAINABLE SUPPLY CHAIN CODE OF CONDUCT

In collaboration with the Sustainable Food Trade Association (SFTA), now known as the Organic Trade Association (OTA) Sustainability Council, Nature's Path adopted a Sustainable Supply Chain Code of Conduct in 2012 that outlines expectations on key social and environmental concerns. We ensure we work with suppliers who share our values and meet our commitment to quality organic foods through our Sustainable Supply Chain (SSC) Program and SSC Code of Conduct. This code of conduct is based on International Labor Organization standards and internationally accepted good labor practices.

Aligned with the Human Rights principles outlined in our Code of Ethics and Sustainable Supply Chain Code of Conduct, we:

- Prohibit forced labour, child labour and any form of harassment, bullying or discrimination.
- Strongly believe in Justice, Equity, Diversity and Inclusion, and the dignity and worth of all individuals.
- Recognize and respect the right of team members to freedom of association and collective bargaining.
- Seek to operate with an always-improving approach and in compliance with all applicable wage, working hours, and health and safety standards and regulations.

To ensure compliance to this code, we reserve the right to conduct ongoing visits, onsite audits and online surveys and reviews of supply chain partners.

• 4.2 PROCUREMENT POLICY

The Procurement Policy outlines the fundamental principles applicable to any procurement activity in Nature's Path. The Purchasing Policy dictates that socially and environmentally sustainable business practices are part of the evaluation criteria for all potential suppliers. As part of Nature's Path Purchasing Policy, all suppliers must comply with the terms of the Sustainable Supply Chain Code of Conduct and confirm compliance with its 12 provisions: Legal compliance, Business ethics, Organic and non-GMO, Freely chosen labour, Freedom of association, No child Labour, Wages and benefits, Working hours, Fair and equal treatment, Environmental protection, Health and safety, and Beyond compliance.

4.3 SUSTAINABILITY POLICY

Nature's Path Sustainability Policy dictates that success in business is only achieved by being socially responsible, environmentally sustainable, and financially viable. The policy, which applies to all Nature's Path locations and all permanent and contract team members, has a mandate for continuous progressive improvement and transparency when working with suppliers that share our philosophy and demonstrate a commitment to fulfill our Sustainable Supply Chain Code of Conduct, to improve social and environmental conditions at farms and facilities worldwide.

• 4.4 NATURE'S PATH CODE OF ETHICS

Nature's Path Code of Ethics reflects our values, expectations, and commitment to adhering to the highest ethical standards, integrity, respect, and honesty. The Code of Ethics applies to all permanent and contract team members across the business.

We value our partnerships and aim to ensure that all our transactions are conducted with integrity and in an ethical and honest manner. In addition to the Nature's Path Code of Ethics, an **Acceptance of Gifts Policy** was created to ensure that conflict of interest or appearance of favoritism is avoided. Our **Whistleblower Policy and an Ethics Committee** set expectations and provide direction on the company's whistleblowing process to report forms of misconduct. This includes, but is not limited to violation of a law, rule, regulation and/or a direct threat to public interest, such as fraud, health/safety violations and corruption.

5. ASSESSING AND MANAGING FORCED AND CHILD LABOUR RISKS

The risk of forced labour and child labour in our owned operations is low due to policies, programs and practices aligned with our corporate values and strong third-party auditing programs from FLOCERT at Nature's Path manufacturing locations that are actively purchasing and using Fair Trade Cocoa and Chocolate ingredients. From a Supply Chain perspective, Nature's Path created the Sustainable Supply Chain Program with a clear vision: to keep the business supplied with ingredients and packaging materials in a way that supports Nature's Path purpose of leaving the Earth better than we found it. This section of the report includes an overview of the Sustainable Supply Chain Program and the assessment and management of risks associated with forced labour and child labour across the supply chain.

• 5.1 NATURE'S PATH SUSTAINABLE SUPPLY CHAIN PROGRAM

The Nature's Path Sustainable Supply Chain (SSC) Program created in 2012, promotes the use of organic and environmentally sustainable materials from suppliers using socially sustainable business practices. The core values of the Sustainable Supply Chain program are:

1. Use of organic and environmentally sustainable materials and inputs from suppliers using socially sustainable practices.
2. Aim purchasing decisions based on the following priorities:
 - a. Minimize negative social and human rights impact,
 - b. Minimize negative environmental and climate change impact,
 - c. Support likeminded grass roots groups and likeminded organizations,
 - d. Ensure the highest quality organic ingredients are sourced,
 - e. Guarantee sustainable and safe production,
 - f. Advocate for fair pricing.

The four components of our Sustainable Supply Chain Program are Guiding Principles and Team Member Training, Supplier Approval Program, Risk Management Program & Supplier On-Site Visits and External & Internal Reporting.

• 5.1.1 GUIDING PRINCIPLES AND TEAM MEMBER TRAINING

This includes policies and documents that act as the guardrails for the work done throughout the program. Nature's Path deploys onboarding training sessions covering the Code of Ethics, Sustainability Policy, Sustainable Supply Chain Code of Conduct, and all applicable policies, as part of every new Nature's Path team member's onboarding process.

All new team members go through a mandatory Sustainability Training that covers all aspects of Social and Environmental Sustainability at Nature's Path, including the Sustainable Supply Chain Program and policies in place under the Nature's Path Grow Organic Sustainability Pillar. The Nature's Path Mission & Strategy team hosts quarterly sessions to all new team members and provides the opportunity to all existing team members to attend an annual training session to refresh the knowledge and receive updates around the Nature's Path sustainability pillars, policies, sourcing commitments and social & environmental sustainability programs.

Members of the Nature's Path Sustainable Supply Chain Team are required to undergo an annual cross-functional training conducted to keep the team refreshed on the overall Sustainable Supply Chain Program and its expectations around forced and child labour mitigation, certifications and audits we conduct, control measures and regulatory updates.

• 5.1.2 SUPPLIER APPROVAL PROGRAM

The Supplier Approval Program is led by our Nature's Path Sustainable Supply Chain team. Each member of the Nature's Path Sustainable Supply Chain team has a part to play in qualifying and approving our suppliers. The program relies on a central Ingredient & Supplier Approval Standard Operating Procedure and is managed through a cross-departmental workflow to make sure the supplier meets all social & environmental sustainability pre-requisites prior to procurement.

• SUSTAINABLE SUPPLY CHAIN SURVEY

In accordance with our cross-departmental workflow, new suppliers and existing suppliers offering new ingredients to Nature's Path must complete a Sustainable Supply Chain Survey to confirm their adherence to our Sustainable Supply Chain Code of Conduct and to help determine each supplier's risk profile and understand their compliance with the Sustainable Supply Chain Code of Conduct, including forced labour and child labour risk exposure. Additionally, the Sustainable Supply Chain Survey requests information from suppliers as to whether they have policies and a due diligence process that deal with forced labour and child labour.

The Nature's Path Sustainable Supply Chain Team reviews results from various third-party counterparty screening tools including Fairtrace by FLOCERT, PalmTrace by RSPO and others. These independent, third-party tools provide a comprehensive due diligence screening based on global news and information sources and risk categories.

In addition to the regular Supplier Approval Program, the Sustainable Supply Chain team collects information from all applicable suppliers on a biannual basis to confirm adherence to our Sustainable Supply Chain Code of Conduct and to better understand updates or changes within their businesses around organic integrity, labour practices and sustainability practices. In 2023, Nature's Path updated this survey to improve the user experience and collect key data from suppliers, updated the Sustainable Supply Chain Code of Conduct, and collected data from suppliers. The supplier responses provided the Sustainable Supply Chain team with key data to inform the annual risk assessment process.



• 5.1.3 RISK MANAGEMENT PROGRAM & SUPPLIER ON-SITE VISITS

On an annual basis our Sustainable Supply Chain Team conducts a supply chain mapping exercise and risk assessment based on standardized criteria (Business Impact, Vendor Risk, Organic Risk, Quality Risk, Social and Environmental Sustainability Risk, GMO Risk and Supply Risk) of our key (high volume or high risk) commodities. We use this to identify the high-risk suppliers for on-site visits. This is a one-time per year process that assesses Nature's Path's risk exposure in a specific moment in time.

We use the Annual Supply Risk Assessment to determine strategic procurement initiatives to continually prevent and reduce risk exposure across the supply chain wherever possible. As part of this annual risk assessment, our Sustainable Supply Chain team reviews internal data from its Sustainable Supply Chain Program, governmental & private databases as well as private standards resources, and conducts news monitoring to make organic, social, and environmental risk exposure determinations. Highest risk suppliers are subject to an on-site Supplier Verification Visit to verify that the supplier is compliant to all applicable requirements under our Sustainable Supply Chain Code of Conduct.

• HIGH-RISK INGREDIENT SOURCING

Some raw material commodities have a higher likelihood of child labour and forced labour due to the overall conditions in the countries where they are grown. In addition to our Sustainable Supply Chain Code of Conduct and all Procurement, Regulatory Affairs, and Quality Assurance supplier pre-approval requirements, Nature's Path has taken a range of measures and adopted various third-party verified certifications to address those risks as follows:

i. COCOA AND CHOCOLATE

Since 2012, we've committed to using 100% fair trade certified cocoa and chocolate ingredients in all our products. We source from suppliers who are audited and certified by FLOCERT, one of the world's leading social auditing and certification bodies and the global certification body for Fair Trade International. Through a set of rigorous Fair Trade Standards, ensuring better prices, decent working conditions, and environmental protections, Fair Trade drives more money and benefits to these farmers and workers, as well as support to their communities and protection of their local environment.

Nature's Path manufacturing locations that are actively purchasing and using Fair Trade Cocoa and Chocolate ingredients are certified under FLOCERT system (FLOID 28941) and are audited regularly by FLOCERT against the Fairtrade Standards. The main criteria focus on transparency and democratic decision-making within the organization, as well as working conditions, environmental conditions, and traceability. This onsite inspection includes checking facilities, reviewing paperwork, and talking with Nature's Path team members and business partners.

ii. SUGAR CANE

We buy from both certified organic and IBD Fair Trade sources. The IBD Fair Trade certification (previously known as EcoSocial) is a Socio-Environmental and Fair Trade Certification System, which guidelines are theoretically based on OIT Conventions, several International Protocols, such as Agenda 21, Global Compact Program and Millennium Goals, in addition to standards such as SA 8000, ISO 14000 and BS 8800.

Child labour, forced labour, as well as any action with discriminatory character are forbidden in certified IBD Fair Trade farms and companies. Workers and producers must have adequate and safety conditions of work, as well as a fair pay, being so that all those criteria are considered critical in the IBD Fair Trade standards.

iii. PALM OIL

We buy certified organic and RSPO-certified Palm Oil. Our current supply of palm is grown under a Sustainable Palm Oil system (RSPO). We aim for the highest standard, Identify Preserved RSPO-certified palm oil. We have gone beyond just buying certified. We have visited where our palm is grown, and only buy palm grown in South America. We have directly identified the suppliers that share our values and are actively trying to show that palm oil can be farmed in a sustainable way that can leave the earth better. Nature's Path Foods Inc. is also a proud member of the RSPO under the membership ID 9-2190-17-000-00.

• 5.1.4 INTERNAL AND EXTERNAL REPORTING

We utilize the information gathered through our Sustainable Supply Chain Program to produce our Sustainability Impact Report and social and environmental sustainability metrics that can be shared across departments and with key business partners, and data to fulfill requirements for mandatory client reporting.

6. ADDITIONAL INITIATIVES AND INVESTMENTS UNDER OUR SUSTAINABLE SUPPLY CHAIN PROGRAM

Nature's Path works through an extensive network of partnerships & initiatives to forward the adoption of socially ethical, climate-friendly and organic agricultural practices in Canada & beyond. It holds key positions of leadership on influential regulatory affairs councils & working groups and invests in social and technical outreach programs and critical policy advocacy & research initiatives, some of which will be highlighted by this report.

Of particular importance, Nature's Path has nurtured longstanding perennial partnerships with nonprofit organizations in the US & Canada who are championing best practices from the fields to the halls of legislation:

• 6.1. REGENERATIVE ORGANIC CERTIFICATION

Regenerative Organic Certified® (ROC) offered by the Regenerative Organic Alliance is a revolutionary new certification for organic food, fiber, and personal care ingredients that represents the highest standard for organic agriculture in the world, with stringent requirements for soil health, animal welfare, and social fairness. Regenerative Organic Certified® is built on three pillars: Soil Health & Land Management, Animal Welfare, and Social Fairness, with required criteria for each.

The scope of the Farmer & Worker Fairness module within Regenerative Organic Certified® (ROC) includes guidelines for farmers and workers at the farm level. These requirements apply to all workers on a Regenerative Organic Certified® (ROC) farm operation including the following topics under its law and code of compliance: no child labour, no forced labour, no harassment, abuse and discrimination, freedom of association and collective bargaining, wages and benefits, working hours, health and safety and fair pricing.

Nature's Path is investing \$100,000 CAD annually in a one-of-a-kind Regenerative Organic Oats (ROO) project in Canada, through which:

- A first of its kind pilot program was built with [Canadian Organic Growers](#) (COG) in 2021 to promote the adoption of regenerative organic farming best practices aligned with ROC standards across diverse grain producing regions of Canada.
- The program equips growers with key data, resources, technical extension support and education to drive towards innovative, climate-smart practices.
- The program builds communities of practice where organic growers can connect, share, troubleshoot, innovate, and thrive together.



To date, Nature's Path has supported more than 15 Canadian farmers & approximately 5,000 acres in transitioning to regenerative organic practices through its ROO Program. The program takes one step further to stimulate market entry & development opportunities for Regenerative Organic Certified growers – in July 2024, Nature's Path will launch two innovative Regenerative Organic Certified® Oatmeals featuring regenerative organic oats sourced from its ROO Program.

• **6.2 ADVOCACY FOR SOCIAL FAIRNESS WITHIN ORGANIC LEGISLATION**

Canadian General Standards Board in 2023

As of 2023, Nature's Path Foods Inc. is part of the Canadian General Standards Board (CGSB)'s Organic Division as a voting member representing the Organic Processing sector during its comprehensive 5-year review of the Canadian Organic Regime (COR). This 5-year review process is essential to the continued improvement of the organic regulations that determine the bounds of integrity for the global organic sector operating under COR. Nature's Path commends the CGSB for taking the innovative step to forming a Fairness Working Group dedicated to bringing social fairness and equity into the development scope of the 5-year review. We recognize that there is an opportunity to embed Human Rights within the current Canadian Organic Regime and by participating during this review process, we aim to advocate for tools and standards to ensure social fairness and forced labour and child labour risks are taken into consideration as part of the Canadian organic certification process.

7. REMEDIATION MEASURES

As Nature's Path has not identified any forced labour or child labour in its business or supply chain, it has not had to take any measures to remediate any forced labour or child labour or to remediate any loss of income to vulnerable families resulting from measures taken to eliminate the use of child labour or child labour in our supply chains. However, we are committed to taking steps to remediate occurrences of forced or child labour if they were to occur.

8. ASSESSING EFFECTIVENESS

We strive to continuously improve our approach to eradicate human labour and child labour from our supply chain. To assess the effectiveness of our Sustainable Supply Chain work, we monitor, verify, and validate against our policies, measures, and indicators. In 2023, the Sustainable Supply Chain Team hosted a cross-functional training and discovery session to gather input from various stakeholders to further enhance our foundational capabilities and processes to continue managing our suppliers on critical organic integrity and other social issues including forced labour and child labour issues to ensure human rights are not violated within our supply chain.

9. REPORT APPROVAL AND ATTESTATION

This report is made pursuant to section 11(4)(ii) and was approved by Manna Food Company Ltd.'s Director (the Board) on May __, 2024 for Nature's Path Foods Inc., Manna Food Company Ltd. and Que Pasa Mexican Foods Ltd. I make the following attestation in my capacity as director of Manna Food Company Ltd.

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 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.

May 16, 2024

Signature

Date

Arran Stephens, Director, Manna Food Company Ltd.

I have the authority to bind Manna Food Company Ltd.

