

# Mastronardi Produce Statement – Canada’s Modern Slavery Act

## Purpose of This Report

This report (“Report”) highlights the principal actions that Mastronardi Produce Limited (“Mastronardi Produce”) has taken to ensure that no forced labour, child labour nor modern slavery exist in Mastronardi’s operations and supply chain during the fiscal year ending December 31, 2023. The Report has been prepared pursuant to Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”). The use of the words “we”, “us” and “our” refers to Mastronardi Produce.

## Our Company and Operations

Mastronardi Produce is a fourth-generation family-owned produce company, and the first to bring commercial greenhouse growing to North America. As the true greenhouse pioneer, Mastronardi Produce’s vision in the 1940s was to provide people with incredible-tasting, fresh, greenhouse-grown vegetables from reliable protected greenhouse operations. We are an Ontario based company with our corporate headquarters in Kingsville, Ontario Canada.

Mastronardi Produce and our affiliated network grow and supply fresh produce including many varieties of tomatoes, peppers, cucumbers, lettuce, and berries to customers in North America and elsewhere. Our produce is non-GMO. We use many leading advanced environmental practices such as protected agriculture growing, including controlled environment agriculture (“CEA”), integrated pest management, and our advanced CEA facilities are capable of recycling up to approximately 95% of water.

Some additional facts about our operations:

- Most of our produce is grown in modern greenhouses utilizing advanced growing technology to deliver the highest quality and freshest produce to customers primarily across Canada and the United States.
- Our product offerings also include field grown berries which are packaged at grower packaging facilities and third-party packhouses.
- We have both owned and contract growers in our supply chain.
- Where produce is grown by supplier partners, those farms are required to adhere to the labour laws and environmental standards of the countries in which they do business. At times, Mastronardi Produce may have additional and more stringent requirements that we require our suppliers to follow.

## Modern Slavery Risk Assessment and Mitigation

To assess and mitigate risk, we require that Mastronardi Produce owned / operated greenhouse, packhouse and distribution center locations carry out an approved social compliance audit that covers Labour Standards, Health & Safety, Business Ethics and Environment operations. We also require an annual social compliance audit of all suppliers located outside of the United States, Europe and Canada. Additionally, some facilities in the United States, Canada and Europe undertake periodic social compliance audits upon request.

Using risk assessments and social audits enables Mastronardi Produce to identify potential areas of risk and non-compliance in our operations. In our risk assessments we have not identified any cases of Modern Slavery or Child Labour.

The agricultural sector carries an inherent risk for modern slavery in supply chains. The risks are strongest in:

1. The use of agency workers and migrant labour.
2. labour in field growing operations.

## Policies and Due Diligence Process in Relation to Forced Labour.

We adhere to the legislation in the countries in which we operate, and our Mastronardi Produce Code of Conduct requires that our suppliers do the same. Our policies and protections for workers are regularly reviewed, and we update them to provide additional protections to workers. Our policies include:

- Supplier Code of Conduct.
- Employee Handbook and Policies on non-discrimination.
- Compliance with local laws relating to Farm Labour Contracts.
- Health and Safety Policies and Procedures.

Our Due Diligence Includes:

- Appropriate Social Compliance Audits including:
  - EFI, Fair Trade or SMETA audits of Mastronardi Produce's operations; and
  - EFI, Fair Trade or SMETA audits of all supplier greenhouses and packhouses located in medium and high-risk countries (and some located in low-risk countries).Audits will verify the worksite and any accommodations to ensure that employment is freely chosen, child labour is not used, living wages are paid, working hours are not excessive, regular employment is provided, and no hard or inhuman treatment occurs.
- In-person visits to all supplier growers.
- Berry Farm Auditing and Compliance Processes for all field grown berry farms, which includes in-person visits by Mastronardi Produce employees and outside auditors.
- Providing growers with a copy of our Supplier Code of Conduct and requiring them to sign a document stating they will follow the requirements outlined in the Supplier Code of Conduct.
- Feedback and suggestion boxes.
- Reporting hotline.

Our employment practices that ensure no forced labour nor child labour is used include:

- No charging of recruiting fees.
- No holding of paychecks or savings.
- No holding of passports or other documents.
- Freedom of movement from bunkhouses.
- Contracts translated into the contractor's language.
- Reporting and tipline posters hung in bunkhouses at the farms.
- Suggestion boxes.
- Confidential interviews with auditors.
- Social Compliance audits that include confidential interviews with auditors.

## Steps Taken in Prevention and Risk Reduction

All suppliers have signed the Supplier Code of Conduct which forbids forced labour and child labour.

Mastronardi Produce employs a Social Compliance Director and a Social Compliance team, operating inside of the Compliance and Corporate Legal organizations, to ensure that all facilities are audited through appropriate schemes.

In 2023 audits, and appropriate follow-up actions, were completed for owned, operated, and contracted facilities as defined by the Mastronardi Produce Ltd. Vendor Food Safety, Organic and Social Compliance Requirements V.54.

## Employee Training

Mastronardi Produce employees who are involved in human resources, assess labour and human rights risks, or manage farm workers have completed the Mastronardi Produce updated Code of Conduct training. This training is mandatory for employees working in these aspects of our business.

## Measures Taken to Remediate the Loss of Income to the Most Vulnerable Families that Result from any Measures taken to Eliminate the Use of Forced or Child Labour in our Activities or Supply Chains

During the applicable audit period, we have not identified any lost income for vulnerable families resulting from our measures taken to eliminate the use of forced or child labour in our activities and supply chain. Should we identify any instances of this nature in the future, we will investigate and consider remediation plans appropriate to the circumstances and in accordance with international standards.

## Effectiveness

Mastronardi Produce did not find any instances of forced labour or child labour in operations or supplier operations in 2023. We continue to operate in accordance with our policies and best practices for labour, social compliance and health & safety. Mastronardi Produce has not yet taken any actions to assess the effectiveness of our policies and best practices and intends to do so at a later stage.

## Communication and Reporting:

A copy of this Report is available in Public Safety Canada's Modern Slavery Report Registry at Public Safety Canada. Additionally, this Report is posted on the Mastronardi Produce website: <https://www.sunsetgrown.com/social-compliance>.

## Approval and Attestation:

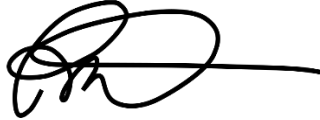
The Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Mastronardi Produce Limited.

In my capacity as a Director of Mastronardi Produce Limited, and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

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 Mastronardi Produce Limited

**MASTRONARDI PRODUCE LIMITED**

A handwritten signature in black ink, appearing to be 'PM', written over a horizontal line.

By: \_\_\_\_\_

Paul Mastronardi  
Chief Executive Officer

Dated: May 29, 2024