

Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act Report and Anti-slavery and Forced Labour Plan

1. Introduction

Natra Chocolate America (NCA) Inc., in conjunction with our corporate head office (Natra, SA) and European counterparts, seeks to generate a positive long-term impact on our professionals, suppliers, their communities and the environment, working within an innovative, responsible supply chain and focusing on the generation of economic and social value that helps to alleviate poverty and protect ecosystems, while producing excellent chocolate.

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2. Statement of Commitment

Natra meets the highest standards of social and environmental performance, public transparency and legal accountability, and is recognised as a company with a purpose. Natra has joined the B Corp initiative to show the effort we are making in sustainability and inform stakeholders of our social and environmental impacts.

NCA is committed to fulfilling our requirements under Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act.

NCA will continue to complete the SEDEX Members Ethical Trade Audit

Our multi-year plan shows how we will play our role in remaining B Corp certified as well as continue to improve our commitments to these high standards.

3. Corporate Structure

NCA is the Canadian entity of Natra and falls under the consumer goods division of Natra globally. The local plant production facility falls under the responsibility of the Chief Operations Officer, who reports directly to the CEO. Human Resources and Finance report functionally to their own Chiefs and, at plant level, have a dotted line to the Plant Manager. See the structure shown in Appendix A – 1st reporting Line.

The Internal Controls and Sustainability Director reports under the CFO and is responsible for coordinating the B Corporation strategies and goals. These have been set out to 2026. See the ESG 2026 Roadmap in Appendix B. Natra's B Corporation profile is available at this link, [NATRA - Certified B Corporation - B Lab Global](#).

4. Policies and Due Diligence

NCA has internal policies that require all employees to comply with local legislation and international standards of behaviour (e.g. Employment standards, Occupational Health and Safety, Human Rights). This includes a Corporate Code of Conduct and Code of Ethics.

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NCA employ's individuals in leadership positions with professional designations that also require their members to comply with codes of conduct that include Human Rights standards (e.g. HRP, PEO, CPIM and CPA).

The Corporate Sourcing Policy contain a specific section regarding Corporate Responsibility. The following is this section of that document. Page | 2

The Natra Group has implemented and certified an integrated management system of "sustainable procurement" (and aligned with the international standard ISO-20400). To align its corporate policy with the requirements of "sustainable procurement", a Responsible Sourcing Code has been developed (Annex B) aimed at implementation of NATRA's values, principles, objectives and goals in this field, clearly reflecting the Natra Group's commitment to Sustainability in the operations of its suppliers, understanding as sustainable sourcing those that achieve the greatest positive environmental, social and economic impacts along the life cycle of the products / services purchased.

This Responsible Sourcing Code is coordinated with the rest of NATRA's organization, policies, taking into account the three pillars of Sustainability: environmental, social and economic impacts, and define measurable and verifiable objective criteria to ensure compliance.

- Social responsibility.*
- Transparency.*
- Ethical behavior.*
- Compliance with local and international regulations.*
- Respect for Human Rights.*
- Equal opportunities and fair treatment.*
- Inclusion of all the rights and interests of all the most relevant stakeholders in decision making.*

All Natra suppliers are required to acknowledge / sign the Responsible Sourcing Code and inform Natra about their policies and actions aimed at ensuring proper performance in the above aspects.

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5. Parts of the Business and Supply Chains that Carry a Risk and Steps taken to Assess and Manage that Risk

When a supplier is being assessed, prior to awarding a contract, the following items are evaluated and verified.

- ❑ economic / commercial criteria (best price, better payment terms, best incoterms, consignment stock, supply capacity and reliability, volumes committed, minimum order quantity, financial strength/ reliability of the supplier)
- ❑ technical criteria (increased service coverage, service level, performance, quality)
- ❑ ethical and social criteria (compliance with law, decent working conditions, fair trade, quality of employment, persons with disabilities or recruitment of insertion companies or special employment centers, impact on local communities, compliance with the environmental regulations that apply in each country where it operates, etc.).
- ❑ In the case of similar offers in price/quality/delivery period, priority will be given to the provider who has a Special Employment Centre (i.e., the recruitment of persons with disabilities) and/or higher Sustainability Commitment.

For all purchases regardless of their amount, the employee responsible for the process must keep documentary record and evidence that this policy has been applied. This may be viewed by internal auditors.

6. Measures Taken to Remediate

Remediation is not currently part of the NCA program as we have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains. At a corporate level, Natra provides an investment into cocoa communities of 2% of net result.

7. Training

NCA provides training upon hire and on an annual basis to all staff. The course, "Understanding Human Rights Training," is provided through a third party (Citation). The B Corporation training hub provides mandatory online training programs to educate all Natra employees about our commitments to the B Corporation principles which include the B Corporate Areas of Focus. See Appendix C.

8. Assessing Effectiveness of Programs

The Internal Audit program (through the Internal Controls and Sustainability department) includes verification of Financial standards and verification of all ESG expectations in partnership with B Corp.

Locally at NCA the annual 4 Pillar SMETA, completed with a third party auditor, verifies the plant is following the Ethical Trading Initiative (ETI) base code. The ETI base code is based on International Labour Organisation (ILO) conventions and in many countries local and national

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laws are in line with the ILO standards. SMETA uses both the law of the land and the ETI Code. SMETA 2-Pillar Audits will specifically check a site plus any accommodation provided against the following areas:

1. Employment is Freely Chosen
2. Freedom of Association and Right to Collective Bargaining are Respected
3. Working Conditions are Safe and Hygienic
4. Child Labour Shall Not Be Used
5. Living Wages are Paid
6. Working Hours are Not Excessive
7. No Discrimination is Practised
8. Regular Employment is Provided
9. No Harsh or Inhumane Treatment is Allowed

The two additional pillars are Environment and Business practices. NCA has been compliant with all SMETA requirements since 2019.

NCA's annual Rain Forest Alliance audits cover human rights as well as health and safety standards. Additionally, NCA is subject to onsite periodic customer audits (Walmart, Loblaws, etc.) which also service as ways to verify there are no inappropriate social practices.

9. Revision History

Revision Date	Revision #	Change Summary	Author	Approval
Oct 1, 2024	1	New document	AM	SK

10. Approval and Attestation of the Report

I do hereby attest that this information is true, accurate and complete to the best of my knowledge.

Document Approval

Name: Sean Kellett

Title: NCA Plant Manager

Date of Approval: October 1, 2024


2024-10-01

Name: Anne McNeil

Title: NCA HR Manager

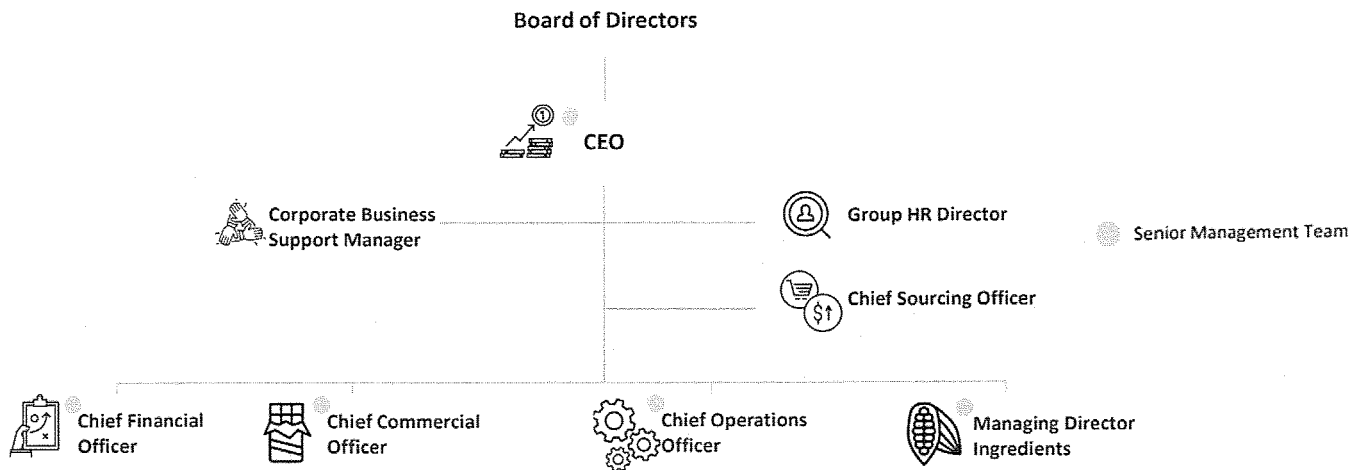
Date of Approval: October 1, 2024


Oct 1/24

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Appendix A – 1st reporting line

1st reporting line



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Appendix B – ESG 2026 Roadmap



ESG STRATEGIC PLAN 2023 - 2026



	2023 Achievements	2026 Commitments
Sourcing	45% Sustainable cocoa	At least 50% volumes of sustainable cocoa sourcing 100% traceable cocoa
Environmental Protection	Natra is carbon neutral +15% more efficient in energy (between 2020-2022) 97% of paper packaging from "sustainable" forests 96% Recyclable packaging	Reduce energy consumption by 27% Net zero by 2040 (including scope 3) 100% of packaging recyclable or compostable
Natra Team	Severity Index Divide by 2 (between 2018 and 2022)	Zero lost time accident in sites Zero accident culture embedded with all managers
Concern for the Community	Invest 2% of net result in cocoa communities	Maintain B Corp certification in 2025 Continued investment in cocoa communities of 2% of net result
Healthy Nutrition	5% of development of new products follows sustainability best practices	Recipes with greener ingredients (organic, vegan, etc) and reduced sugar 1/3 of development of new products follows sustainability best practices
Certified B Corporation	<p>"Carbon Neutral" Scope 1 and 2 emissions mitigated through buying annually carbon credits / supporting forest preservation projects</p> <p>Net Zero by 2040 including scope 3</p>	

Appendix C – B Corporation Areas of Focus

<p>Corporate governance: Mission and commitment, ethics and transparency.</p>	<p>Employees: Professional development; health, wellbeing and safety; commitment and human rights.</p>	<p>Environment: Environmental management, air, water, renewable energy, resource conservation, transport, suppliers, among others</p>	<p>Community: Diversity, equity and inclusion, supply chain management, civic engagement, donations, and local economic development.</p>	<p>Customers: Customer management, education, access to basic services and economic empowerment.</p>
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Appendix D – ETI Base Code

<https://www.ethicaltrade.org/eti-base-code>