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**FIGHTING FORCED
LABOUR AND
CHILD LABOUR
REPORT**

About this Report

This joint report is the first annual report prepared by Nitta Gelatin North America, Inc. and Nitta Gelatin Canada Inc. (collectively, “Nitta Gelatin”, “we” or “our”), subsidiaries under Nitta Gelatin, Inc. and entities pursuant to Canada’s new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”). This report covers all actions undertaken by both entities during our previous fiscal year ending on March 31, 2024 to prevent and reduce the risk that forced labour or child labour is used at any step of the production of our goods, or of goods imported into Canada on our behalf.

Preventing and Reducing the Risks of Forced and Child Labour in Our Supply Chain

In the previous fiscal year, Nitta Gelatin took the following actions to prevent and reduce the risk of forced labour or child labour in our business and supply chain.

- ✓ Developed and implemented a new *Anti-Human Trafficking Policy* to ensure all Nitta Gelatin North American workers are recruited voluntarily
- ✓ Continued sourcing in compliance with the company’s North American *Supplier Code of Conduct and Ethics*, promoting a more responsible and ethical supply chain concerning human rights
- ✓ Collaborated with customers and suppliers to address instances of forced labour and child labour within the supply chain when identified
- ✓ Enhanced our Corporate Social Responsibility program by partnering with *EcoVadis* for regular assessments and feedback, achieving Bronze medal status for our efforts in 2023



Our Business

Nitta Gelatin, Inc. is a world leader in gelatin and collagen product manufacturing. Established in 1918, the company consistently innovates, producing high-value food, nutraceutical, and pharmaceutical products. Renowned for its commitment to quality, service, and research, Nitta Gelatin continually pioneers new applications for gelatin and collagen.

Nitta Gelatin, Inc. headquartered in Osaka, Japan, has operations in India, Vietnam, China, the US, and Canada, exemplifying its international reach. In North America, the corporation employs 165 individuals, including 58 based in Canada. This includes Nitta Gelatin North America, Inc., the North American head office in Morrisville, North Carolina, and two manufacturing plants: Nitta Gelatin USA, Inc. in Fayetteville, North Carolina, and Nitta Gelatin Canada, Inc. in Toronto, Ontario. These entities report directly to Japan and produce a variety of food, pharmaceutical, and technical-grade gelatins, emphasizing safety, reliability, and environmental sustainability in its everyday operations. These products are sold to customers and distributed both domestically and internationally, where the products are usually further processed to help meet our customers comprehensive needs.

Our Supply Chain

Each manufacturing facility in North America has a dedicated procurement team to support manufacturing operations within their respective facility. Suppliers are evaluated through an internal evaluation process before onboarding to ensure they meet with our qualification standards and corporate requirements. Nitta Gelatin aims to work with suppliers and contractors that align with their commitment to ensuring responsible social, ethical and environmental responsibility.

Our suppliers provide a wide range of goods and services, which include:

- Chemicals, lab supplies, filter media and processing aids;
- Equipment, calibration and maintenance;
- External services such as IT, co-packing and laboratory testing
- Facility services including cleaning, pest control, landscaping, uniforms and waste management;
- Logistics and external warehousing;
- Packaging materials;
- Raw materials for production including pork rinds and pork/bovine gelatin; and
- Utilities

Nitta Gelatin sources products and services for our facilities globally, although efforts are made to source locally and within North America where possible. Any inputs that are not locally available or are specialized such as resins, production equipment and processing aids may be imported from other regions such as Europe or Asia (specifically Japan and India).



Policies and Practices Against Forced and Child Labour

Nitta Gelatin has developed a well-rounded corporate social responsibility plan that addresses our efforts relating to environmental, labour and ethical issues within our supply chain. These policies highlight our commitment to mitigating the real-life consequences of forced and child labour. We aim to uphold the rights of all workers in our supply chain, including internal employees, external contractors, and vendor employees.

Ethics and Conduct Policy

Our *Ethics and Conduct Policy* applies to all employees, executives and directors working on our behalf in North America. The code aims to promote socially responsible conduct, integrity and corporate responsibility. Although it does not specifically address forced and child labour, the policy reinforces Nitta Gelatin's commitment to the highest ethical standards for everyone involved in the company. It outlines the roles and responsibilities of both employees and leaders, ensuring a top-down approach for our ethical conduct.

The policy covers conflicts of interest, confidentiality of corporate information, fraud, legal compliance, and the reporting of any illegal or unethical behavior. We expect all employees to uphold these values and demonstrate honesty, integrity, and fairness in their work.

To support this, we have established an anonymous ethics hotline for reporting any policy violations. Additionally, the policy is reviewed regularly to ensure it continues to align with company values and industry standards.

Supplier Code of Conduct & Ethics

As part of our commitment to responsible business conduct, Nitta Gelatin has established a *Supplier Code of Conduct & Ethics* to promote socially responsible sourcing among our suppliers. This code addresses ethical standards concerning the human, environmental and economic aspects of our supply chain, with specific provisions to ensure suppliers do not engage in forced or child labour, in accordance with convention 138 and 182 of the International Labour Organization.

The policy applies to all of the external vendors within the supply chain providing goods and services to our North American plants. Suppliers are expected to actively uphold the standards set out in the code. Additionally, Nitta Gelatin employees are required to report any observed violations when interacting with business partners.

Suppliers unable to comply with the *Supplier Code of Conduct & Ethics* must communicate this to Nitta Gelatin for a review of their business practices and their relationship with the company.

Anti-Human Trafficking Policy

Our *Anti-Human Trafficking Policy* was developed as our commitment to provide a work environment that is free from forced labour and unlawful child labour. The focus of this policy relates directly to the North American subsidiaries but it also outlines our stance to avoid working with businesses in our supply chain that do not uphold these most basic human rights.

All employees are required to report any policy violations, whether internal or within the supply chain, immediately to the human resources department or anonymously through the company's ethics hotline. This ensures a safe and ethical work environment for all.

Forced and Child Labour Risks

Internal Operations

As part of our commitment to ethical business practices, our management and Human Resources team ensure the effective application of our policies and programs onsite. Our recruiting processes work within these programs, ensuring compliance with all legal standards and that all employees are recruited voluntarily.

Additionally, a portion of our Canadian workforce (59%) is also unionized and covered by a collective bargaining agreement, further reinforcing their rights, and minimizing any risk of forced or child labour.

Within the Supply Chain

We are committed to eliminating forced and child labour from our supply chain, though we acknowledge that no industry is entirely free of these risks. Currently, we are in the initial stages of assessing these risks within our own supply chain.

To enhance our corporate social responsibility program, we are continuing to partner with *EcoVadis* to evaluate our policies and efforts related to labour and human rights. We aim to redevelop our supplier evaluation program and create a new risk assessment tool to identify high-risk areas for forced and child labour. These initiatives are ongoing and expected to be completed by the next reporting period.



Remediation Measures (including Remediation of Loss of Income)

In the last fiscal year, there were no incidents of forced labour or child labour identified in our activities or supply chain. Therefore, we did not take any remediation measures or remediate any loss of income relating to this.

If any instances of forced or child labour are identified within our activities or supply chain, we will conduct a thorough investigation and consider the appropriate remediation steps in compliance with regulations and international standards.

Training

In the upcoming fiscal year, we will enhance our commitment to ethical business practices by implementing additional training on forced and child labour risks. This initiative is part of our broader effort to uphold human rights across our supply chain and operations. The training program will be mandatory for all employees, with a particular focus on those involved in procurement, supply chain management, and human resources.


Assessing Effectiveness

While Nitta Gelatin has begun implementing measures to reduce the risk of forced and child labour in our activities and supply chains, we are still developing a comprehensive program. Therefore, the effectiveness of these measures have yet to be assessed.

Statement of Approval & Attestation

This report, on behalf of Nitta Gelatin North America, Inc. and Nitta Gelatin Canada, Inc., covering the financial reporting year ending March 31, 2024, was approved for publication, in accordance with subparagraph 11(4)(b)(i) 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 entities specified 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.



Seiichi Nishikawa

President, Nitta Gelatin Holding, Inc.

May 28, 2024

I have the authority to bind Nitta Gelatin Canada, Inc. and Nitta Gelatin North America, Inc.

