



# 2024 Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

## Introduction

This report has been prepared by Punjab Milk Foods Inc. (PMF) pursuant to the requirements under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the **Act**) for our financial year ending September 30, 2023.

PMF is committed to adopting business practices that protect the safety, health, and human rights of workers impacted by our operations. We do not tolerate the use of forced labour or child labour in our workplace or in our supply chains.

## Organizational structure, activities, and supply chain

PMF is a privately-owned company, established in Surrey, British Columbia in 1997. We manufacture and distribute ethnic Indian dairy and plant-based protein products under three brands, Nanak Foods, Savera Foods, and Emerge Foods. Nearly all our products are sold to retailers in Canada and the United States, with some exports including to Australia, New Zealand, Singapore, Japan, Mauritius, Hong Kong, Germany, UAE and Trinidad.

We have approximately 280 employees in our office and manufacturing facilities. Our operations are governed by health and safety, minimum age, hours of work, and other employee protections under Canadian laws. We do not hire temporary workers, and do not use labour intermediaries to hire, pay, or employ our workers.

Our facilities are regularly inspected and monitored for quality and safety in accordance with Health Canada and other regulations governing the food industry. We have achieved Safe Quality Food (SQF) level 3 certification, which is granted to the safest food producers by the Safe Quality Food Institute. We maintain certifications with the Canadian Food Inspection Agency, the US Food and Drug Administrator, and Halal Certification.

In the reporting year, we procured ingredients, packaging, and manufacturing equipment and parts, office equipment and supplies to support our manufacturing activities. Our ingredients, including milk ingredients, sugar, and vegetables, were primarily sourced from suppliers in Canada and the United States. When we purchased ingredients through distributors, we had visibility over the producer. Our packaging was sourced from the United States. We imported a small amount of finished dessert products from India and milk ingredients from New Zealand. We purchased equipment, parts, and supplies to support our manufacturing operations from Canadian distributors and manufacturers.

## Steps to prevent and reduce the risks of forced labour and child labour

In this reporting year, PMF took the following steps to prevent and reduce the risks of forced labour or child labour in our operations and supply chain:

- Continued to adopt safe work practices and encourage our employees to report incidents of workplace safety and human rights issues in our manufacturing operations

- Continued to conduct supplier approval processes and audits that increase our visibility over our suppliers' operations and supply chains
- Developed our Forced Labour and Child Labour Policy to expressly prohibit the use of forced labour or child labour in our supply chains
- Continued to provide training to our employees on human rights and workplace health and safety

## **Policies and due diligence processes**

We hold ourselves to high standards of business conduct and have adopted policies and systems that incorporate responsible business conduct in our operations and supply chains.

Our Code of Conduct establishes our expected standards of behaviour for employees, as well as any contractors or vendors working on our sites. We require our employees to comply with all applicable laws and to be ethical and responsible.

We have policies governing workplace conduct and safety in our manufacturing operations, including Human Resources Policies and Procedure, Occupational Health and Safety Program, Workplace Bullying and Harassment Policy, and Workplace Violence Policy. These policies protect workers from unsafe working conditions, human rights abuses, and workplace harassment. We do not hire employees who are under 18 years of age.

We procure our ingredients and packaging from reputable suppliers, through a centralized procurement process. We conduct a supplier approval process for new suppliers as well as annual supplier verification audits for existing suppliers. Each supplier is required to complete our supplier audit questionnaires during onboarding and our annual verification audit. Our suppliers are required to provide information about the products they supply to us, their food safety program, food safety certificates, and audits by regulatory agencies and third parties. Although these audits have not expressly included forced labour or child labour, they increase our visibility on the working conditions and extended supply chain of our suppliers.

We recently developed a Forced Labour and Child Labour Policy, which prohibits the use of forced labour and child labour in our activities and supply chains. Starting in May 2024, we require our suppliers to acknowledge compliance with this policy during our supplier approval and annual supplier verification processes.

## **Forced labour and child labour risk**

PMF's manufacturing facilities operations are located in Canada and our direct suppliers are located in countries that are generally considered as low risk for forced labour or child labour.

Our existing risk assessments enable us to assess and prevent risks to workers in our extended supply chain. Our existing food safety and quality audits enable visibility and transparency over manufacturers and the extended supply chain and include factors that are relevant to indicators of forced labour and child labour, including working conditions. In addition, we recently improved our supplier risk assessments by expressly including a prohibition on the use of forced labour and child labour.

As more public information becomes available about risks in the extended global supply chain, we will continue to engage with our suppliers on the steps, processes, due diligence and risk assessment practices taken to protect the rights of workers.

## **Remediation measures and remediation of loss of income**

To date, PMF has not identified or received any report or complaints of risks relating to forced labour or child labour in our operations or supply chain and, as such, has not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

## Employee training

We provide training to employees on our policies, including mandatory health and safety training. To date, we have not developed training for employees that specifically address the risks of forced labour or child labour in our supply chains.

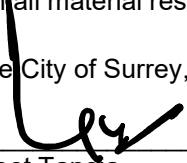
## Assessing effectiveness

Under our existing programs, we continuously assess and improve workplace safety in our operations and food quality and safety in our supply chains. As noted above, our operations and supply chain are subject to third party and government audits and inspections. We have not developed programs to assess the effectiveness of our approach to preventing and assessing the risks of forced labour and child labour in our operations and supply chains.

## Approval and attestation

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 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.

Dated in the City of Surrey, British Columbia, this 29<sup>th</sup> day of May, 2024.

  
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Name: Vineet Taneja  
Title: CEO

I have the authority to bind Punjab Milk Foods Inc.