



Pure Treats Inc.

Forced Labour and Child Labour in Supply Chains Company Assessment

May 27, 2024

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Introduction

Pure Treats is a privately held pet nutrition company, headquartered in Vaudreuil-Dorion, Quebec, Canada. Our national brand, PureBites, was born in 2005 when it was introduced to pet parents with our first 1 ingredient treat: PureBites 100% pure raw freeze-dried human grade beef liver.

Today, we are a leading pet nutrition company making millions of pets happy and healthy every year. Everything we do is focused on asking pet parents to turn the bag around and look at our natural and pure ingredients. We offer a wide assortment of 100% pure 1 to 5 ingredient treats, mixers, patés, squeezables, and broths, as well as our 100% complete and balanced freeze-dried food & toppers.

At Pure Treats we value clean, simple ingredients. We also know that our planet is changing, and we need to do our part to prevent, slow, and adapt so that our pets and their human parents can enjoy the wonderful world we live in for generations to come. We have been taking steps (big and small) to make Pure Treats more sustainable.

This report is Pure Treat's response to comply with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act) for the financial year ending December 31, 2023. For the purposes of the Act, Pure Treats meets the entity definition by having a business in Canada, doing business in Canada and meeting two of three threshold criteria (i.e. revenue and assets).

Pure Treats is strongly committed to respecting human rights wherever we operate, as well as requiring our suppliers and vendors to comply with all applicable laws and regulations in the jurisdictions in which they operate.

We do not tolerate child or forced labor of any kind.

Structure, Activities & Supply Chain

Structure

Pure Treats is a private corporation located in Vaudreuil-Dorion, QC, Canada.

We employ fewer than 250 individuals, with the youngest employee being 25 years old. All employees are in Canada, and over 93% of them are permanent. All employees have full-time positions. Most of the employees are working in our Vaudreuil-Dorion, QC, Canada facilities.

Other than our Vaudreuil-Dorion facilities, the rest of our supply chain is primarily located within Canada and the United States, and is made up of third parties to which we outsource different activities, such as freeze-drying, warehousing, order fulfillment, shipping, etc.

Activities & Supply Chain

Pure Treats sells its products through multiple channels, including large pet specialty retailers, independent pet stores, e-commerce, and food drug mass retailers. Our products are sold mainly in Canada and the United States.

The vast majority of our products are sourced and processed in the USA and Canada.

We outsource most of our manufacturing activities to suppliers mainly located in the United States and in Canada, particularly the freeze-drying process.

Less than 20% of our products are sourced or manufactured outside North America, notably in Thailand.

The majority of the products we buy or use in our supply chain can be summarized as human grade USDA certified meat (such as chicken breast, beef liver, lamb liver as well as salmon, whitefish, shrimp, etc.), corrugated boxes, and recyclable stand-up plastic pouches.

The majority of the services we outsource to our supply chain partners can be summarized as raw material sourcing (mostly frozen human-grade meat), freeze-drying services, warehousing and order fulfillment, packaging services, and freight and logistics services.

Policies & Due Diligence Processes

Current Policies

Pure Treats is strongly committed to respecting human rights wherever we operate.

As part of the onboarding process, employees are trained on our Diversity, Equity, and Inclusion, as well as our Harassment and Discrimination policies. Employees sign a commitment to a code of conduct to uphold these policies.

We will be exploring how to incorporate more specifics regarding forced and child labor into our internal policies in the future.

Externally, we require our suppliers and vendors to comply with all applicable laws and regulations in the jurisdictions in which they operate. Given the very low risk of our supply chain regarding forced and/or child labor in the territories we primarily operate in, we do not specifically address this area in our current vendor agreements, but we will be exploring implementing this language and approach in future agreements.

Due Diligence

We have recently completed an internal review of all our supply chain partners (tier 1) to determine the activities, sectors, geographical locations, and our percentage of annual spend for each of them.

In accordance with publicly available resources, particularly the U.S. Department of Labor's "List of Goods Produced by Child Labor or Forced Labor", we have conducted an internal assessment of risk for each supplier.

Based on this list, we have identified one supplier with a potential risk for child or forced labor due to geographical location and type of product.

As for our supply chain in North America, which is considered extremely low risk, informal site visits are being carried from time to time by management to our major suppliers' facilities. Although these visits do not have a focus on child or forced labor, none has been observed.

Supply Chain Risk Assessment

Using two separate indices, Walk Free's Global Slavery Index and the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor, we have identified only one Tier 1 supplier that operates in a region and in a business activity that is identified as having a risk for potential child or forced labor. This supplier is a public corporation operating in Thailand, which processes, among other items, fish and shrimp products. The products Pure Treats sources from this supplier represent less than 20% of our annual procurement spend.

As a result of the identified risk, Pure Treats has requested and obtained a copy of the specific Tier 1 supplier's most recent (May 2023) Ethical Trade Audit Report, as well as other relevant internal policies such as Code of Conduct, Good Corporate Governance, Human Resource Management Policy, Human Rights Principles and Law Compliance Policy, and Anti-corruption Policy.

The Ethical Trade Audit Report was completed by Sedex, an internationally recognized 3rd party social audit firm, and includes an audit of Labour Standards as well as Business Ethics. The scope of workers included all types (direct employees, agency workers, workers employed by service providers, and workers employed by other contractors). Auditors conducted 64 interviews at the site.

Based on this audit report, the supplier has policies, procedures, and training in place that reduce the risk of forced labor and child labor, and no evidence of child or forced labor has been identified.

Additionally, we will continue to engage with all our suppliers and explore opportunities to enhance monitoring of suppliers to reduce the risk of forced and child labour. If specific incidents of forced and child labour are identified, we will work with suppliers to determine and implement remedial action.

Remediation of Forced & Child Labour

Pure Treats has not identified any child or forced labour in operations or supply chains, and therefore no measures have been taken to remediate instances of forced and child labour. Pure Treats will continue to monitor our operations or supply chains for instances of child or forced labour.

Remediation of Vulnerable Family Income Loss

Pure Treats has not identified any child or forced labour in operations or supply chains, and therefore no measures have been taken to remediate vulnerable family income loss. Pure Treats will continue to monitor our operations or supply chains for instances of child or forced labour and if instances are identified, explore opportunities for remediation.

Awareness Training

We do not currently have any awareness training in place. Our management & purchasing team have been informed of the Act and its objectives, as well as the resources that can be used to assess product & country risk. As we continue to monitor our operations and supply chains, we will evaluate if a more formal and broader training should be put in place.

Assessing Effectiveness

Pure Treats will continue to monitor our operations and supply chains for risks of child or forced labour on an annual basis, and evaluate if any changes in our policies or processes are required.

Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour


We require our suppliers and vendors to comply with all applicable laws and regulations in the jurisdictions in which they operate. Pure Treats does not tolerate any kind of child or forced labor. All employees are required to comply with our policies on Diversity, Equity, and Inclusion, as well as on Harassment and Discrimination. We will be exploring how to incorporate/address the subject of child and forced labor within our policies. As for our supply chain partners that are operating in a region or sector that is at risk for child labor or forced labor, we are exploring the implementation of a periodic communication and request of Social / Labor audits.

Approval and Attestation of the Report

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.

ERIC CORMIER
Chief Operating Officer
May 27, 2024

Signature



I have the authority to bind Pure Treats Inc. This Statement has been reviewed and approved by the highest levels of the organization on behalf of itself.