

PUSATERI'S

REPORT PURSUANT TO FIGHTING FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

MAY 21, 2024

Introduction

This Report is published pursuant to the Canadian "Fighting Against Forced Labour and Child Labour in Supply Chains Act" and sets out the steps that Pusateri's Limited (the "Company" or "Pusateri's" or "Pusateri's Fine Foods") has taken and is continuing to take to combat forced and child labour in our business and supply chain. The Report covers activities for the fiscal year ending January 31, 2024.

We acknowledge our responsibility to combat forced and child labour and are committed to acting ethically and with integrity and transparency. We are working towards implementing systems and controls to safeguard against any form of forced or child labour taking place within the business or our supply chain.

Our Business: Structure & Activities

Pusateri's is a corporation governed by the Canada Business Corporations Act (the "CBCA"). Pusateri's is a fine-food retailer specializing in gourmet imported goods, specialty products and fine foods.

Pusateri's employs approximately 300 people, of which approximately 130 are covered by collective agreements. Our operations are located in Canada, primarily in the Greater Toronto Area. From an operational standpoint, we oversee three retail locations, with an additional food processing facility (commissary/free standing meat plant).

Supply Chain

We are required to adhere to regulations set by municipal, provincial, and federal authorities which mandate regular inspections; our retail premises undergo quarterly inspections, while the commissary/meat plant is inspected biweekly. The prepared food from our commissary is exclusively retailed within our premises.

Our procurement relies heavily on Canadian and North American supply chains for food ingredients and grocery items. All potential suppliers must complete a mandatory "supplier questionnaire" and furnish proof of government regulatory inspections, in addition to addressing identified risks.

We uphold the highest standards of respect and integrity in our business dealings, both internally and with our suppliers and contractors. Our sourcing practices prioritize fairness while ensuring effective supply chain management. We diligently identify, evaluate, and monitor areas within our supply chain where there may be risks of forced or child labour.

Our Purpose, Vision, and Values

Pusateri's vision is to be the city's leading food shopping destination where people come to find incredible gourmet products they can't find elsewhere, and where they leave happier and inspired to explore and enjoy and share their finds. What we stock and prepare is done with pride, and we serve it with heart.

Pusateri's purpose is filling life with quality food worth celebrating. Pusateri's aims to build a sustainable supply chain that reflects Pusateri's corporate culture and the values that we strive for which includes customer focused, results oriented, passionate, and integrity.

Policies and Due Diligence

We believe that good governance is the cornerstone of a respectful and inclusive corporate culture, which earns trust and creates value for all our stakeholders. We also recognize that upholding human rights is a collective responsibility of all enterprises, no matter where they operate.

Business Code of Conduct

Pusateri's is committed to fostering a respectful, inclusive, and productive work environment and to conducting its business and affairs in accordance with the highest ethical standards. Pusateri's Code of Conduct (the "Code") sets out minimum standards that our team members are expected to meet or exceed in their conduct, behaviour, and ethics. We are working together towards living our mission statement, which says "We are a special place for those who appreciate quality – where

exploring artisan foods with thoughtful service creates a reason to celebrate each day." We are committed to delivering the results necessary to achieve this.

Supplier Code of Conduct

Pusateri's Supplier Code of Conduct ensures that Canadian companies, including Pusateri's, uphold ethical standards throughout their supply chains. This includes addressing human rights, labour standards, regulatory compliance, environmental protection, and anti-corruption measures. Pusateri's is dedicated to conducting business ethically, responsibly, and sustainably. We expect our suppliers and their employees to adhere to the highest standards of integrity and ethical behaviour.

Additional Policies and Framework

Pusateri's has an extensive library of policies and procedures, along with a comprehensive food safety and occupational health and safety framework. Our policies not only meet but often exceed applicable local and national laws wherever we operate, and they are rooted in our core values and ethical standards.

Steps Taken to Reduce the Risk of Forced Labour and Child Labour

The mandatory "supplier questionnaire" coupled with the requirement for proof of government regulatory inspections serves as a significant deterrent against forced labour. Bonded inspectors, trained to recognize potential risks within premises, play a crucial role in this process. Their oversight helps ensure that suppliers adhere to labour regulations and maintain ethical standards, thereby contributing to a more responsible and transparent supply chain.

Remediation Measures and Loss of Income

Pusateri's has not identified risks related to forced or child labour in its supply chains. Further, Pusateri's has not identified forced labour or child labour in its own direct operations.

As Pusateri's has not yet identified any instances of forced labour or child labour in its activities and supply chains, no measures were taken to remediate the loss of income to the most vulnerable families that results from measures taken to eliminate the use of forced labour and child labour.

Training

At Pusateri's, understanding and complying with the Code of Conduct is mandatory. Our orientation and onboarding programs provide training on various supporting human resource and safety policies. We require all team members to review and acknowledge our Code of Conduct.

Pusateri's also maintains and updates our Leadership Mastery Program, which is a comprehensive and experiential leadership development initiative aimed at cultivating and enhancing the leadership skills, mindset, and behaviours of participants. This program is designed for current leaders, emerging leaders and high-potential employees seeking to advance their leadership capabilities and drive positive change within Pusateri's.

Plans for 2024

In the coming year, we will focus on reviewing our policies and procedures, particularly concerning forced labour and child labour. We plan to implement new policies related to forced labour and child labour and ensure mandatory review and acknowledgement of any related policies by all team members and relevant stakeholders. Also, we plan to design and implement a training program that all staff must participate in related to forced labour and child labour.

We also plan to engage with our key vendors to understand their efforts in addressing these issues. We welcome feedback and engagement from all our stakeholders as we strive for excellence and continuous improvement across our organization.

Assessing Effectiveness

Over the last fiscal year, Pusateri's has implemented measures to reduce the risk of forced labour and child labour within its activities and supply chain. However, it has not yet taken steps to assess the effectiveness of these measures.

Our effectiveness relies significantly on mandatory government oversight in our suppliers' home countries. In addition, we employ a former government inspector who monitors our premises, and any premises found violating regulatory compliance are promptly ordered to temporarily cease operations until the issues are resolved. During this period, we ensure that all relevant external organizations or premises are notified via media channels, and, in some cases, direct communication is made to ensure awareness and prompt action. This stringent enforcement mechanism highlights our dedication to maintaining regulatory standards and fostering accountability throughout our supply chain.

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 this report for the corporation listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this 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 Pusateri's Limited



Ida Pusateri, Owner

May 21, 2024