



## **Canada Modern Slavery Act** *Annual Joint Report - 2023*

Restaurant Services, Inc.  
Restaurant Services Canada, Inc.  
Supply Chain Services, LLC

### Introduction

This report (the “**Report**”) is the first report produced by Restaurant Services, Inc. (“**RSI**” or the “**Corporation**” or “**our**” or “**we**”) for its fiscal year ending September 30, 2023 (the “**Reporting Period**”) under Canada’s new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”), filed jointly with its wholly owned subsidiaries Restaurant Services Canada, Inc. (**RSCI**), a Canadian company headquartered in Toronto, Ontario, and Supply Chain Services, LLC (**SCS**), a Delaware limited liability company. This Report sets out the steps taken to prevent and reduce the risk that forced labour or child labour is used in the production of goods in the supply chains administered by RSI and RSCI or imported into Canada by SCS.

### **1. Steps to Prevent or Reduce Risks of Forced and Child Labour**

RSI and SCS contractually require each supplier and distributor to represent and warrant that the goods produced are manufactured, shipped, and stored and services rendered comply with all applicable federal, state, and local laws, statutes, rules, regulations, and ordinances. In addition, RSI and SCS only contract with third party suppliers and distributors of food, packaging, uniforms, and merchandise who have been approved by Burger King Company, LLC (**BKC**) and who must adhere to codes of conduct, quality assurance standards, and safety requirements established and enforced by BKC.

### **2. Structure, Activities, and Supply Chains**

RSI is a private, non-stock corporation, incorporated under the laws of the state of Delaware and operates as a cooperative purchasing organization acting as the exclusive purchasing agent and distribution manager for the Burger King® system of restaurants in the United States (the “**US System**”). RSI is comprised of members that are the franchisees of Burger King® restaurants operating within the United States, and BKC. RSI’s primary purpose is to ensure the supply of products meeting the specifications established by BKC to the Burger King® US System by contracting with suppliers and distributors of certain food, packaging and equipment products that are approved by BKC. RSI does not have the power or authority to determine the approval criteria for a supplier or distributor or to approve or disapprove a supplier or distributor. RSI is governed by a Board of Directors comprised of twenty-one (21) elected members. While RSI does not conduct business in Canada, RSCI performs certain administrative services in Canada, and SCS is an importer of record for certain products shipped into Canada, each as more fully discussed

below. However, neither RSCI nor SCS have 250 employees, \$20 million in assets, or \$40 million in revenue.

RSCI has contracted with the Burger King® brand and the Popeyes® brand to serve as the purchasing and distribution manager for the Burger King® and Popeyes® franchisees operating the respective Burger King® and Popeyes® restaurants located within Canada. As of December 31, 2023, all the Burger King® and Popeyes® restaurants located in Canada are owned and operated by third party franchisees who are independent business owners who separately own and operate their businesses. RSCI's authority is limited to administrative functions consisting primarily of negotiation of pricing and vendor management and supervision. RSCI does not establish the specifications for or approve products, suppliers, or distributors, or sell, produce, import, or distribute goods in Canada. In addition, RSCI is not a party to any of the supply or distribution agreements for goods and services provided to the franchise operators of the Burger King® or Popeyes® restaurants in Canada.

SCS provides certain services related to the purchase and supply of certain promotional merchandise ("**Premiums**") for the Burger King® system of restaurants globally, and in this capacity, serves as importer of record for Premiums imported into Canada for sale and distribution to the franchise operators of the Burger King® restaurants in Canada. SCS contracts with suppliers of Premiums approved by BKC. SCS does not have the power or authority to determine the approval criteria for, or to approve or disapprove, a supplier. As importer of record, SCS takes title of the Premiums from approved suppliers as soon as the Premiums leave the relevant port of origin. SCS contracts with a third-party logistics provider for customs clearance services, including the payment of any applicable fees, to assist in the importation of the Premiums into Canada. Once the Premiums clear customs, they are taken to a third-party warehouse for consolidation before being delivered to the various distribution centers, which then take title of the Premiums, for delivery to franchisee operators of Burger King® restaurants in Canada.

RSI and RSCI have no authority to, and do not, contract with, or for, or approve products, suppliers, or distributors servicing restaurants located in Canada. SCS has the limited authority to contract with suppliers of Premiums imported for Burger King® franchise restaurants located in Canada but has no authority to approve or create the specifications for the premiums or approve or disapprove the manufacturers or suppliers.

### **3. Policies and Due Diligence**

RSI, RSCI, and SCS have no policies and due diligence processes in place at this time related to the use of forced labour or child labour. As RSI, RSCI, and SCS do not have the authority to create approval criteria and none of our companies may contract with a supplier or distributor that has not been approved by the respective franchisor, we rely on the respective quality assurance processes, product specifications, audits, risk assessments, and overall approval process of Burger King® and Popeyes® brands with respect to all suppliers and distributors that RSI, RSCI, and SCS contract with or manage. However, RSI is assessing the possibility of incorporating specific policies and processes related to forced labour and child labour in the future.

#### **4. Risks of Forced or Child Labor**

RSI and RSCI do not sell, produce, import, or distribute any goods or products. However, we recognize that certain isolated categories of the supply chain sphere that RSI, RSCI, and SCS work in may carry a risk of forced labour or child labour, such as produce, uniforms, and Premiums. For produce suppliers approved to supply produce for Canada, the Burger King® and Popeyes® brands require such suppliers to have been audited for Good Agricultural Practices (GAP) standards, which include worker health, safety, and treatment. For certain Premiums imported by SCS into Canada for the Burger King® franchise restaurants, and certain uniforms sourced from China and supplied to Burger King® or Popeyes® restaurants in Canada, approved suppliers and facilities are required by the Burger King® or Popeyes® brand to pass a social compliance audit, which may include the brand's review of third party social audits or on-site audits for each facility, before production of the Premium or uniform can begin.

#### **5. Remediation**

RSI, RSCI, and SCS have not identified any use of forced labour or child labour by any brand-approved suppliers, distributors, or otherwise in our activities. As such, no measures have been taken to remediate. Additionally, because we have not identified any use of forced or child labour in our activities and have not needed to implement any remediation measures, we also 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.

#### **6. Training**

RSI, RSCI, and SCS have no training specific to forced labour or child labour in place for its employees at this time. However, we are considering the possibility of adding training in the near future.

#### **7. Assessing effectiveness**

RSI, RSCI, and SCS have no policies or procedures for assessing effectiveness that forced or child labour are not being used in our activities in place, at this time, because all of the suppliers and distributors we contract with are subject to the respective audits, quality assurance programs, and approval of the Burger King® or Popeyes® brand. However, we are assessing the potential for incorporating certain policies in the future.

#### **8. Attestation**

This Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of Restaurant Services, Inc. In my capacity as a Director of Restaurant Services, Inc., and not in my personal capacity, I make this attestation in accordance with the requirements 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 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. I have the authority to bind Restaurant Services, Inc.

DocuSigned by:  
  
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Full Name: Joel Neikirk

Title: President & Chief Executive Officer

Date: May 16, 2024

DocuSigned by:  
  
B634B2FFE880455...

Full Name: Todd Schuster

Title: Chairman of the Board of Directors

Date: May 16, 2024