



Sucro Limited

Report on forced labour and child labour in supply chains during the fiscal year ended December 31, 2023

This report has been prepared by Sucro Limited (“**Sucro**” or the “**Company**”) for the financial year ending December 31, 2023 (the “**Reporting Period**”) pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) and is the Company’s first report under the Act. This is a joint report under subsection 11(2) of the Act with the Company’s Canadian operating subsidiary, Sucro Can Canada Inc. (Ontario) (“**Sucro Canada**”) and its direct and indirect holding companies, Sucro Holdings, LLC (“Florida”) and Sucro Can International, LLC (Delaware).

The Company’s structure, activities and supply chains

The Company is incorporated under the laws of the Cayman Islands and its subordinate voting shares are listed for trading on the TSX Venture Exchange in Canada and quoted on the OTCQB Venture Market in the United States.

The Company’s head office is located in Miami, Florida and, through its subsidiaries, the Company operates a sugar wholesaling and refining business that sources raw and refined sugar in Latin America for refining and sale to its customers, primarily in North America. The Company operates two cane sugar refineries, one in Hamilton, Ontario and the other in Lackawanna, New York and has offices in Miami, Mexico City, Cali, Sao Paulo, and Port of Spain.

At December 31, 2023, the Company and its subsidiaries had approximately 221 employees in four countries.

The Company has developed an extensive and responsible sugar sourcing and supply chain utilizing a variety of modes of transportation for delivery. Groundwork to safeguard transparency through the supply chain commences with the selection of the mills and refineries that the Company partners with in Asia and South and Central America for the supply of raw materials. In excess of 21 mills located in India, Colombia, Argentina, Guatemala, Honduras, Brazil, Paraguay and Mexico supply the Company’s operations. The process of transforming and refining raw sugar in all of the Company’s facilities observe sustainability standards, production protocols in the handling of the sugar, and traceability for the Company’s end users. Sucro also imports finished products that are handled with the same processes for auditing suppliers, reviewing certifications, traceability and monitoring in transit purchases until received.

The Company’s policies and due diligence processes in relation to forced labour and child labour

The Company has developed and implemented the following policies relating to the procurement of raw and refined sugar.

Corporate Social Responsibility Policy

The Company has adopted a social responsibility policy mandating that the business of the Company be operated with integrity, commitment and social accountability to the Company's customers, suppliers, stakeholders and the world at large. The policy requires, among other things, that the Company employ ethical sourcing in its supply chains by fully vetting supply sources to ensure that they operate ethically, including a commitment to the fair treatment of workers. To support the verification process, third party audits, regulatory dashboards, Corruption Perception indexes, independent business ratings and financial references are to be used. The policy strongly condemns forced labour, slavery and all practices that exploit both children and adults or labour conditions that are morally harmful, or physically or mentally hazardous and expresses the belief that fair compensation should be provided for all employees to allow them to earn a living wage.

Foreign Supplier Verification Program

The Company has adopted a foreign supplier verification program to provide assurance that foreign food suppliers are adhering to food safety measures at the same levels of food safety protection required by U.S. domestic producers. All foreign suppliers are subject to the requirements of the program, which includes the completion of a foreign supplier questionnaire and submission of requested documents, evaluation and approval by Sucro staff, ongoing verification activities once the supplier is approved (which include sampling and test audits), and re-evaluation every three years or less.

The Company's procurement group identifies beet and sugar cane producers in Asia and the Americas for potential supply. Once identified, the Company's quality assurance team engages with the proposed supplier to get all of the required documentation, certifications and completed questionnaires required for approval and approved quality of the product. While onboarding and monitoring due diligence processes do not currently specifically provide for a risk assessment of child or forced labour, these risks may be flagged by warning signs in supplier site inspections and due diligence investigations. Consideration will be given to amending the Foreign Supplier Verification Program to require certifications for the absence of forced or child labour in a supplier's operations.

The parts of the Company's business and supply chains that carry a risk of forced labour or child labour being used and any steps it has taken to assess and manage that risk

The growing, harvesting and processing of sugar is labour intensive with a significant cost to produce sugar being the cost of labour. Based on this and the higher risk countries in which the Company sources sugar, it acknowledges that the greatest risk to the Company and its subsidiaries of forced labour or child labour being used in its supply chains is in the purchase of raw sugar for refining and trading or the purchase of partial or fully refined sugar for further processing or trading.

Pursuant to the policies and due diligence processes noted above, the Company seeks to have ethical supply chains and ones that do not contain forced or child labour. As part of the Company's foreign supplier verification program, suppliers are required to provide the Company with a Social Responsibility and Sustainability Summary which may include information specific to labour standards and practices however, these disclosures are not currently mandated. The Company will consider enhancements to its policies and processes to better detect and remediate any forced or child labour encountered in its supply chains.

The measures taken to remediate any forced labour or child labour

No such measures were taken by the Company or its subsidiaries during the fiscal year ended December 31, 2023.

The measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains

No such measures were taken by the Company or its subsidiaries during the fiscal year ended December 31, 2023.

Training provided to employees on forced labour and child labour

No specific formal training was provided to employees on forced labour and child labour during the fiscal year ended December 31, 2023 however, the purchasing of raw and refined sugars by the Company personnel who are aware of and sensitive to the social issues relating to forced and child labour and who attempt to flag these in the onboarding process if warning signs are encountered.

How the Company assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains

The Company did not have a formal process in place during the fiscal year ended December 31, 2023 for assessing the Company's effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains, although a formal assessment process may be considered in the future.

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 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

DATED this 29th day of May, 2024

APPROVED BY THE BOARD OF DIRECTORS

(signed) "Don Hill"

Don Hill, Chairman

I have authority to bind Sucro Limited