

Sofina Foods Inc.
Forced Labour and Child Labour Report, 2024

Introduction

Sofina Foods Inc. ("Sofina") is a privately owned Canadian company headquartered in Markham, Ontario, Canada, dedicated to providing great-tasting, high-quality food products for consumers.

As a leading Canadian food manufacturer, Sofina plays a role in promoting human rights and responsible business practices. Sofina recognizes the risks of forced labour and child labour, and is committed to preventing and mitigating these risks across its supply chain.

Sofina is subject to the legal requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") and makes this Report pursuant to section 11 of the Act. This Report highlights the steps taken by Sofina's Canadian operations during its Fiscal 2024 financial year (April 1, 2023 – March 31, 2024) to prevent and reduce the risk that forced labour or child labour is used at any step of its operation or supply chain.

Our Corporate Structure and Business Activities

Sofina is one of the nation's leading manufacturers of primary and further processed protein products for retail and foodservice customers. Our broad portfolio includes branded and private label pork, beef, fish, turkey, and chicken products. We operate sixteen plants and three hatcheries in Canada, including Ontario, Saskatchewan, Alberta, and British Columbia, along with twenty-three sites across the UK, Ireland, Germany, and France in Europe.

Our Supply Chain

Our supply chain encompasses various stakeholders, including suppliers, subcontractors, and third-party entities involved in the production and distribution of our products. We strive to ensure ethical practices and compliance throughout this network.

Sofina's suppliers are categorized into eight distinct categories:

1. Ingredients
2. Packaging
3. Protein (meat)
4. Plant services (e.g., garbage disposal, sanitation, industrial gases)
5. Vaccinations
6. Industrial supply including Maintenance, Repair, and Operations (MRO)
7. Capital equipment
8. Corporate services (e.g., travel, advisory)

Sofina currently engages with 459 active suppliers. Among these, 83% (381 suppliers) are based in Canada. The remaining suppliers are distributed as follows: 51 suppliers from the continental USA, 22 from the European Union (including the UK), and one from Japan. Additionally, there are four suppliers from BRIC countries (Brazil, Russia, India, and China). Importantly, Sofina does not source from any suppliers in embargoed countries.

Sofina has conducted on-site visits to the facilities of all its A-Class suppliers, which account for 80% of its spending. Furthermore, Sofina has also visited the facilities of all its suppliers located in BRIC countries.

Given these practices and the geographic distribution of our suppliers, Sofina's supply base is assessed to be at low risk for the exploitation of forced and/or child labour.

Our Policies

Sofina has a comprehensive Code of Conduct that outlines our commitment to ethical business practices and compliance with all applicable laws. This Code applies to all employees, directors, officers, suppliers and agents, emphasizing our stance against forced labour and child labour.

Key aspects of our Code include:

- **Commitment to Human Rights Legislation:** Sofina is committed to complying with Human Rights legislation and maintaining global working conditions and standards that ensure dignified and respectful treatment of all employees, rejecting the use of forced labour and child labour.
- **Monitoring and Compliance:** Sofina's Legal Department oversees compliance with the Code, conducting regular reviews and updates as needed to assess the effectiveness of the Code.
- **Reporting Violations:** Employees are encouraged to report potential violations to management, human resources, or the Legal Department. Retaliation against whistleblowers is strictly prohibited.

Our Due Diligence Processes

Staff at Sofina engage in due diligence processes to prevent forced labour and child labour, including:

- **Ethical Sourcing:** Sofina does not engage in operations or source materials from suppliers that operate in any of the countries identified as the areas of highest prevalence of global slavery and prioritizes suppliers with demonstrable adherence to labour standards and human rights principles.
- **Verification of Workers:** Prior to employment, workers' identities and ages are verified, along with work permits and immigration documentation where applicable.
- **Continuous Engagement:** Human Resources, operations and supply chain staff maintain regular communication with employees, contractors, and agency personnel to identify any signs of underage workers or other potential modern slavery issues.

Sofina does not currently offer training to employees on forced labour and/or child labour but intends to prioritize such training in the future.

Assessing Our Effectiveness

At the time of this Report, Sofina has not identified any forced labour or child labour in our activities and supply chains, nor have we 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 and supply chains.

Sofina regularly reviews its Code of Conduct and its prohibition on the use of forced labour and child labour, with input from various stakeholders across the Company. Sofina has not received any complaints, or any reported or suspected cases of forced or child labour within its operations or supply chains.

Challenges and Future Strategies

Despite the progress made, Sofina recognizes that challenges remain in eradicating forced labour and child labour entirely. Moving forward, Sofina will focus on the following strategies:

- **Supply Chain Assessment:** Sofina will conduct a comprehensive assessment of its supply chain to identify areas vulnerable to forced labour and child labour.
- **Supplier Engagement:** Sofina will develop a comprehensive Supplier Code of Conduct to actively engage with suppliers and communicate its expectations regarding labour practices, emphasizing the prohibition of forced labour and child labour. Suppliers will be encouraged to adopt similar policies within their own operations and supply chains.
- **Increased Training and Awareness:** Sofina will invest in training programs aimed at raising awareness among employees and suppliers about the risks of forced labour and child labour. These programs will focus on identifying signs of exploitation, reporting mechanisms, and promoting a culture of ethical conduct.
- **Collaborative Partnerships:** Sofina will participate in collaborative initiatives and partnerships aimed at industry-wide solutions to combat forced labour and child labour.

Sofina remains committed to transparency and will continue to report on its efforts, challenges, and progress in addressing forced labour and child labour in these annual reports and sustainability disclosures.

In conclusion, Sofina reaffirms its commitment to combatting forced labour and child labour within its operations and supply chain. Through robust policies, due diligence processes, and ongoing efforts, Sofina strives to uphold human rights and responsible business practices in the food manufacturing industry.

Report Approval and Attestation

In accordance with the requirements of the Act, I attest that I have reviewed the information contained in this Report. Based on my knowledge, I attest that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act, for Fiscal 2024, and approve this Report pursuant to paragraph (4)(a) of the Act.

I have the authority to bind Sofina Foods Inc.

A handwritten signature in black ink, appearing to be 'RD', written in a cursive style.

Roland Deschamps
Vice President, Legal Affairs and ESG

May 30, 2024