



Fighting Against Forced Labour and Child Labour in Supply Chains Act Compliance Annual Report 2024

Prepared By:

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Approved By:

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Del Fresco Produce Ltd.

Fighting Against Forced Labour and Child Labour in Supply Chains Annual Compliance Report

Introduction

This report has been created in compliance with Bill S-211, *Chapter 9 An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff*. This report is submitted on behalf of Del Fresco Produce Ltd.'s related corporate entity, Sunrite Greenhouses Ltd. This report is required Under Part 2, Section 11, and will include the following information in compliance with Subsection 3 (a-g) of this Act as it relates to the entities subject to reporting:

- their structures, activities, and supply chains
- their policies and their due diligence processes in relation to forced labour and child labour
- the parts of their business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk
- any measures taken to remediate any forced labour or child labour
- any 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 in its activities and supply chains
- the training provided to employees on forced labour and child labour
- how the entities assess their effectiveness in ensuring that forced labour and child labour are not being used in their business and supply chains

This report will include and/or reference supporting evidence from the previous fiscal year related to corporate efforts made by the reporting entities to prevent forced and child labour activities both internally and in our supply chain.

Reporting Entity Information

This report applies to the following business entities:

Legal Name: Sunrite Greenhouses Ltd.

Business Number: 868195132

Location: Kingsville, ON

Fiscal Reporting Year: Jan.1-Dec. 31, 2023

Sector: Agriculture

Corporate Structure, Activities, and Supply Chain

Sunrite Greenhouses Ltd. is a greenhouse operation located in southwestern Ontario that is owned and operated by Jamie D'Alimonte and Carl Mastronardi. Operation of this greenhouse is for the sole purpose of selling fresh produce to parent company Del Fresco Produce Ltd. Del Fresco Produce Ltd. imports, exports fresh produce, and markets fresh produce under the Del Fresco Pure brand in Canada and the United States. For the purposes of this report, Del Fresco Produce Ltd. does not meet the requirements as an entity for annual reporting, as the parent company it will be referred to and referenced throughout this report as an integral part of the supply chain.

Sunrite Greenhouses Ltd. employs temporary foreign workers through accredited programs to carry out general laboring duties related to primary plant production. Primary plant production is comprised of the growing, maintaining, and harvesting of a variety of tomatoes, peppers, and organic mini cucumbers. Harvested product is sold directly to Del Fresco Produce Ltd. for packaging, storage, sale and distribution to grocery chains and distribution centers in Canada and the United States. Activities related to responsible hiring practices and maintaining compliance with related employment standards are carried out by these entities under policies that have been created to apply to all jointly owned corporations equally.

Del Fresco Produce Ltd. is additionally responsible for import and export of product purchased and sold to companies in Canada and the United States, and uses a number of suppliers to ensure customer needs are continuously met. The activities related to ethical business practices in the supply chain are carried out by Del Fresco Produce Ltd. including but not limited to verification of supplier approval practices. This includes verification via Questionnaire that suppliers have Socially Responsible Procedures in place as well.

Due Diligence

Corporate Policies have been created that apply equally to Del Fresco Produce Ltd., Sunrite Greenhouses Ltd., and any other jointly owned entity. Included in the corporate policy manual is Policy # 056 Forced and Child Labour (see Appendix A page 6).

The Forced and Child Labour Policy outlines company standards and which prohibits both forced labour and child labour, and supports only responsible employment practices. This includes ensuring that all employees hired are legally allowed to work in Canada and at our company, and that at no time in the course of their employment will any terms or agreements be made that puts any person in a position where their freedom to leave their employment is compromised.

Risk Assessment and Mitigation

A Corporate Ethics Risk Assessment is conducted annually, which addresses many areas related to ethical business practices. Forced Labour and Child Labour has been identified as an area of risk, although the risk is very low. While it is possible that any company could practice unethical hiring and recruitment practices, forced labour and/or child labour practices, the probability is low of this occurring for multiple reasons.

Aside from implementing morally sound policies inspired by simple human decency, we aim to abide by Canadian and Provincial Legislation which prohibits activities that contravene the protection of persons and employees, where offenses of violating applicable laws are highly actionable. Both monetary and reputable damages are a risk to any company that would participate in forced labour and child labour activities with an impact of high severity, and therefore it is not in the best interest of the business to participate in these socially irresponsible business practices. Internally, the psychological damage to the working victims of these practices, as well as the lowering of overall company morale, would further add to the devastating loss a company could face.

Sunrite Greenhouses Ltd. utilizes legitimate hiring techniques and platforms such as Indeed.com for job advertising, and reputable programs such as SAWP and FARMS for the hiring of temporary foreign workers. Employment contracts are provided to employees and agreed upon before the beginning of employment where age and legality is verified in the hiring process, and terms of employment are finalized and agreed upon mutually. Sunrite Greenhouses Ltd. does not hire persons under the age of 18 years. No original documentation is retained by the employer, only copies of necessary identification is taken for record and is stored in a safe manner to protect confidentiality. Employees are free to leave employment at any time they so choose.

Reporting, anonymous reporting and written reporting measures are all available to workers should there be any complaints, with no retaliation or disciplinary action taken against employees for doing so. Employees receive training and refresher training to ensure that all workers know their rights, how and to whom to report issues related to their employment or abuse, violence, harassment, and/or discrimination.

Remediation Procedures

In the event that we find that the controls that we have in place have failed, and we have an incident of child labour, forced labour, and/ or human trafficking to address, it will be immediately reported to the authorities. While an investigation takes place, the companies understand that costs related to ensuring the safety and well-being of the person that has fallen victim to child labour, forced labour, and/ or human trafficking will be the responsibility of the

employer. This could include a hotel room, food, clothing or any other basic needs that must be met until such time that the worker victim can be released from the employer's responsibility safely.

Internally, an investigation and corrective action would take place as well to ensure that this failure is not repeated moving forward.

Training

Employees receive training on our labour related policies including but not limited to the Forced and Child Labour Policy upon hire. Refresher training is provided to all employees each year related to all areas of employment including but not limited to workers' rights and labour related policies. Sunrite Greenhouses Ltd. is dedicated to effectively communicating information to all employees for the protection and well-being of all workers.

Verification of Effective Practices

All policies and procedures are reviewed annually and revised as needed. The Corporate Ethics Risk Assessment is reviewed annually as well. Consideration is given to reports and complaints from employees that may have been made in order to best revise any controls that may show signs of inefficiency. There has not been any incidents of forced labour or child labour at Sunrite Greenhouses Ltd. Incidents of this nature would result in an extensive investigation, corrective action, and the implementation of more effective preventative measures to ensure that the incident is not repeated.

Action Plan

It is the goal of Sunrite Greenhouses Ltd. to undergo a Social Responsibility Audit under the program entitled the Equitable Food Initiative (EFI). This program will physically verify all socially responsible practices of the corporation to ensure that we meet the EFI Standards, those of which are directly related to our policies and practices for preventing forced labour and child labour related incidents. This will assist in strengthening our processes as we do our part in the fight against forced labour and child labour in our supply chain.

Appendix A

Sunrite Greenhouses/ Del Fresco Produce/ Via Verde Hydroponics/		Policies and Procedures
Del Fresco Express Ltd. Policies and Procedures		
Created: 05/13/2022 Revised: January 4, 2024	Created By: Amanda Sharman Approved By: Suzy D'Alimonte	Policy # 056

Forced and Child Labour Policy

Purpose: To establish DelFresco Produce Ltd., Sunrite Greenhouses Ltd., and Via Verde Hydroponics Ltd., as a family of companies committed to ensuring all workers hired are legally permitted to work for our company, of appropriate age as required by law, and are working at our company of their own free will. This policy is written in compliance with Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff*, as well as any and all application laws and regulations related to Forced Labour and Child Labour.

Scope: This policy applies equally to all employees of DelFresco Produce Ltd., Sunrite Greenhouses Ltd., Via Verde Hydroponics Ltd.

Definitions:

child labour: means labour or services provided or offered to be provided by persons under the age of 18 years and that:

- (a) are provided or offered to be provided in Canada under circumstances that are contrary to the laws applicable in Canada;
- (b) are provided or offered to be provided under circumstances that are mentally, physically, socially or morally dangerous to them;
- (c) interfere with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work; or
- (d) constitute the worst forms of child labour as defined in article 3 of the Worst Forms of Child Labour Convention, 1999, adopted at Geneva on June 17, 1999. (travail des enfants)

forced labour: means labour or service provided or offered to be provided by a person under circumstances that:

- (a) could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide the labour or service; or
 - (b) constitute forced or compulsory labour as defined in article 2 of the Forced Labour Convention, 1930, adopted in Geneva on June 28, 1930. (travail forcé)¹
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¹ <https://www.parl.ca/DocumentViewer/en/44-1/bill/S-211/royal-assent#:text=This%20enactment%20enacts%20the%20Fighting,them%20or%20in%20their%20supply>

<p>Sunrite Greenhouses/ Del Fresco Produce/ Via Verde Hydroponics/</p>		<p>Policies and Procedures</p>
<p>Del Fresco Express Ltd. Policies and Procedures</p>		
<p>Created: 05/13/2022 Revised: January 4, 2024</p>	<p>Created By: Amanda Sharman Approved By: Suzy D'Alimonte</p>	<p>Policy # 056</p>

Forced Labour Policy:

- All employees that apply to and work for Del Fresco Produce Ltd., Sunrite Greenhouses Ltd., and Via Verde Hydroponics Ltd., are hired following a process of application of their own free will.
- Temporary Foreign Workers are hired through a reputable program approved by governing entities, including SAWP and FARMS. (See Hiring Policy #005).
- Workers maintain control of all personal possessions and documentation including but not limited to legal documents, passports, licenses, and visas.
- There is no deduction from any worker's pay or retention of original documentation or property related to recruiting fees or otherwise, compelling workers to remain employed by the companies.
- Supervisors, managers, and company owners are prohibited from intimidation, discrimination, psychological abuse or tactics, or physical abuse or tactics, and cannot force a worker to remain at work or employed by the companies.
- All wages, deductions, loans and/or pay advances are disclosed and agreed up with the worker in writing, and are in compliance with Canadian and Ontario Laws. Terms of loans or pay advance repayments will be managed in a manner that does not bound the worker to the employer.
- Workers will not be forced to work, forced to stay employed with the companies, or be obligated to remain in the facility or under the company's employment.
- Bonded Labour and Prison Labour is prohibited at the companies.
- The companies will verify upon hiring that each person hired is legally allowed to work for the companies, and has not been subject to slavery or human trafficking.
- If slavery or human trafficking has been suspected, the companies will call the local authorities to ensure an investigation may be conducted, and the person receives the assistance required to ensure their safety.

Child Labour Policy:

- No person under the age of 18 shall be hired for full-time employment. Full-time employees will be compensated in accordance with Ontario Employment Standards, and trained in accordance with the Occupational Health and Safety Act, R.S.O 1990.
- Student workers may be hired on a part-time basis, or temporary full-time basis so long as the worker is 15 years of age or older, and as not to interfere with the worker's education plan. Student wages, rules and exceptions will apply in accordance with Ontario Employment standards and Young Worker's Rights. (See Ontario Guidance Document for details:

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<https://www.ontario.ca/document/your-guide-employment-standards-act-0/young-workers-rights#section-1>). Student workers will also be trained in accordance with the Occupational Health and Safety Act, R.S.O 1990.

- All employees are to be screened and approved by management, where employment contracts will be agreed upon between company and employee prior to the employee's start date.
- Employees are required to provide proof of working eligibility such as a SIN number for payroll purposes, a working VISA or proof of status, Photo Identification, and/or any other verification as requested at the discretion of the company. Employees must register appropriately in order to gain employment with the companies listed in the scope of this policy.
- If Child Labour is found within the workforce, intervention and investigative measures will be conducted immediately, and the company will seek resolution in the best interest of the Child. The appropriate Authorities will be contacted, and corrective action following the investigation and root cause analysis of the event will apply. All measures taken will be documented.
- Corrective actions include but are not limited to:
 - Ensuring the child discontinues work
 - Verifying age, home and family
 - Ensuring child is reunited with family and/r or relatives/community if this is a safe option
 - The development and implementation of a remediation plan considering the needs and desires of the child and their family
 - Ensuring the child has monetary provisions equal to their current wage, or legal minimum requirements for employment, whichever is higher, up until a date when they are no longer a child
 - Provide support through access to education, connection to an organization to offer counselling, health services or any other necessary services to ensure the welfare of the child.
 - Explanation of the legal requirements and restrictions on working ages of children and assurance, if they wish, they will be reemployed when they reach age, if applicable.
 - Ensuring that no child found working at DelFresco Product Ltd. or its affiliated companies will be disrespected, discriminated against, or threatened during the process of remediation.

These protocols are implemented completely, and monitored by management for each company listed in the scope of this policy.

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Conclusion: Del Fresco Produce Ltd., Sunrite Greenhouses Ltd., and Via Verde Hydroponics Ltd., strive to adhere to all applicable governing laws, in order to ensure that our companies follow strong ethical business and social practices.

Responsibility: Company Owners, Senior Management, Health and Safety Department

Frequency: This policy is reviewed annually unless otherwise necessary.

Changes Tracking		
Details of Change	Reason for Change	Date of Change
Introduced Forced Labour, Changed Definitions to align with Bill S-211, reiterated Hiring Policy Procedures.	Combined information from corporate ethics related policies for the purposes of including necessary information in newly required Annual Report under Bill S-211.	January 4, 2024

Approval and Attestation

This approval and attestation applies to the following entities:

Sunrite Greenhouses Ltd.
1414 Seacliff Drive
Kingsville, ON
N9Y 2M2

Reporting Year: Jan. 1-Dec. 31, 2023

In accordance with the requirement 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.

Suzy D'Alimonte
Name (Print)

Operations Manager
Title

03/27/2024
Date


Signature

Signature – I have the authority to bind Sunrite Greenhouses Ltd. for the purpose of this attestation.