



## Fighting Against Forced Labour and Child Labour in Supply Chains Act Report

This report is submitted in compliance with and in support of Bill S-211 outlining the steps taken by VLM Foods Inc. to prevent and address risks of forced labour and/or child labour within our operations and supply chains for the fiscal year ending June 30<sup>th</sup>, 2023.

### **Introduction**

VLM Foods Inc. is committed to ensuring that forced labour and child labour do not exist in our operations or supply chains. We uphold the highest standards of integrity and ethical behaviour and strive to implement robust systems to combat all forms of modern slavery.

### **Our Business**

VLM Foods Inc. (“VLM”) is a privately held import-export food trading company based in Dollard-des-Ormeaux, Quebec. The company imports and sells frozen fruit and vegetable products to retailers, food service operators, and food processing companies across Canada with trading operations supplying similar items to customers overseas.

While VLM’s core suppliers are European food manufacturers, the company does contract with and source from food processing companies across the globe with most of its suppliers being certified to internationally leading social compliance standards.

### **Policies and Commitments**

VLM’s Code of Conduct promotes ethical business practices, human and labour rights, product and worker safety, and environmental sustainability. Our Employee Handbook includes a Whistleblowing Policy with internal and external reporting mechanisms. Any failure to comply with our Code of Conduct, by employees or business partners, can result in the termination of relationships with VLM.

With an ambition to feed the future while preserving nature’s gifts, we embed our People, Product, and Planet guiding principles in all that we do.

People: Working with suppliers, customers, local communities, and industry peers, VLM promotes actions supporting diversity, health, well-being, empowerment, and equality of opportunity.

Product: VLM is committed to product safety and quality excellence by providing our customers with nutritious plant-based foods supporting healthy dietary choices.

#### **VLM Foods Inc.**

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**Planet:** Working with suppliers, customers, and industry peers, VLM is committed to promoting biodiversity, the use of green energy, water conservation, recycling, the minimization of food waste, and efforts to decarbonize global food supply chains.

**Business Ethics:** VLM is committed to acting lawfully and ethically, with integrity and responsibility, and expects the same from all its business partners. VLM's suppliers, service providers, and customers shall comply with all applicable laws, rules, and regulations. All forms of corruption, bribery, money laundering, and unlawful restrictive trade practices are prohibited (VLM Anti-Corruption Policy from Employee Handbook v3)

**Human and Labour Rights:** VLM and its business partners shall, at all times, support and respect internationally declared human rights in treating employees and stakeholders fairly, equally and with respect.

**Working Hours:** VLM and its business partners must ensure that working hours, breaks, and vacations comply with national legislation and agreements.

**Fair Compensation:** VLM and its business partners must ensure that wages, benefits, and overtime compensation comply with national legislation and industry standards.

**Forced Labour:** No form of forced labour, physical or mental abuse, or labour linked to any form of punishment will be permitted in our operations or supply chains.

**Child Labour:** Every child deserves and must be protected from economic exploitation. VLM operates in compliance with Canadian labour laws and regulations with expectations that its business partners do not employ anyone outside of the mandated minimum age established under local law and regulation.

### **Training and Awareness**

Forced and child labour training and awareness is mandatory for all VLM employees. VLM provides training through online education to recognize signs of forced and/or child labour as well as understanding their legal and ethical implications.

### **Continuous Improvement**

VLM is committed to having all suppliers evaluated against an independent "four pillar" audit approach for labour standards, environmental standards, health and safety standards, and business ethics. These audits will be used along with information from such trusted sources as International Labor Organization reports as the basis of our forced and/or child labour risk assessments.

Collaborating with an international leader in social compliance auditing, VLM will continue to promote these standards acting as an industry force multiplier in identifying and eradicating forced and/or child labour in global food supply chains.

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Expanding upon our Code of Conduct, VLM will issue a comprehensive Supplier Code of Conduct and Ethical Sourcing Policy with due diligence processes aimed at educating business partners on our forced and/or child labour compliance requirements including their maintenance of whistleblower policies and whistleblower protections.

Supplier compliance and performance indicators will build upon VLM's existing metrics to include such data as the number of "four pillar" supplier audits conducted, Supplier Code of Conduct compliance rates, the number and types of VLM and business partner employee training, and details on measures taken to remediate any forced or child labour issues as well as any measures taken to remediate the loss of income to the most vulnerable families impacted by measure taken to eliminate the use of forced and/or child labour in business partner activities and supply chains.

VLM will use these performance indicators to assess the effectiveness of its actions towards ensuring that forced and/or child labour are not being used in its business and supply chains with VLM reserving its rights, at all times, to terminate contracts and relationships with parties not complying with its requirements.

### **Conclusion**

For the reporting period covered by this report, VLM did not identify any forced and/or child labour issues in its operations or supply chains and as such VLM did not take any remediation measures. Having said this, VLM is committed to ensuring that forced and/or child labour does not exist in our operations or supply chains. As part of our ongoing commitment to this end, VLM is employing a continuous improvement approach to forced and/or child labour risk assessment and supplier compliance while also working with industry peers on initiatives aimed at eradicating all forms of modern slavery in global food supply chains.

### **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 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 VLM Foods Inc.

A handwritten signature in black ink, appearing to read "Jeff Preston".

Jeff Preston  
President  
Date May 31st 2024

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## CODE OF CONDUCT

### **Together we take responsibility.**

The Code of Conduct defines ArdoVLM's core values. Our core values are embedded in every aspect of ArdoVLM's business and are to be considered as minimum requirements to be respected, by all our employees, partners, suppliers, and intermediaries. The overall goal is to encourage respect for business ethics, human and labor rights, safety, and the environment.

### **Our guiding principles: People - Product - Planet**

ArdoVLM is a leader in the market with a clear ambition to feed the future while preserving nature's gifts.

**People** - ArdoVLM is building reliable and long-term relations with all stakeholders: customers, suppliers, local communities, and industry. ArdoVLM respects its employees and communities in all relevant aspects (diversity, safety, health, well-being, empowerment, and social commitment).

**Product** - ArdoVLM supports a healthy, plant-based global food transition by offering safe and high-quality fresh frozen vegetables, fruits, grains, and herbs covering today's and tomorrow's needs.

**Planet** - ArdoVLM is working with Ardo in minimizing the environmental impact of growing and processing vegetables, fruit, and herbs with Mimoso+, promoting organic production and biodiversity, increasing the use of green energy, reducing water consumption, managing the packaging, minimizing waste, and reducing our carbon footprint.

### **Business ethics**

ArdoVLM is committed to acting lawfully and ethically, with **integrity** and **responsibility** in every aspect of doing business, and expects every party involved to act in the same way. Each party shall comply with all applicable laws, rules, and regulations. All forms of corruption, bribery, money laundering, and unlawful restrictive trade practices are strictly prohibited (ArdoVLM anti-corruption policy).

### **Human and Labor rights**

ArdoVLM and each party involved in doing business with ArdoVLM shall support and respect internationally declared human rights and treat its employees fairly, equally, and with respect.

### **Working hours**

Working hours, breaks, and vacations must comply with (inter)national legislation and agreements.

### **Fair compensation**

Wages, benefits, and overtime compensation shall at the very least comply with national legislation and industry standards.

### **Forced labor**

No form of forced labor, physical abuse, or labor linked to any form of punishment is permitted.



### **Child labor**

Every child needs to be protected from economic exploitation. ArdoVLM does not employ any individual who has not reached the mandated minimum age set for employment as defined in the concerned country.

### **Equal treatment**

No discrimination, intimidation, oppression, or harassment shall be accepted, no matter in which form.

### **Safety at work**

The safety of our employees and contractors is among ArdoVLM's highest priorities. The company believes it is important that all team members get to work safely and back home safely.

### **Responsible Sourcing**

The supply chain that supports the global food system must be sustainable, balancing the needs of today with the needs of the future generation. ArdoVLM's purpose can only be achieved by working closely with our suppliers that underwrite the same values (ArdoVLM Supplier Code of Conduct)

### **Illegal or non-compliant conduct**

Enforcement of this Code of Conduct is essential to safeguard ArdoVLM's values. It is each person's responsibility to ensure that the content of this Code of Conduct is implemented and complied with. Together we take responsibility - each person is encouraged to raise any concerns through our whistleblowing channel (ArdoVLM Whistleblowing Policy). Any failure to comply with the terms of this Code may result in the termination of the relationship with ArdoVLM.

### **Conflicts of Interest**

A Conflict of Interest occurs when the personal interests of an employee or the interests of a third party compete with the interests of ArdoVLM. Employees should avoid Conflicts of Interest wherever possible. If a Conflict-of-Interest situation has occurred, or if an employee faces a situation that may lead to a Conflict of Interest, the employee shall disclose it to local management and/or the local HR department to resolve the situation in a fair and transparent manner.

### **Civism**

It is the responsibility of all employees and contractors to leave the ArdoVLM workplace in the same or better condition after they have used it as when they originally received it. When using any of the company facilities or amenities they are expected to act responsibly and clean up after themselves without fault.

**Jeff Preston, President**