

May 22, 2024



# Modern Slavery Statement

## Introduction

apetito HFS is fully committed to the principles of transparency in supply chains as outlined in the S-211 Fighting Against Forced Labour and Child Labour in Supply Chains Act (2022). Our focus is firmly on the prevention of modern slavery and human trafficking, acknowledging the universal risks these issues pose to all businesses, irrespective of their location or industry.

We continue to support and regularly update our Modern Slavery Policy, aligning it with government guidance. Our commitment extends to ensuring ethical working conditions within our supply chain and operations. We recognise the challenges that lie ahead and are actively working to address them.

At apetito HFS, we believe in fostering a culture of ethical business practice. We are dedicated to supporting stakeholder and industry-level collaboration with the aim of eradicating modern slavery and human trafficking. Our commitment to transparency is unwavering, and we ensure regular reporting on our progress in this important endeavour. This statement reflects our ongoing dedication to these principles and our efforts to tackle these challenges head-on.

apetito HFS Limited is incorporated under the Ontario Business Corporations Act. This report is made in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* for the reporting year January 1, 2023, to December 31, 2023.

## Our Structure

We take pride in being Canada's leading provider of meals for the health and social care sectors. As an organization, we have both a social and commercial purpose, and we strive to "make a real difference" in everything we do. Our operations are based in Ottawa, Ontario, from where we produce and supply nutritious meals to customers across Canada.

Our distribution centre is strategically located near Brampton, Ontario, and from here we serve customers spanning from coast to coast including hospitals, long term care homes and Meals on Wheels agencies. We also supply directly to seniors living at home through our Heart to Home Meals franchise network.

As a food manufacturer, we prioritize the use of high-quality raw materials and adhere to

ethical and sustainable sourcing practices. Our supply chain is both local and global, encompassing small producers and larger businesses alike. We pride ourselves on working with suppliers who share our values and look to build successful, fair long-term relationships.

We employ nearly 200 staff across our operations and offices. Due to the nature of our business, we occasionally need to employ temporary staff to support peaks in workload. We work with several trusted recruitment partners for the recruitment of our manufacturing and distribution staff. This approach ensures that we maintain our commitment to ethical business practices and transparency in all our operations.

## **Our commitment to ethical trade and responsible sourcing**

Our business operates with a steadfast focus on ethics and sustainability, forming the core of our operations. By the end of 2024 all suppliers who collaborate with us will be well-versed with our ethical trade commitments, which they will agree to as part of the terms and conditions of our partnership. Our values set the minimum standard we expect our suppliers to meet, but we highly encourage them to strive for the best.

Our values are centered around 9 key areas:

1. Employment is freely chosen: We believe in the freedom of choice when it comes to employment.
2. Freedom of association and the right to collective bargaining are respected: We respect the rights of our employees to associate freely and bargain collectively.
3. Working conditions are safe and hygienic: We ensure that our working conditions adhere to safety and hygiene standards.
4. Child labour shall not be used: We are firmly against the use of child labour in any form.
5. Living wages are paid: We are committed to paying wages that meet the basic cost of living.
6. Working hours are not excessive: We ensure that our employees are not subjected to excessive working hours.
7. No discrimination is practiced: We maintain a workplace free from discrimination.
8. Regular employment is provided: We provide regular employment opportunities to our workforce.
9. No harsh or inhumane treatment is allowed: We strictly prohibit any form of harsh or inhumane treatment in our operations.

These values guide us in our journey towards ethical business practices and sustainable operations. We remain committed to these principles and continue to strive for excellence in all our endeavors.

## Risks and Steps Taken

Our procurement team is dedicated to building long-term relationships and sourcing quality raw materials from suppliers who align with our ethical and sustainable values. We take pride in supporting the Canadian food and farming industry, with the majority of our annual purchasing budget being allocated to Canadian suppliers.

Given the variety of meals we produce and our stringent sourcing requirements, we often find the need to source ingredients on a global scale. As a business, we are continually assessing the risks associated with modern slavery within our operations.

Over the past 12 months, we have identified two key risks and have implemented measures to manage them:

### Russia's invasion of Ukraine

The conflict in Ukraine has escalated the risk of worker exploitation. Many individuals seeking refuge from Ukraine and employment are at risk of being targeted and exploited. Due diligence is paramount to ensure the protection and safety of workers across our supply chain. This includes a thorough understanding of the recruitment processes employed by our suppliers.

### Food Inflation

Rising food prices are exerting increasing pressure on the supply chain, thereby heightening the risk of worker exploitation and abuse. Some suppliers may face greater challenges than others due to these pressures. It is crucial for us to work closely with our suppliers during these challenging times, with the goal of ensuring that workers' rights are not compromised.

These measures reflect our commitment to ethical business practices and our dedication to mitigating the risks associated with modern slavery. We remain steadfast in our commitment to these principles as we navigate the challenges ahead.

## Strategy and policy

At the heart of our sustainability and ethical trade strategy is the protection and respect of human rights and labour standards. We have implemented several policies that bolster our efforts in combating modern slavery. These include:

### **Buyer-Supplier Code of Practice:**

We are enhancing our code of practice by establishing minimum standards for our buyers and suppliers. This code stipulates that both parties will collaborate to continuously improve workers' rights and labour standards.

### **Whistleblowing Policy:**

Our whistleblowing policy encourages all our staff and agency workers to report any concerns related to the organization's direct activities or supply chains. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. Our whistleblowing procedure is designed to facilitate easy disclosures by workers without fear of retaliation.

### **Employee Code of Conduct:**

Our code provides clear guidance to employees on the actions and behaviour expected of them when representing the organization. We strive to maintain the highest standards of employee conduct and ethical behaviour.

### **Recruitment Policy:**

All new employees undergo pre-employment checks to confirm their identity and right to work in Canada. When recruitment agencies are used, we ensure they comply with all legal requirements as a minimum.

## **Governance and due diligence process**

In the realm of governance and due diligence, the company is set to establish a dedicated ethical trade steering group. This group will comprise representatives from various teams, including Supply Chain, Procurement, and Human Resources.

The primary role of this group will be to work in close collaboration to ensure that the company fulfills its ethical trade commitments. Regular reviews of policies and processes will be conducted to ensure alignment with these commitments and to facilitate continuous improvement in our ethical trade practices. This approach underscores our commitment to maintaining the highest standards of governance and due diligence.

## **Risk assessment and management**

The assessment and management of risk, both internally and externally, is of paramount importance in ensuring an ethical supply chain. This is a matter of critical significance to apetito HFS. In 2024, we will employ a variety of tools to support our supplier risk assessments and

internal risk assessments. These tools also assist us in determining the requirements for supplier auditing. This approach underscores our commitment to maintaining the highest standards of governance and due diligence in our operations. We remain steadfast in our commitment to these principles as we navigate the challenges ahead.

### **Effectiveness**

Apetito HFS does not currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.

### **Remediation**

We have not identified any forced labour or child labour in our activities and supply chains and, consequently, no remediation measures have been taken.

Further to the foregoing, we 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 and supply chains.

### **Actions**

We have identified additional actions that we will be taking in 2024 to further enhance our commitment to ethical trading:

#### **Training**

Add additional training and materials to support learning and awareness of on ethical trade values. Apetito HFS does not currently provide training to employees on forced labour and/or child labour.

#### **Supply Chain Mapping**

Enhance our supply chain mapping and risk assessment process to gain transparency and increase our understanding of our value chain

#### **Supplier Management & Due Diligence**

Deepen our engagement with suppliers to support better due diligence activities further down our value chain.



## Approval and Attestation

The Report was approved by the Board of Directors of apetito HFS Limited on May 22, 2024.

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 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.

Date: May 22, 2024

Name: Nigel Richards

Title: President and Director

I have authority to bind the corporation.

A handwritten signature in blue ink, appearing to read "Nigel Richards", written over a horizontal line.

Nigel Richards

President

apetito HFS

May 21, 2024