

Fighting Against Force Labour and Child Labour in Supply Chains Report
In Compliance with Canadian Bill S-211

Date of Report: May 16, 2025

Reporting Entity:

Ciranda, Inc.
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Hudson, WI 54016 USA
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Executive Summary:

This statement, made in compliance with Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act, outlines Ciranda, Inc.'s ("Ciranda") approach to safeguarding against forced and child labor in its business operations and supply chain for the 2024 financial year. Ciranda, a US-based employee-owned company supplying certified organic, non-GMO, and fair-trade ingredients to the natural products industry in the United States and Canada, maintains a zero-tolerance policy towards all forms of forced labor, child labor, modern slavery, and human trafficking.

Ciranda's direct operations, primarily based in the United States with a small workforce, are considered low risk for forced or child labor due to direct employment practices. However, recognizing the potential risks within its extensive international supply chain, which spans over 20 countries, Ciranda employs a multi-channel approach to risk management. This includes a Supplier Code of Conduct, which all partners are required to acknowledge and comply with, independent risk assessment, and supplier audits. Approximately 88% of Ciranda's primary suppliers are SMETA certified, with a target of 90% by 2026 the remaining are classified as EcoVadis platinum level, indicating strong sustainability management systems including labor and human rights criteria.

Ciranda's commitment to human rights is further embedded in its Code of Ethics, which aligns with international principles such as the Universal Declaration of Human Rights and ILO standards. Due diligence processes include employee and Board of Directors review of the Code of Ethics, a voluntary SMETA audit of Ciranda's own operations, and the requirement for suppliers to adhere to the Supplier Code of Conduct and undergo SMETA or EcoVadis assessments. To date, Ciranda has not identified any instances of forced or child labor within its business or supply chain. This report attests to the truth, accuracy, and completeness of this information based on a review and reasonable diligence.

Purpose:

This statement is made in compliance with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023, c.9) (the "Act") as of May 31, 2025, for Ciranda's 2024 financial year. Ciranda's understanding of forced labor and child labor is based on the definitions given in the Act. Ciranda has zero tolerance to any form of child labor, forced labor, modern slavery, or human

trafficking. We are committed to always acting ethically and with integrity and transparency in our business dealings. This statement sets out Ciranda's approach to safeguard against forced and child labor in our business operations and supply chain.

Our Business:

Ciranda is a private corporation operating in Wisconsin, USA and conducting business in Canada under EIN 39-1834707.

Ciranda supplies businesses in the natural products industry with high quality certified organic, non-GMO and fair-trade food grade ingredients. As an employee-owned company, Ciranda has designated a Board of Directors to oversee the ESOP and monitor long-term value creation. The Board of Directors has designated a CEO-led Senior Leadership Team who directs the operations of the organization. Ciranda employs approximately 64 people, most of whom operate from the central headquarters location in Hudson, Wisconsin and a small percentage of employees operate from remote home offices across the United States.

Ciranda procures and imports product from organic growers and processors around the world (the "Suppliers"), importing from over 20 countries. Every supplier Ciranda partners with goes through a comprehensive qualification process to survey product quality, as well as to survey working conditions, fair labor practices and the overall environmental health of the project. Once qualified, Ciranda will move the product from the global supplier's location to our contracted warehouses to fulfill orders for customers across the United States and Canada. Qualified Suppliers and warehouses go through recurring annual audits, which includes but is not limited to, inspecting working conditions during onsite inspections, reviewing worker safety procedures, and encouraging participation in third-party audits such as SMETA.

Ciranda operates with sustainability and fair trade in mind. Ciranda has been a SEDEX member since 2021 and is working with the Sedex Members Ethical Trade Audit (SMETA) in order to better understand and monitor standards of labor, health and safety, environmental performance and ethics through our supply chain.

2025 Steps to Reduce Risk:

Obtained signed Supplier Code of Conduct from all suppliers

Performed an Independent Risk Assessment through SMETA

Performed an External Risk Assessment through a third party

Performed annual Supplier Audits through SMETA, virtual inspections, and onsite inspections

Obtained Sustainability Surveys from suppliers

Identified higher risk products, such as cocoa, and obtained additional certifications within those supply chains such as Fair Trade Certifications and Regenerative Organic Certifications

Made donations and contributions to organizations that advocate for human rights in higher risk areas

Ciranda Policies and Protections:

Ciranda’s principles of human rights are described in Ciranda’s [Code of Ethics](#) and in our [Supplier Code of Conduct](#). Within these documents, Ciranda has specified key principles as the basis of our conduct and our expectations to business partners worldwide.

Code of Ethics

Ciranda’s Code of Ethics underscores our unwavering corporate commitment to respecting and promoting human rights worldwide, a commitment essential to our positive global role. We actively advocate for the rule of law, informed by international law and norms, and are guided by the principles enshrined in both U.S. human rights law and the following international documents:

- Universal Declaration of Human Rights
- International Labor Organization’s (ILO’s) Declaration on Fundamental Principles and Rights at Work
- United Nations (UN) Guiding Principles on Business and Human Rights

Supplier Code of Conduct

Within our supply chain, Ciranda seeks to work with partners who share the philosophy of our Supplier Code of Conduct and who demonstrate a commitment to fulfill the expectations to improve social and environmental conditions at their facilities. All standards as they relate to the prevention of child and forced labor are defined in the Supplier Code of Conduct. All supplier partners of Ciranda are required to review and acknowledge the Code of Conduct. The Code is based on and reflects values from:

- ILO Standards
- Ethical Trade Initiative (ETI)
- SEDEX Guidelines
- SMETA Audits

Due Diligence Processes:

Our Business

Every employee owner and member of Ciranda’s Board of Directors is asked to review and acknowledge our Code of Ethics, including our commitment to promote human rights. Additionally, Ciranda has voluntarily completed and passed a SMETA 4 Pillar audit in April 2024, which evaluated our labor, health and safety, and environmental standards; updated our SEDEX Self-Assessment Questionnaire (SAQ); and scored in the top 83 percentile in the Ecovadis assessment for 2024.

Ciranda has appointed its Senior Leadership Team responsibility for enforcing the commitments within our Code of Ethics. Any person becoming aware of an existing or potential breach of the Code is required to report the violation. Breaches may be reported via Ciranda's anonymous Food Safety & Compliance Reporting Form. Upon receipt of any reports, the Senior Leadership Team will take appropriate action to investigate and, upon determination of a breach, conduct appropriate disciplinary or preventative action.

Our Suppliers

In addition to reviewing and acknowledging Ciranda's Supplier Code of Conduct at least every three years, about 88% of Ciranda's primary supplier relationships are SMETA certified. Ciranda is targeting 90% of our primary suppliers be SMETA certified by 2026. Those that are not SMETA certified currently are classified EcoVadis platinum level. The EcoVadis methodology measures the supplier's sustainability management system, including through labor and human rights criteria. The EcoVadis platinum level indicates that the supplier ranks in the top 1% of companies assessed.

Assessing and Managing Risk:

Given that Ciranda's workforce is comprised of United States based administrative and sales professionals, we consider there is low risk of forced or child labor in our operations. In addition, all of Ciranda's workforce is employed directly and not through subcontractors.

As Ciranda procures product from a broad range of international suppliers, we acknowledge a risk that forced and/or child labor may be used in our extended supply chain. We understand the importance of risk mitigation and relationship management through the procurement process. We adopt a multi-channel approach to managing risks within our supply chain.

As previously mentioned, suppliers are required to review and acknowledge Ciranda's Supplier Code of Conduct every three years. Through this, suppliers certify their exclusive use of consensual and age appropriate labor and acknowledge the strict prohibition of both involuntary and child labor.

Furthermore, through the aforementioned SMETA or EcoVadis assessments, suppliers are audited in terms of social and labor conditions present at their facilities, as well as the effectiveness of social management programs, including those focused on forced and child labor.

To date, Ciranda has not identified any forced labor or child labor within its own business or its supply chain. This is validated through the receipt of SMETA certification. Therefore, we have not been forced to take any remedial measures. Ciranda regularly deploys its Code of Ethics for review by employees and the members of the Board of Directors, affirming our commitment to human rights.

Continuous Improvement:


Ciranda’s commitment to ethical sourcing and respect for human rights is not static. We are dedicated to continuous improvement in our due diligence processes, supplier engagement, and monitoring mechanisms to further strengthen compliance and address any emerging risks effectively.

We leverage data gathered through audits, assessments, and feedback to identify areas for enhancement in our approach to upholding human rights and fair labor practices within our supply chain. This data-driven approach informs our continuous improvement initiatives and helps us refine our strategies over time.

Approval and Attestation:

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this report for the entity specified within. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this joint report is true, accurate and complete in all material respects, for the purposes of the Act, for the reporting year listed above.

I make the above attestation in my capacity as CEO of Ciranda and as a Director of Ciranda’s Board of Directors. I certify that I have the authority to bind Ciranda in this attestation.

Signed by:

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May 21, 2025 | 10:56 AM CDT

Doug Audette

Date Signed

Director and Chief Executive Officer