



Commercial Bakeries Corp.

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

Introduction

The Canadian *Fighting Against Forced Labour and Child Labour in Supply Chain Act* (the “**Act**”) requires that businesses state actions they have taken during the most recently completed fiscal year to prevent and reduce the risk of forced labour or child labour within their operations and supply chain. This report (“**Report**”) is solely for Commercial Bakeries Corp. (“**CBC**” or the “**Company**” or “**we**” or “**our**”), which has an obligation to publish a report under the Act. This Report refers to the 2024 fiscal year end, being June 30, 2024 (the “**Reporting Year**”), and describes steps taken by the Company up to and until June 30, 2024.

At CBC, we consider the respect of human rights to be a fundamental corporate responsibility and a value governing all of our activities. We recognize our responsibility to respect and protect the human rights of all people who support and intersect with our business, which is comprised of colleagues and employees in our facilities in addition to workers, including migrant and temporary labourers, in our supply chain network. Our customers trust that the products made in our facility come from suppliers that provide safe, fair, and ethical working conditions for workers.

CBC remains committed to preventing and reducing the risk of forced and child labour and ensuring that applies to our network of facilities, our business partners and our supply chain network. We continue to expect our business partners and suppliers (as well as their contractors, agents, subcontractors, sub-agents and labour agencies) to uphold these same principles within their operations and adhere to applicable human rights and employment standards laws.

The steps taken this year include, but are not limited to, continuing to assess the risks of forced labour and child labour in our activities and supply chains, and continuing to engage with our supply chain partners on the issues of forced labour and child labour. Although subsequent to the Reporting Year, on August 27, 2024 CBC issued a supplier code of conduct (the “**Supplier Code of Conduct**”), which has been provided to all of the suppliers that CBC interacts and does business with.

Our approach to preventing modern slavery continues to form part of our wider corporate responsibilities. We remain committed to adopting procedures that will contribute to ensuring modern slavery does not occur in our business or supply chains. It is our continued expectation that organizations with whom we do business adopt policies to comply with the relevant legislation.

Structure, Activities and Supply Chain

Structure

CBC is a corporation incorporated in the Province of Ontario pursuant to articles of amalgamation under the *Business Corporations Act* (Ontario). Our shares are not listed on any Canadian stock exchange, or any other stock exchange in the world. The Company’s registered head office is located in Toronto, Ontario.

Originally established in the early 1950s, CBC stands as a prominent manufacturing company specializing in the production of private label cookie products. Pioneering the private label concept in the 1970s, CBC has evolved into a leading private label and private brand supplier, serving a multitude of esteemed clients, and shipping high-quality products worldwide.

Activities

CBC is exclusively dedicated to this niche, which serves a vast portion of North America. CBC's diverse product line caters to evolving consumer preferences, including an array of recently popular varieties tailored to health-conscious consumers. Notably, since 1995, CBC's research and development team has spearheaded the creation of a line of delicious sugar-free cookies, further expanded to encompass gluten-free and all-natural organic options, as well as convenient portion control packs. With certifications as an organic and kosher facility, CBC adheres to the highest quality standards. Moreover, CBC also transitioned to a peanut-free facility in January 2011, demonstrating the Company prioritization of consumer safety and inclusivity.

With a global footprint extending beyond Canada to Asia, Europe, South Africa, Australia, the Caribbean islands, and the United States, CBC continues to strengthen its presence in key markets whilst upholding its reputation for exceptional product quality and customer satisfaction.

CBC is focused on delivering the best services and products in a timely and efficient manner. As a leading private label cookie manufacturer in Canada, CBC bakes quality cookies, biscuits, and baked snacks for private label brands, club stores, regional and national retailers, quick-service restaurants, institutions, other food manufacturers, and more.

Supply Chain

The CBC product development team works closely with third party suppliers to develop and manufacture products. As well, CBC actively sources goods, including when CBC is the Importer of Record (the "IOR"), from the United States, the Philippines, France, Germany, Denmark, India, China, Italy, and Peru.

Policies, Programs and Due Diligence Processes

As part of our due diligence processes, CBC continues to strive to embed responsible business conduct into our diverse range of policies both within our company and, to the extent we are able to do so, with respect to our supply chains. In addition to complying with our Suppliers Code of Conduct, our selection criteria for new suppliers requires that a business with whom we choose to partner meet our standard of a reputable company. Suppliers continue to be evaluated by our internal procurement team prior to partnership to ensure we maintain integrity throughout our supply chains to the best of our ability.

Employment

We remain committed to the safety and health of employees. Suppliers are expected to provide a safe working environment and remain in material compliance with all health and safety laws applicable to the operation and use of the facilities at which products are manufactured on our behalf. Like with many food processing and manufacturing businesses, risks in our supply chain arise because of our limited visibility into our own suppliers' supply chains.

Recruitment and Selection Process

The Company's recruitment process ensures the proper verification of age from government issued identification at multiple stages.

In all cases, each applicant for employment is recruited, hired, and assigned based on merit without discrimination based on race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual

orientation, gender identity, gender expression, age, marital status, record of offences, family status, disability, or any other protected ground under the *Ontario Human Rights Code* (the “Code”).

The Company has taken steps to abide by and respect the principles set forth in the Code, the *Accessibility for Ontarians with Disabilities Act* as amended from time to time as well as the *Ontario Employment Standards Act 2000*.

Supporting our people

Our employee code of conduct (the “**Employee Code of Conduct**”) requires all of us to act ethically and we expect employees to comply with legal requirements at all times, putting our values into practice in everything we do.

Training

Our employees receive regular tailored training on ethical topics and our policies. All new employees are assigned a mandatory onboarding training package, which includes training on all matters covered in the Employee Code of Conduct. Employees who are involved in the onboarding process in the procurement function are given on the job training to help ensure the process is performed correctly.

Further Steps

We plan to take the following steps in the future, some of which are nearly in place, and others, which will require a longer timeline, to further guard against the risk of modern slavery and trafficking:

- in addition to continued adherence to the Supplier Code of Conduct implemented on August 27, 2024, we remain committed to working with current and prospective suppliers to ensure that ethical business practices and a clear understanding and appreciation of the values are paramount when making decisions;
- we will continue to examine ways to improve our assessment and management of risks in various jurisdictions through awareness, training, best practices or other assistance to our employees and suppliers; and
- take steps to continually improve our ongoing due diligence procedures in relation to modern slavery risks in our supply chain.

Assessing and Managing Risk

We recognize that the risk of modern slavery being used in operations varies by industry and jurisdiction and that those risks are elevated in the food processing and manufacturing sector. We acknowledge that the raw materials procurement process does not often take place from our direct suppliers, but may occur further down the supply chain. This reduces our visibility over the raw materials used within our supply chain to produce components used in manufacturing.

In order to assess and manage the serious risks associated with forced labour and child labour effectively, CBC arranged for a third-party social compliance audits under the Sedex Members Ethical Trade Audit (“SMETA”) on January 16, 2024, in which no major findings were identified. While subsequent to the Reporting Year, there were similarly no major findings identified in the SMETA audit on January 10, 2025.

Remediation Measures

To date, we have not identified any specific instances of forced labour or child labour in the supply chain. As such, no remediation activities have been undertaken by us and no remediation measures have been taken to remediate any loss of income that resulted from measures taken by us.

Training provided to employees on forced labour and child labour

Employees continue to be familiarized with the Company's policies and procedures regarding ethical labour practices, including our zero-tolerance policy towards forced labour and child labour. They continue to be trained on how to report any concerns or suspicions they may have through appropriate channels. Other offerings in this respect include:

Annual Refresher Training

It remains crucial to stay updated on issues like forced labour and child labour undergo regular training to recognize and address it effectively. With our annual refresher training we try to reinforce knowledge, update on legal changes, and share new strategies for prevention and intervention.

These sessions typically cover topics such as identifying signs of forced labour and child labour, understanding relevant laws and regulations, learning about vulnerable industries and regions, and exploring best practices for reporting and addressing instances of forced labour and child labour. With regular training, CBC continues to ensure that individuals and the organization remain vigilant and equipped to combat this serious issue.

Responsibilities and Accountability

Employees continue to be informed of their responsibilities in upholding ethical labour practices and the consequences of non-compliance. They understand that continuing adherence to these standards is essential to maintaining CBC's reputation and integrity.

Assessing Effectiveness

CBC is continuing the process of implementing measures to prevent the possibility that forced labour or child labour is used in our activities any supply chains. While we have started to assess the effectiveness of those measures, it is our intention to continue and enhance our efforts to assess the effectiveness of such measures in preventing and reducing risks of forced labour and child labour in activities and supply chains at a later stage.

We acknowledge our continued responsibility to combat forced and child labour and continue to be committed to acting ethically and with integrity and transparency. We continue our work to put systems and controls in place to safeguard against any form of forced or child labour taking place within the business or our supply chain. As of June 30, 2024, CBC has not faced situations of forced labour or child labour and has therefore not had to remedy and rectify such situations.

Approval and Attestation

The Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Company's board of directors.

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.

"Nicholas White" (signed)

Nicholas White

Chief Operations Officer

Commercial Bakeries Corp.

I have authority to bind Commercial Bakeries Corp.

RESOLUTIONS OF THE BOARD OF DIRECTORS

OF

COMMERCIAL BAKERIES CORP.

(the “Corporation”)

May 29, 2025.

FIGHT AGAINST FORCED LABOUR AND CHILD LABOUR REPORT

WHEREAS:

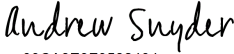
- A. Reference is made to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”).
- B. Pursuant to section 11 of the Act, certain entities are required to submit an annual report regarding the measures taken to combat forced labour and child labour in their supply chain (a “Report”) and a questionnaire (the “Questionnaire”).
- C. The Corporation is required to submit the Report and the Questionnaire.
- D. The Corporation wishes to approve the Report for the fiscal year ended June 30, 2024, substantially in the form circulated to the board of directors of the Corporation, which is annexed to these resolutions as Appendix “A”, and the Questionnaire.

BE IT RESOLVED THAT:

1. The Report is approved and any officer or director of the Corporation is authorized and directed, for and on behalf of the Corporation, to sign the Report with such amendments or variations thereto as he or she may approve, his or her execution of the Report is conclusive evidence of such approval, and the Report so executed is authorized by this resolution.
2. Any director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such acts and things and execute, deliver and file any and all documents and agreements as such director or officer may, in his or her sole discretion, determine to be necessary or useful in connection with the foregoing, such determination to be conclusively evidenced by the doing of any such act or thing or the execution, delivery and/or filing by such director or officer of any such document or agreement, including filing of the Report and the Questionnaire.
3. These resolutions may be executed in counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same document. Delivery of an executed counterpart of these resolutions by facsimile, portable document format or other means of electronic communication (PDF) shall be equally effective as delivery of an original executed counterpart of these resolutions.

[SIGNATURE PAGE FOLLOWS]

THE UNDERSIGNED, being all of the directors of the Corporation, sign the foregoing resolutions in accordance with the *Business Corporations Act* (Ontario) as at the date first written above.

Signed by:

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ANDREW SNYDER

Signed by:

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MEGAN BARSELLA

Signed by:

2ACA03538E494A1...

KEDAR SHIROLE