

## Lallemand Joint Report Forced Labour and Child Labour in Supply Chains - Reporting Year 2024-25

### 1. Introduction

Lallemand Inc. and its subsidiaries ("Lallemand" or "Company") is a privately held global group of companies headquartered in Canada, that specializes in the development, production, and marketing of microorganisms like yeast, bacteria, fungi, and their derivatives. The Company has a proprietary collection of yeast and bacteria that includes thousands of genetically identified and characterized strains. With the goal of reproducing, managing, and optimizing natural fermentation processes, Lallemand offers its customers not only the precise microorganism or derivative that fits their unique needs, but also the support, knowledge, and expertise that comes with more than 160 years of continuous production, research, and development in this field. The Company is organized into 12 technically driven business units focused on various yeast, bacteria, and fungi applications, namely Animal Nutrition, Baking Solutions, Biofuels & Distilled Spirits, Bio-Ingredients, Brewing, EMEA Baking, Health Solutions, North American Baking, Oenology, Pharma, Plant Care and Specialty Cultures. Our international footprint comprises a global network of 50+ yeast, bacteria, fungi, and specialty chemical plants, as well as research facilities, distribution centers, and commercial offices, in over 45 countries on five continents, with over 5,700 employees distributed along its network.

This report sets out the steps Lallemand has taken to prevent 'Modern Slavery' in our business and supply chains up to January 31<sup>st</sup>, 2025. It has been prepared in accordance with the Canadian government's Fighting against Forced Labour and Child Labour in Supply Chains Act, in effect since January 2024.

### 2. Structure, Activities and Supply Chains

#### 2.1. Reporting Entities

This joint report is for the financial year ending January 31<sup>st</sup>, 2025 (reporting year) and has been approved by the board of directors of Lallemand Inc. on January 31<sup>st</sup>, 2025. It includes the activity of Lallemand Inc. (Canadian parent company) and the Canadian subsidiary companies that satisfy at least 2 of the 3 thresholds highlighted by the legislation; namely, over 40 million CAD in revenue, 20 million CAD in assets, and a workforce of at least 250 employees.

The reporting entities included in this joint report are: 1. Lallemand Inc. (Ontario), 2. Lallemand Health Solutions Inc. (Quebec), and 3. Macco Organiques Inc. (Quebec).

For the purpose of the report, all reporting entities shall be aggregated under the title "Lallemand", and this would be considered a joint report for the reporting entities.

#### 2.2. Our Approach

In 2020, Lallemand published its Corporate Social Responsibility (CSR) policy, which establishes a common and consistent framework across Lallemand in terms of corporate social responsibility. It is one of our approaches to establish our emphasis on occupational health, environmental safety, and fair treatment of our staff, as well as their well-being and the quality of their work-life balance. Lallemand supports the Ten Principles of the UN Global Compact on human rights, labour, environment, and anti-corruption; the Universal Declaration of Human Rights; the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights.

#### 2.3. Supply Chain

Lallemand has well-established supply chains spreading across different parts of the globe. We maintain longstanding relationships with well reputed and established suppliers. When onboarding new suppliers, due diligence such as plant visits are an option available for utilization if deemed necessary.

### 3. Policies

#### Code of Conduct

Lallemand's Code of Conduct sets forth the standards and values with which the Company upholds its operations. The Company establishes its basic core principles of respect, transparency, and open communication and expects compliance with laws in business and countries where Lallemand is located. These include fair competition, bribery and corruption, and other prohibitions whilst maintaining a focus on corporate governance to protect appropriate stakeholder interests, corporate social responsibility, and sustainable environmental performance. Guidelines are provided for the management of appropriate gifts and donations, transparency in records and accounting, as well as, in requiring disclosure of conflicts of interest, maintaining confidentiality and protection of assets and information, and ensuring employee confidence through a well-established whistleblower process. This Code of Conduct is an internal document which applies to all employees and personnel engaged with Lallemand and adherence to it is a mandatory condition for employment at Lallemand, violations of which can lead to sanctions including termination of employment.

#### Corporate Social Responsibility Policy

Lallemand's CSR policy establishes a consistent framework across all business units and companies controlled by Lallemand, as well as contractors working closely with or for Lallemand. The CSR policy outlines Lallemand's position regarding a healthy ecosystem, social equity, good organizational behavior, and sustainable development.

#### Supplier Code of Conduct

Lallemand's Supplier Code of Conduct applies to all suppliers who provide services and goods to Lallemand, indicating a proactive promotion of lawful, professional, and fair practices that integrate the respect for human rights, business ethics and the environment. This Supplier Code of Conduct sets forth guidance on what is expected from Lallemand's suppliers with respect to ethics, labour and human rights, health and safety, environmental concerns, diversity and inclusion, and compliance.

#### Modern Slavery Policy

This reporting year Lallemand has adopted a new companywide Modern Slavery Policy, that establishes the purpose and scope of the policy, includes definitions of forced labour and child labour that we adhere to, delineates values and principles that we follow as they relate to modern slavery, business ethics and employee rights, and sets out Lallemand's commitment to comply with international standards and practices. It requires all employees to comply with the policy, and, in addition for breach of the policy, outlines disciplinary action that may lead to termination of employment.

### 4. Risk Assessment and Due Diligence

Within the reporting entities and their supply chains, we have not identified any operations carrying significant risk potential with regards to forced labour and child labour. Due to this, no measures were required to remediate the impact of forced labour and child labour, or to remediate loss of income to vulnerable families.

Lallemand has implemented the following procedures and due diligence processes:

- Monthly ESG working group meetings, to discuss best practices, sustainability standards, and compliance issues.
- Year-end certifications of Lallemand entities, to monitor and ensure compliance with national and international laws, internal policies and guidelines, including topics related to occupational health and safety and modern slavery regulations, across our global footprint.
- Quality questionnaires upon supplier qualification and on a regular multi-year basis, to ask the suppliers to provide further information on their compliance, including the issues of slavery, forced labor and human trafficking.
- Purchase orders sent to suppliers, stating that by accepting our purchase order, they have read and will comply with our Supplier Code of Conduct (procedure implemented during this reporting year).

We will utilize these measures to review our policies and procedures and focus on enhancements and improvements as needed.

## 5. Employee Training

All employees must adhere to and sign the Code of Conduct, Fraud Policy, IT Policy, and Confidentiality Agreement, before their induction process begins, helping Lallemand ensure that all new employees align with the Company's culture and values. Additionally, periodic emails are sent to employees, on adjusting to new software developments, cybersecurity awareness and an ESG newsletter highlighting achievements regarding sustainability milestones achieved.

This reporting year we have also developed new training modules on topics of diversity, fair wages and working hours, and modern slavery, available for all employees to access and complete.

## 6. Commitment

### 6.1. Future Goals

Lallemand is committed to expanding its assessment of suppliers scattered globally across the supply chain, with the introduction of an ESG questionnaire for suppliers, covering environmental, social and governance issues, and including a focus on forced and child labour in the supply chain.

### 6.2. Contact

For further information, email us at [esg-corporate@lallemand.com](mailto:esg-corporate@lallemand.com).

### 6.3. Approval

This joint report has been approved by the board of directors of Lallemand Inc., the parent company that controls all subsidiary companies included in the report (see 2.1 Reporting Entities).

*In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act, and in particular section 11 thereof, I, in the capacity of President and CEO of Lallemand Inc., attest that I have reviewed the information contained in the report on behalf of the board of directors of 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 within this report.*

*I have the authority to bind Lallemand Inc.*



**Antoine Chagnon**  
President and CEO

January 31<sup>st</sup>, 2025