



**The Canadian Fighting Against Forced Labour and Child Labour in
Supply Chains Act
'NUTRECO CANADA'
ANNUAL REPORT 2024**

Attestation

This report covers obligations under the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (hereinafter, the 'Act'). To meet the requirements of the Act, the entities listed below have jointly prepared this annual report. In this report, these entities are collectively referred to as 'Nutreco Canada', 'we', or 'our'. Since the value chain of 'Nutreco Canada' substantially aligns with that of other entities within the Nutreco Group, the value chain is described in this report at Nutreco Group level. The same approach applies to risk management activities throughout the value chain.

Entity Legal Name	Address	Business Registration Number
2542-1462 Quebec Inc.	4401 rue Crépeau Saint-Félix-de-Valois (Québec) J0K2M0	1142296111
2969-1821 Quebec Inc.	4780 rue Martineau Saint-Hyacinthe (Québec) J2R1V1	1143929934
6804373 Canada Inc.	2100-1000 rue de la Gauchetière Ouest Montréal (Québec) H3B4W5	855094959RC0001
Clark's Poultry Inc.	Brandon Airport Business Park, Brandon (Manitoba) R0K 0W0	710998410
Couvoir Scott Ltée.	1798 route du Président- Kennedy Scott (Québec) G0S3G0	1143725241
Ferme Baril de St.-Félix Inc.	6261 ch. de Saint-Jean Saint-Félix-de-Valois (Québec) J0K2M0	1142438879
Ferme Berthier Inc.	740, Rang du fer à cheval Berthierville (Québec) J0K1A0	1142439018
Ferme Gaston Inc.	1481, Chemin Joliette Saint-Félix-de-Valois (Québec)	1142439182
Ferme Léo Hénault Inc.	191 rang des Moulanges Saint-Apollinaire (Québec) G0S2E0	1142439976
Groupe Lactech Inc.	236 rue Sainte-Geneviève Saint-Isidore (Québec) G0S2S0	1165577579
Les Immeubles Lactech Inc.	236 rue Sainte-Geneviève Saint-Isidore (Québec) G0S2S0	3365585382

Newtech Feed Inc.	4780 rue Martineau Saint-Hyacinthe (Québec) J2R1V1	1167029017
Newtech Feed L.P.	4780 rue Martineau Saint-Hyacinthe (Québec) J2R1V1	3367038653
Poirier-Bérard Ltée.	4401 rue Crépeau Saint-Félix-de-Valois (Québec) J0K2M0	1149060882
Skretting Canada Inc.	1370 EastKentAvenue Vancouver (British Columbia) V5X 2Y2	139857296RC0003
Trouw Nutrition Canada Inc.	7504 McLean Road, Puslinch (Ontario) N0B 2J0	856704754RC0002

The individuals listed in the table below are authorized to bind the legal entities listed above. In accordance with requirements of the Act, and in particular section 11 thereof, they attest that they have reviewed the information contained in the report for the entities listed above. Based on their knowledge, and having exercised reasonable diligence, they 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 2024.

Full Name	Title	Date	Signature
Jean Hidalgo	Managing Director Business Unit Nutreco North America	May 22, 2025	Signed by: <i>Jean Hidalgo</i> 260F3750C68A454...
Gastón López Minder	Managing Director Business Unit Nutreco North America	May 22, 2025	Signed by: <i>Gastón López Minder</i> 71EF22230D544CF...
Trevor Stanley	Managing Director Skretting North America	May 22, 2025	Signed by: <i>Trevor Stanley</i> 9084DBE481DE421

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Introduction

At Nutreco Canada, we are part of the global animal nutrition value chain. Our goal is to pioneer advancements in animal nutrition and aquafeed, striving to sustainably meet the rising food demands of a growing population. As part of this commitment, we recognise the importance of human rights and ensuring the respect and dignity of all workers. Our purpose of Feeding the Future reflects our dedication to innovation, quality and sustainability, ensuring that we contribute positively to global food security while respecting the planet and its inhabitants.

In this report, Nutreco Canada shares its efforts and progress in managing forced labour and child labour risk. The report outlines the complexities of human rights issues and the challenges Nutreco Canada faces due to limited visibility in the upstream parts of the value chain—where the inherent risks are often highest. Nutreco Canada recognises that addressing these issues requires collective action; collaboration across the supply chain and industry is essential.

Our role in the value chain

We recognise that Nutreco Canada, as an agricultural value chain partner, impacts people's lives in several ways – both directly, as a proud employer, and indirectly, through our value chain network. Please explore [the sustainability section of the Nutreco Group website](#), where you can find an interactive visualisation of our role in the value chain and gain deeper insights into our broader commitment to sustainability and its impacts across the chain.

The 'Nutreco Canada' workforce

Nutreco Canada employs approximately 1620 individuals. The workforce primarily comprises production workers, who make up two-thirds of the total employees, while the remaining one-third consists of office personnel.

The Nutreco group business activities

The Nutreco Group sources quality raw materials from all over the world. In terms of volume, the top five materials sourced by the Nutreco Group are wheat, maize, barley, soybean and calcium carbonate. Calcium carbonate is mostly sourced from the markets where it is used, while soybeans primarily originate from Argentina, Brazil and the U.S. Grains are primarily produced in Europe and North America. Beyond sheer volume, other compounds also account for significant expenditure. These include by-products from aquatic animals and dairy, such as fats and oils, originating from European and South American countries. In terms of market shares, the Nutreco Group holds relatively large positions in micro-ingredients, such as vitamins and amino acids, predominantly produced in Europe and China. However, most micro-ingredients are traded in commodity markets, where the Nutreco group has little influence over the product or value chain, despite being a large buyer.

Through meticulous processing, the Nutreco Group transforms these materials, amongst others in our factories in Canada, into premium feed specialities and premixes. These products are primarily distributed to livestock and aquaculture operators.

Depending on the industry, a wide variety of processes can be applied before the final product reaches the end consumer. For example, in the meat industry, animals fed with our products are processed in slaughterhouses, involving butchering and packaging process.

Taking action

Policy statements

We comply with the International Labour Organization (ILO) Standards and do not use child labour or any form of forced labour in our operations.

Forced labour refers to situations where individuals are coerced into working against their will, often under the threat of violence or other forms of harm. This includes both traditional 'slave-like' practices and contemporary forms of coercion where labour exploitation is involved, such as debt bondage, human trafficking and forced recruitment.

Child labour refers to work that deprives children (defined as anyone under 18) of their childhood, potential and dignity. It includes tasks that are mentally, physically, socially or morally dangerous and harmful to children, or work that interferes with their schooling, either by depriving them of the opportunity to attend school, forcing them to leave school early, or requiring them to combine schooling with excessively long hours or heavy work. The ILO sets 15 years as the general minimum age for work or employment. Depending on the location and the nature of the work, this might be lower or higher.

Risk assessment

In 2023, the Nutreco Group started its human rights risk assessment process in consultation with Shift, the leading centre of expertise on the UN Guiding Principles on Business and Human Rights, and a group of cross-functional internal business experts from different layers of the organisation. The Nutreco group identified the potential adverse impacts that might be indirectly or directly linked to its activities throughout the value chain. By assessing the relative severity and likelihood, both child and forced labour were identified as salient issues, especially in the upstream part of our value chain.

Severity

In terms of severity, it is recognised that child labour and forced labour can severely affect the emotional and physical health of individuals. When child labour and forced labour occur, it is likely that the effects cascade down to others: it is not only the workers who are impacted, but also their families and their communities as a whole. The related emotional and physical harm can be irreversible, leaving individuals to struggle with trauma-related symptoms for the rest of their lives.

Likelihood

To assess likelihood, we researched the operating context and business activities. Desk research was conducted by consulting public sources, including the ILO's InfoStories, world governance indicators, Verisk Maplecroft's Child Labour Index, the Global Slavery Index, the U.S. Department of State's Country Reports on Human Rights Practices and the U.S. Department of Labour's Report on Goods Produced with Forced and Child Labour.

These sources revealed inherent risks on both a macro and a micro level:

Market-dynamics related inherent risk. Margin pressures may drive businesses to cut labour costs, heightening the risk of child labour and forced labour.

Climate-change related inherent risk. For example, extreme heat increases the risk of children performing hazardous tasks.

Country-based inherent risk. A significant part of Nutreco's value chain is in countries identified as having higher inherent risk of child labour and forced labour. By the end of 2023 (2024 percentages are estimated to be similar), this includes approximately:

- 37% of direct suppliers of the Group
- 40% of the Group workforce
- 41% of Group customers

Obviously, the Nutreco Group has less insight beyond its direct suppliers. However, when examining sourced raw materials, the Nutreco Group found that a significant portion originates from or passes through a country with a higher inherent risk.

Inherent risk related to the nature of the work. For example, [a study published in Nature Food](#), shows that the animal-based protein value chain contributes to the majority of forced labour risk in the United States' land-based food supply. In addition, in 2023, the United States Labour Department published [an article](#) revealing child labour practices in slaughterhouses and meat packing plants across eight different States.

Workforce related inherent risk. A large part of the agricultural workforce consists of women, children and migrants, and it is estimated that around 60% of all child labour abuses can be found in agriculture.

Gaps in assessment

To effectively manage the inherent risk of child labour and forced labour, it is important to have visibility into the value chain. While Nutreco Canada has good visibility into labour risk within its own operations, visibility remains limited in the upstream segments, particularly beyond the first tier, where the risk profile is higher. To enhance visibility, collaboration across the supply chain is essential.

Risk management and due diligence

Own operations

To effectively eliminate all forms of forced labour and child labour within our operations, Nutreco Canada implemented comprehensive control measures as described below. These measures, as well as the absence of reported concerns, give Nutreco Canada comfort there is no forced or child labour in its own operations.

Awareness raising

We aim to ensure that all employees are aware of our zero-tolerance policy toward child labour and forced labour practices and understand that any related concerns should be reported. Therefore, we continuously raise awareness of these standpoints. They can be found in our Global Human Resources Policy and Code of Conduct for Employees, which are included in every employee contract. In these documents, we also inform employees that they can raise any related concerns through Speak Up, our whistleblowing and grievance channel. This service enables anonymous reporting and is promoted in every location through posters (see *Figure 1*). To learn more about Speak Up, please visit [our website](#).



Figure 1. An example of a speak up display board in use.

To further raise awareness among employees, we have expanded the target audience of Code of Conduct course from white collar workers to all employees in 2024. The training is conducted by either e-learning for white collar workers or classroom training for blue collar workers. Employees are required to be trained every two years. The course also emphasises that employees can raise any related concerns using our Speak Up whistleblower line. As of the end of 2024, 86% of the e-learning targeted employees of Nutreco Canada have completed the course; 45% of the classroom training targeted employees have been trained. To further build awareness, more classroom training will be conducted in 2025.

Employee management

Our employee management process is designed to protect both the company and its employees by promoting compliance with company policies, including the voluntary employment and adherence to minimum age requirements for workers.

The “one-over-one” principle is our core governance rule in human resources, requiring managerial approval for any HR decision with financial implications. This hierarchical control

ensures that decisions around topics such as hiring, termination or compensation are made responsibly and in alignment with the company's objectives.

We recognise that the onboarding process is a critical phase in employee management and helps ensure that new hires are properly integrated into the company's system and culture. Managers play a crucial role in overseeing the process from recruitment to contract signing. New employees are asked to present valid identification to be registered in the company's cloud-based human resources management system, Workday. This step is crucial for maintaining accurate employee records. Employees must also be identified to the payroll provider to set up their compensation details to ensure the timely and accurate payment of salaries.

Upstream value chain

Based on the results of the human rights risk assessment of Nutreco Group, it is decided to focus on the highest inherent risks that can be found in the upstream raw material value chain.

Awareness raising

The Nutreco Group [Code of Conduct for Business Partners](#) is included in procurement contracts. This makes suppliers aware of the forced labour and child labour standpoints of the Nutreco Group. Suppliers are required to communicate same standards to their own suppliers. The Code of Conduct for Business Partners also includes information to allow the external stakeholders to report concerns via the [Speak Up channel](#), making the whistleblowing and grievance channel more accessible to any stakeholder group. Other Nutreco global and local websites, such as Skretting.com and Trouwnutrition.com refer to this page as well.

Supplier management

The sustainability management platform EcoVadis is used to assess raw material supplier risks with a focus on high-spend suppliers.

The data provided by EcoVadis, which includes a gross risk score that reflects country and industry insights, is instrumental in identifying suppliers of the Nutreco Group that have an increased inherent labour and human rights risk. This showed that suppliers representing around 5% of total spend are at high inherent risk on labour and human rights issues.

Looking ahead, the next step is active engagement with high-risk raw material suppliers. For example, by requesting them to provide a comprehensive EcoVadis Rating – a self-assessment tool that provides deeper insights into a supplier's sustainability practices and risk management. The assessment results may lead to further engagement, including encouraging poorly rated suppliers to take (corrective) action and audits.

Remediation measures

In 2024, there were no Canada-related reported instances of child labour and forced labour through Speak Up or any other channel. Consequently, Nutreco Canada had no knowledge of child labour or forced labour cases, and as a result, no remedial actions were necessary.

Monitoring effectiveness

It is important to monitor the effectiveness of our actions in the value chain. Although there is currently limited visibility on the performance in the upstream parts of the value chain, especially beyond the first tier, it is to be recognized that the Nutreco Group is expanding its risk-based supplier due diligence activities. This will support a more comprehensive understanding of the value chain and allow the establishment of targets and key performance indicators related to child labour and forced labour risk management. Nevertheless, we can already share below several indicators that offer relevant insights into the effectiveness of our actions.

Employee engagement

The data from our Employee Engagement Survey, conducted in October 2023, showed there is a significant level of trust and openness within our workforce in Canada. With an 77% participation rate, the survey presents a comprehensive view of employee sentiment. The high score of 8.1 out of 10 on the comfort level to report misconduct indicates a positive ethical environment where employees feel secure voicing concerns.

External recognitions

The Nutreco Group was awarded a bronze medal in the EcoVadis sustainability rating. Our performance in the area of labour and human rights was rated as ‘good’, as depicted in Figure 2. In 2024, our score in labour and human rights management dropped from 70/100 to 50/100 and now we have an average performance compared to other prepared animal feed manufacturers rated by EcoVadis. The reason we scored lower in 2024 is that we lacked the ability to show that our policies are implemented and followed up in all geographies we operate in. Actions will be taken in 2025 for improvements.

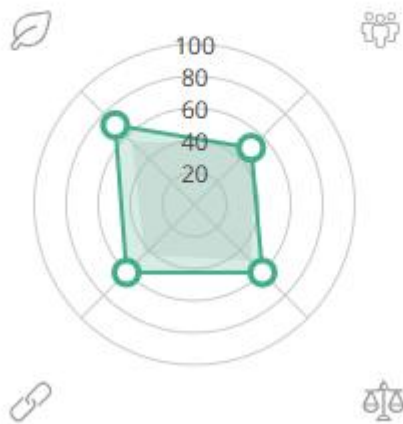


Figure 2. This diagram illustrates the Nutreco Group’s performance across four key areas of sustainability practice—environment, labour & human rights, sustainable procurement, and ethics (from top-left to bottom-right)—as evaluated by EcoVadis. The results are shown in comparison to the average scores of other companies in the industry.

Nutreco Canada would like to conclude this report by highlighting a success story of an affiliated company. The feed mill of the Nutreco Group in Chile successfully passed the Aquaculture Stewardship Council (ASC) audit in 2023. This makes it the first salmon feed mill in the world to

obtain ASC Feed certification. Among several environmental and social criteria, this shows that the feed mill has systems in place to assess the risk for child labour and forced labour and that if any related issues would occur, effective remediation measures would be applied. In 2024 Skretting Canada, part of Nutreco Canada, started the ASC certification process, with certification being achieved in early 2025.