



FORCED LABOUR IN CANADIAN SUPPLY CHAINS

PUBLIC SAFETY CANADA

Whitecap International Seafood Exporters Inc. | Report Submission | Jan 1 – Dec 31, 2024

Approval and attestation

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.

Darrell Roche

President and CEO

Whitecap International Seafood Exporters Inc.

Signed:

May 22, 2025

I have the authority to bind ***Whitecap International Seafood Exporters Inc.***

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Reporting Entity Information

- Legal name: Whitecap International Seafood Exporters Inc.
- Financial reporting year: Jan 1 – Dec 31, 2024
- Business number: 82790 XXXX
- Entity categorization: Corporation
- Sector/industry: Seafood Exporter
- Location: Head Office - St. John's, NL Canada

Section 11 (1):

Steps taken (during the previous financial year) to prevent and reduce risks of forced labour and child labour:

- Broadly or specific? (parts of the entity's activities and supply chains)
- What did they address? (forced labour or child labour)
- Who did they address? (which partners or stakeholders)
- Details of actions taken (policies/processes implemented)

Whitecap personnel visit all regular suppliers within our supply chain. As part of each visit, the suppliers and their sites are assessed for measures to address their compliance to the local labour standards as well as any specific measures implemented to address forced/child labour.

Whitecap encourages its supply base to register with SEDEX (Supplier Ethical Data Exchange) - an online platform that provides the opportunity for suppliers to maintain data on ethical and responsible practices. This platform provides Whitecap's supply base an environment to share information with its customer base (Whitecap & others). Several of Whitecap's suppliers are currently registered with SEDEX and some of these suppliers have been audited (by certified auditors) to assess their compliance level to the SEDEX standard (referred to as SMETA – "SEDEX Members Ethical Trade Audit").

Several Whitecap suppliers have been audited by independent third parties and have been found to comply with the SMETA standard. Whitecap does encourage the supply base to become SMETA certified or implement measures internally to address the risk of any forced/child labour.

It should be noted that most of Whitecap's supply is sourced within Canada. As such, Whitecap is deemed to be at low risk for any forced/child labour.

For supply sourced outside of Canada, Whitecap uses the US Department of Labour website (see below link) as a resource to assess risk of any forced/child labour potential in the foreign countries that product is sourced from.

<https://www.dol.gov/agencies/ilab/resources/reports/child-labor#:~:text=ILAB%20publishes%20three%20reports%20on,government%20action%20and%20corporate%20responsibility>.

Two foreign countries that Whitecap sources from have appeared in this US database - China and Indonesia.

China: Whitecap has three (3) approved suppliers from China and all have been audited to the SMETA standard.

Indonesia: Whitecap has one (1) approved supplier from Indonesia and they have been audited to the SMETA standard.

Section 11 (3):

- a. Whitecap structure, activities, and supply chains
- b. Policies and due diligence processes in relation to forced labour and child labour
- c. Parts of operations and supply chains that may carry a risk of forced/child labour being used and steps taken to assess and manage that risk
- d. Measures taken to remediate any forced labour or child labour
- e. Measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in activities and supply chains
- f. Training provided to employees on forced labour and child labour
- g. Assessing effectiveness in ensuring that forced labour and child labour are not being used in operations and supply chains

Requirement (a) – structure, activities, and supply chains

Whitecap International Seafoods is a corporation, registered in Canada, and headquartered in St. John's, NL.

Whitecap's mandate is to source quality seafood from a variety of suppliers, consolidate this supply, and export it to meet the demand of its global customer base.

Core functions of the business (sales, marketing, finance/accounting, logistics, quality control) are based in the St. John's office.

Whitecap employs approximately 25 people in Canada.

Whitecap is registered with SEDEX (Supplier Ethical Data Exchange) and is a member of the LCC (Lobster Council of Canada), FCC (Fisheries Council of Canada), AQIP (the Quebec Fishing Industry Association) and the NL Board of Trade.

Other affiliations & certifications held by Whitecap:

- Export Certification Control Program required by the Canadian Food Inspection Agency.
- British Retail Consortium Standard for Agents and Brokers (BRC), an internationally recognized standard for product safety, quality and legality in the food and food packing industries.
- Marine Stewardship Council (MSC) certification for commitment to maintaining a sustainable seafood resource for future generations.

Product sources:

Whitecap sources product from both in and outside Canada, as illustrated in the following table.

| Purchases by region | % (by value) |
|----------------------------|---------------------|
| CANADA | 78% |
| USA | 10% |
| EUROPE | 3% |
| SOUTH AMERICA | 5% |
| ASIA | 4% |
| TOTAL | 100% |

Sales & Imports (Canada):

Whitecap sales in Canada represents approximately 10% of total global sales.

66% of these ‘Canadian sales’ are related to product that is sourced in Canada.

The remaining 34% of sales inside Canada represent product purchased and imported from: Europe (19%, mainly shrimp), South America (13%, mainly Chilean Sea Bass), the USA (2%, mainly lobster).

The supply chain associated with the above sales in Canada would include processors (mainly Canadian, small portion USA, and small portion European), transporters (mainly trucking, some ship/vessel), and cold storage providers (all North American).

Requirement (b) – Policies and due diligence processes

Whitecap is committed to only sourcing product from reputable suppliers that have responsible ethical practices implemented. During all Whitecap visits, supplier sites are observed for unsafe working conditions, signs of employee abuse, and child/forced labour.

In 2024, Whitecap also updated its Supplier Approval Questionnaire (SAQ) to include a section on “Ethical Trading Practices”. This section addresses child/forced labour. All Whitecap suppliers (new and existing) are obliged to complete this questionnaire. To date, no suppliers have indicated that there is child/forced labour in their operations.

Requirement (c) – Forced labour and child labour risks

Whitecap’s own activities/operations:

No risk identified in Whitecap’s direct activities and operations.

Whitecap supply chains:

Whitecap's supply chain, because of its international nature, does have the potential for risk (i.e., foreign processing, international transportation). Whitecap is acutely aware of the recently reported claims in the mainstream media of child/forced labour in China. As noted in earlier sections, the supplier that Whitecap sources from in China is not associated with any of these (or other) claims of child/forced labour. As mentioned, it is a site that has been visited many times by Whitecap staff.

To Whitecap's knowledge, there are no reported instances of any child/forced labour in its existing international supply chain(s). That said, Whitecap acknowledges that its supply chain has the ongoing potential for such risk.

Through Whitecap's membership in FCC, it is regularly kept informed of issues that impact the seafood industry – including those that may concern child/forced labour.

Requirement (d) – Remediation measures

Not applicable.

Requirement (e) – Remediation of loss of income

Not applicable.

Requirement (f) – Training

No internal formal training programs on child/forced labour occurred in 2024.

Requirement (g) – Assessing effectiveness

Not applicable.