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## **BHJ Canada Meat Products Inc. – “Fighting Against Forced Labour and Child Labour in Supply Chains Act” Report for Financial Year 2025 (January to December)**

BHJ Canada is pleased to submit its third report under the “Fighting Against Forced Labour and Child Labour in Supply Chains Act”. BHJ Canada welcomes this important initiative by the Canadian Government, and we look forward to detailing our accomplishments so far and outlining the initiatives for the next reporting period.

We believe that all human rights must be respected and that we must address any forced labour and child labour that takes place in the supply chain we are associated with. We recognise that the practice of modern slavery is insidious and not always easy to identify in supply chains outside our direct control, which is why we take a risk-based approach to identify supply chains most likely to be affected.

“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.”

Full name: Robert Morrell

Title: Managing Director

Date: *April 16, 2026*

Signature

A handwritten signature in black ink, appearing to read "R. Morrell", written over a horizontal line.

I have the authority to bind BHJ Canada Meat Products Inc.

# **BHJ Canada's structure, activities, and supply chains**

## **BHJ History**

### **The Evolution of BHJ Canada: A Strategic History Foundations and Global Roots**

The origins of BHJ Canada are rooted in the 1969 establishment of the BHJ Group in Denmark. Founded by Svend Beck, Peter Holm, and Vagn Jacobsen, the company was built on a foundational mission to source and process raw materials from Danish slaughterhouses and fisheries for the food and pet food industries. This specialized focus eventually caught the attention of The Lauridsen Group, Inc. (LGI), a prominent U.S.-based corporation, which now maintains BHJ as a primary subsidiary.

### **Canadian Establishment and Expansion**

BHJ entered the Canadian market in 1991, launching its first operations in Calgary, Alberta. Over the following three decades, the company significantly scaled its infrastructure to meet growing demand in the pet food and pharmaceutical sectors. While maintaining its presence in Calgary, BHJ Canada transitioned its headquarters to Bolton, Ontario, to better manage its expanding footprint. Today, the company's domestic operations include high-capacity plants in both Bolton and Calgary, supplemented by strategic processing partnerships throughout Eastern Canada.

### **A Unique Collaborative Ownership Structure**

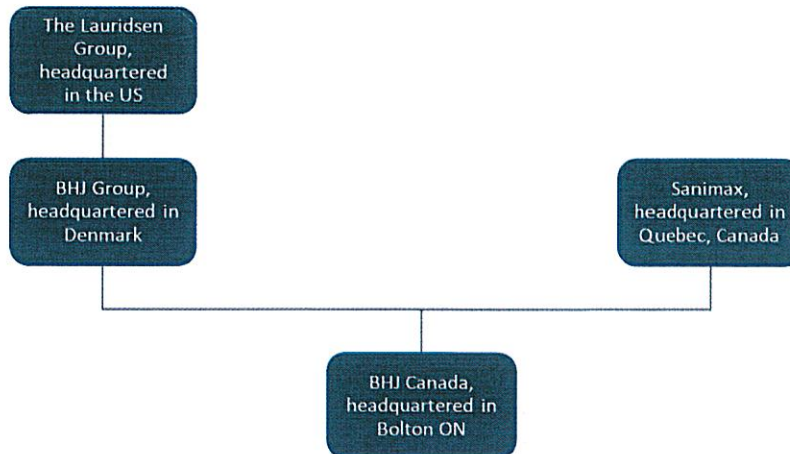
A defining moment in the company's history occurred in 2004 with the formation of a unique ownership model. BHJ Canada operates as a 50/50 joint venture between the BHJ Group and Sanimax, a Quebec-based, family-owned enterprise with a legacy dating back to 1939. This partnership is a distinctive outlier within the BHJ Global Network, as BHJ Canada is the only entity to utilize this specific shared-ownership framework. This structure combines the global industrial reach of BHJ with Sanimax's deep-rooted Canadian expertise and heritage.

### **Current Global Position**

From its initial start in Calgary, BHJ Canada is now a part of a substantial international ecosystem. The BHJ Global Network is now overseas:

28 locations across 14 countries, spanning Asia, Australia, Europe, New Zealand, and Americas, including a diverse workforce of over 1,200 professionals worldwide.

By leveraging its dual heritage—the innovative processing traditions of its Danish founders and the long-standing stability of its Canadian partners—BHJ Canada continues to be a vital link in the global supply chain for high-quality raw materials and ingredients.



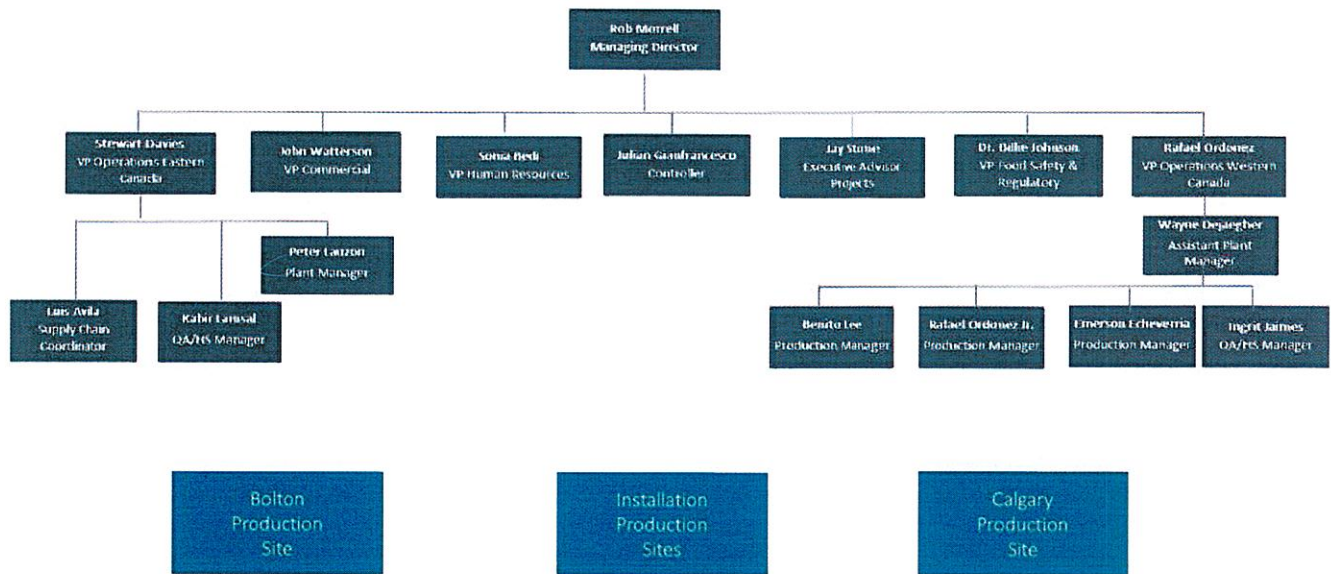
## **BHI Canada's Business Operation**

BHI Canada's business operation and reputation are built upon the principles of fair dealing and ethical conduct of our employees, customers and suppliers. The Company's reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

BHI Canada complies with all applicable laws and regulations and expects its directors, officers, employees and suppliers to conduct business in accordance with the letter, spirit, and intent of all relevant legislation and to refrain from any illegal, dishonest or unethical conduct. BHI Canada's Leadership Team is detailed below.



## BHI Canada Organization Chart



### BHI Canada's Supply Chain

BHI Canada operates a sophisticated supply chain focused on the collection, processing, and upgrading of animal protein by-products for the global pet food and pharmaceutical sectors. Our supply chain is designed to ensure "Just-in-Time" delivery while maintaining the highest levels of safety and ethical traceability.

**Geographic Sourcing & Tier 1 Concentration** - In alignment with our risk-mitigation strategy, BHI Canada concentrates its procurement in regions with robust legal frameworks and high transparency.

- **Primary Sourcing:** Our raw materials (Beef, Poultry, Pork, and Fish) are predominantly sourced from North American producers.
- **Supplemental International Sourcing:** To meet specialized nutritional and pharmaceutical specifications, we supplement our inventory with high-quality materials from Australia (Lamb, Goat), New Zealand (Lamb, Venison), and various Western European countries (e.g., Denmark, Germany, and Spain).
- **Risk Profile:** By confining our core supply chain to these Tier 1 jurisdictions, we leverage the oversight of some of the world's most stringent labour enforcement agencies.

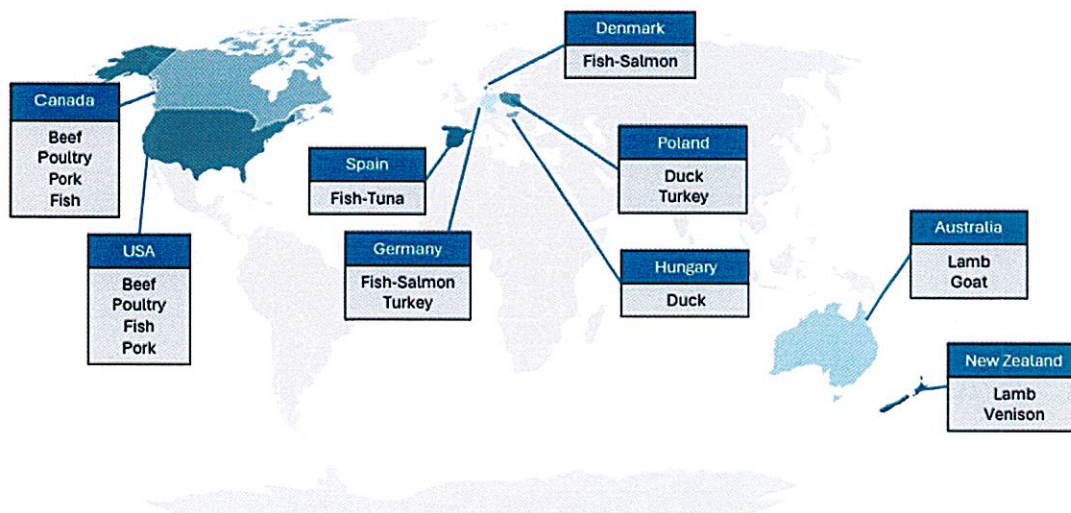
**Operational Facilities and Value-Added Processing** - BHI Canada's supply chain is anchored by our technologically advanced processing plants in Bolton, Ontario, and Calgary, Alberta, as well

as strategic partner installations across Eastern Canada. At these facilities, we upgrade raw materials into specialized formats:

- Pet Food Ingredients: Plate frozen blocks, meat blends, slurries, and emulsified products customized to client specifications.
- Pharmaceutical Inputs: High-quality animal organs and tissues delivered frozen for pharmaceutical extraction and research.
- Global Connectivity: As a member of the BHI Global Network, our Canadian operations are supported by a logistics infrastructure spanning 28 locations worldwide, ensuring a seamless flow of materials between 14 countries.

Supply Chain Control & Traceability – BHI Canada maintains and controls through a combination of direct on-site cooperation with suppliers and third-party verified audits.

- Direct Oversight: BHI Canada handles raw materials directly at the source in close cooperation with slaughterhouses to ensure quality from the point of origin.
- Audit Integration: Our supply chain is subject to annual Global Food Safety Initiative GFSI (Food Safety System Certification FSSC 22000) and Marine Stewardship Council MSC audits, which provide third-party certification that our systems can track all raw materials and finished products, ensuring that no unverified or high-risk inputs enter our production streams.



Beyond our primary raw material streams, BHI Canada procures ancillary products essential for our daily operations, including Information Technology (IT) equipment, stationery, and textiles (employee uniforms). We recognize that these categories represent a different risk profile than our core supply chain:

- Textiles and Uniforms: According to the 2025 Global Commission on Modern Slavery, the garment and textile industry remains a "High-Risk" sector. Recent data from GoodWeave International (2025) identifies significant forced and child labour vulnerabilities within the deeper, subcontracted tiers of global textile manufacturing.
- Electronics and IT Hardware: Consumer electronics continue to be flagged by the 2024 UNODC Global Report due to the prevalence of forced labour in the mining of raw minerals and the assembly of hardware components in high-prevalence regions.

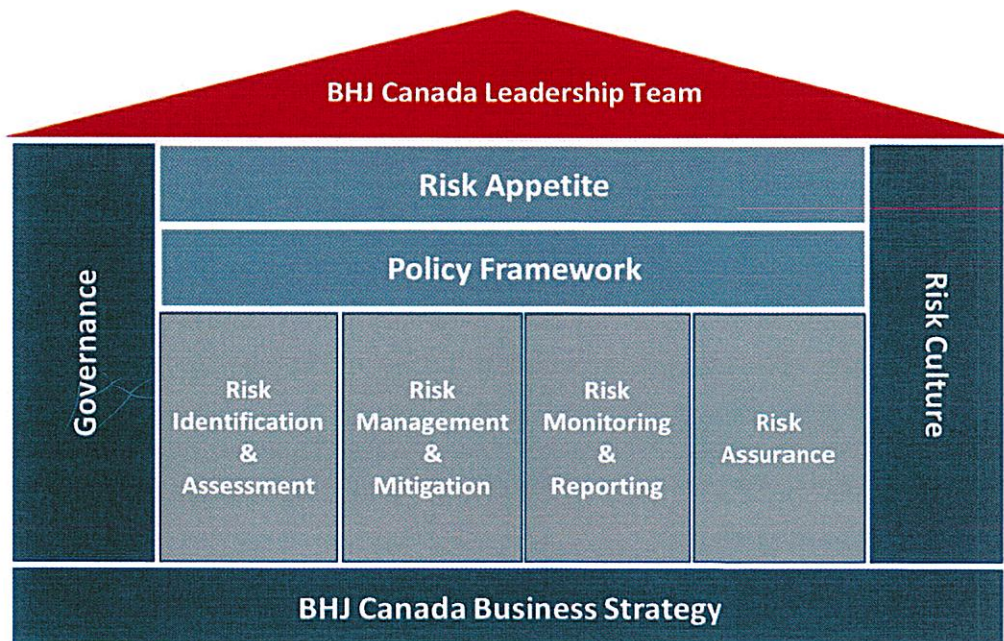
BHJ Canada is cognizant that these indirect goods are often sourced through complex, multi-tiered global supply chains where visibility is naturally reduced. While these purchases constitute a smaller portion of our total spend, we do not consider them exempt from our ethical standards.

Consequently, BHJ Canada has integrated these categories into our 2025/2026 Due Diligence Framework. Our ongoing analysis includes:

1. Supplier Risk Tiering: Assessing indirect suppliers based on their manufacturing locations and industry-specific risk ratings.
2. Procurement Policy Alignment: Ensuring that vendors for uniforms and IT equipment provide evidence of their own anti-slavery policies and supply chain transparency.
3. Future Auditing: A comprehensive analysis of these product categories will be detailed in the upcoming sections of this report, outlining our steps to mitigate risks in our secondary procurement.

## Framework, Policies and Due Diligence Processes

BHJ Canada has developed a strong governance framework to ensure compliance with relevant legislations, including the “Fighting Against Forced Labour and Child Labour in Supply Chains Act”.



BHJ Canada's governance framework outlines accountability, risk appetite, risk culture, business strategy, due diligence processes and policy framework.

BHJ Canada has implemented several different policies to provide guidance, promote consistency, ensure compliance, manage risks, establish accountability, and communicate the company's culture and values to its employees, business partners and suppliers. The policies include a whistleblower mechanism which offers a safe way to report instances of misconduct while providing protection to those who do so.

The following policies and standards are in place for its employees.

- BHJ Canada Employee Handbook
  - The handbook details the company's vision, mission and values and outlines the expected standards by which employees must conduct themselves.
- BHJ Canada Workplace Harassment Policy
  - The policy includes examples of workplace harassment, and a reporting mechanism should any misconduct be encountered.
- BHJ Canada Workplace Violence Policy
  - The policy outlines measures and procedures to protect employees from workplace violence and related supporting programs.

BHJ Canada has the following policies and standards in place for its employees as well as its business partners and suppliers:

- BHJ Canada Illegal Labour Policy
  - The policy outlines BHJ Canada's commitment to protecting individuals from the exploitations of illegal labour practices such as child labour, forced labour, slavery and human trafficking.
- BHJ Canada Code of Conduct
  - The Code of Conduct outlines the business conduct and ethical behaviors, expected from all business partners and suppliers.
- BHJ Canada Corporate Social Responsibility
  - The policy outlines BHJ Canada's support of human rights and its commitment to the eradication of forced labour and child labour.
- The Fighting Against Forced Labour and Child Labour in Supply Chains Act
  - This act mandates that companies operating in Canada disclose their efforts to eliminate modern slavery (forced labour, including child labour and human trafficking) from their supply chains.

BHJ Canada has developed an action plan for addressing risks of forced labour and/or child labour. As a starting point, it has mapped its activities, including its supply chain, to understand where risks of forced labour and/or child labour may be found. BHJ Canada has also reviewed its policies and Code of Conduct to ensure that they align with the "Fighting Against Forced Labour and Child Labour in Supply Chains Act".

BHJ Canada integrates its GFSI (Food Safety) and MSC (Sustainability) audit data directly into its Modern Slavery Reporting framework. By utilizing the rigorous traceability and management

standards required by these certifications, the company effectively mitigates the risk of forced labour. This integrated compliance model ensures that every ingredient processed is not only safe for consumption and environmentally sustainable but is also ethically sourced in alignment with the "Fighting Against Forced Labour and Child Labour in Supply Chains Act."

BHJ Canada has developed its due diligence processes to identify, address and prohibit forced labour and/or child labour in its operation and supply chain. During this reporting period, BHJ Canada has conducted assessments of risks related to forced labour and/or child labour in the organization's activities and supply chains.

Forced labour and Child Labour in our supply chain is assessed on country of origin and industry risk. Country of origin risk, adopted from the Global Slavery Index, is based on where our suppliers are located and, if known, the country of our "supplier's supplier". Industry risk is determined by understanding the level of labour, unskilled labour, and supply chain complexity for a particular industry category. Understanding supply chain complexity helps with understanding complex supplier relationships, complex contract structures, and complex supply chains where it's difficult to exactly label a country of origin.

Both the country risk and industry risk have been applied to our supplier base to get an overall risk rating per supplier.

In addition to developing the due diligence processes, BHJ Canada has also commenced a process of socializing the legislative requirements to its staff, business partners and suppliers.

## **Training**

During the 2025 reporting period, BHJ Canada intensified its focus on specialized training as a primary tool for risk mitigation. Recognizing that internal and external awareness is the first line of defence against exploitation, the company implemented the following educational initiatives:

Internal Employee Induction and Training - BHJ Canada has formalized the integration of Modern Slavery education into the Employee Induction Process. Every new hire, across both the Bolton and Calgary facilities, undergoes mandatory training regarding the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. This curriculum ensures that employees:

- Understand the legal and ethical definitions of forced and child labour.
- Are empowered to identify "red flag" indicators within production and logistics environments.
- Are fully briefed on the internal reporting mechanisms and whistleblowing protocols to be followed should an incident be suspected or identified.

Supplier and Partner Accountability Extending our "Common Platform" of values to our supply chain, BHJ Canada engaged with all strategic business partners and suppliers throughout 2025 to ensure bilateral compliance. These efforts focused on two key objectives:

- **Obligation Alignment:** Ensuring all parties are fully cognizant of their specific legal obligations under the Act and the non-negotiable standards of the BHJ Canada Code of Conduct.
- **Evidence-Based Compliance:** BHJ Canada implemented a verification process to gather documented evidence that our suppliers are conducting their own internal training programs. By requiring proof of broad-based awareness within our partners organizations, we ensure that the principles of the Act are respected at every tier of the supply chain.

Through these training mandates, BHJ Canada has moved beyond mere policy dissemination, fostering a proactive culture where every stakeholder—from the plant floor to the executive suite—acts as a guardian of human rights.

## **Actions taken to Assess and Address Forced Labour and Child Labour**

During the current reporting period, BHJ Canada significantly enhanced its oversight capabilities by engaging Information Services Group (ISG), a leading third-party Risk Management provider. This partnership provides BHJ with specialized expertise in identifying and mitigating modern slavery and Forced Labour and Child Labour risks through advanced data analytics and investigative research.

**Multi-Layered Supplier Risk Analysis:** For all suppliers within the reporting scope, ISG conducted exhaustive secondary research into corporate governance and operational transparency. This investigative process included:

- **Policy Audits:** Evaluation of Supplier Codes of Conduct, Ethical Sourcing frameworks, and Whistleblower protections.
- **Legislative Compliance:** Assessment of supplier responses to international human exploitation legislation (e.g., Canada’s Bill S-211, UK Modern Slavery Act).
- **Geographic & Sectoral Mapping:** Cross-referencing supplier footprints against the 2023 Global Slavery Index and the 2024 UNODC high-risk industry alerts.
- **Adverse Media Monitoring:** Real-time screening of news and alerts to identify any emerging "ambiguous findings" or reputational risks related to labour practices.

**Targeted Engagement & Questionnaire Results:** As a core component of our due diligence, BHJ Canada issued comprehensive self-assessment questionnaires to 346 suppliers identified as operating in potentially high-risk categories (including indirect spend such as IT and textiles).

- **Response Rate:** At the time of compiling this report, 24 key suppliers have submitted detailed responses, and we are in process of receiving and evaluating more responses.
- **Issue Resolution:** ISG analysed all submissions and engaged directly with suppliers to resolve discrepancies. All high-priority findings were reviewed by BHJ Procurement Team to ensure alignment with our internal risk posture.
- **Strategic Growth:** In the upcoming reporting period, BHJ Canada will pursue additional responses and continue to educate suppliers on the non-negotiable importance of ethical employment standards.

Independent Third-Party Audits & Certifications: To maintain a "Zero-Tolerance" environment, BHI Canada utilizes internationally recognized auditing frameworks to verify compliance. During this period, the following certifications were maintained:

- SMETA (Sedex Members Ethical Trade Audit): A rigorous social audit used to monitor ethical business practices and labour conditions across our global touchpoints.
- EcoVadis: A comprehensive ESG (Environmental, Social, and Governance) rating that validates our sustainability and corporate social responsibility performance.
- Global Food Safety Initiative (GFSI) & Marine Stewardship Council (MSC) Audits: Our Global Food Safety Initiative and Marine Stewardship Council certifications now include mandatory forced labour and child labour components, ensuring that food safety and ethical safety are managed as a single, unified standard.

## **Effectiveness of Procedures**

BHI Canada acknowledges that the journey towards assurance of no forced labour and/or child labour in its operation and supply chain has only just commenced. However, BHI Canada will continually monitor its own employment practices as well as those of its partners, suppliers and all others conducting business on behalf of the organization to ensure compliance to ethical employment standards and protocols. Where a supplier or contractor is found to be in violation of the Act, BHI Canada will take prompt remedial action to address the violation, which may include termination of the business contract with the organization.

All employees have access to the BHI Canada Employee Handbook, which includes our commitment and expectation, as well as mechanisms to address suspected instances of Modern Slavery, Forced Labour and Child Labour. BHI Canada has also published their second Fighting Against Forced Labour and Child Labour in Supply Chains Annual Report on their corporate website.

BHI Canada intends to continue engaging its supply chain by sending out questionnaires relating to work practices and evaluating the responses for any risks of forced labour and/or child labour. Where required, BHI Canada will conduct an audit of any supplier to understand the nature of the risk and, if necessary, terminate its contract with the relevant party.

BHI Canada will collate the information, collected through supplier questionnaires, incidents reported through the whistleblower channel and any other relevant information and prepare regular reports for the Leadership Team. Such reports will also detail the effectiveness of BHI Canada's due diligence process by tracking relevant performance metrics across BHI Canada's operation and supply chain.

Based on a comprehensive review of supplier questionnaire responses and supporting assessment comments, BHI Canada has continued to strengthen its understanding of modern slavery risks across its supplier base. The assessment process has provided enhanced visibility into suppliers' governance frameworks, due diligence practices, and operational controls relating to forced labour and child labour.

The analysis of responses for the current reporting period highlights the following key themes:

- Few suppliers confirmed that they are subject to supply chain transparency or modern slavery legislation (including in Canada, Australia, and other jurisdictions) and have implemented formal policies, due diligence frameworks, and reporting mechanisms to address forced labour and child labour risks.
- Several suppliers reported having established risk identification processes, including internal risk assessments, supply chain mapping, and prioritisation of higher-risk activities or supplier categories.
- Certain suppliers confirmed that they have implemented mitigation measures, such as contractual clauses, supplier codes of conduct, internal controls over recruitment practices, and monitoring mechanisms to reduce the risk of forced labour and child labour within their operations and supply chains.
- Some suppliers reported providing training or awareness initiatives for employees and relevant stakeholders to improve understanding of forced labour and child labour risks and to support early identification of potential concerns. Where suppliers identified potential risk areas, measures described included enhanced onboarding controls and monitoring of recruitment practices.
- The assessment also highlighted a consistent distinction between large enterprises and small to medium-sized enterprises (SMEs). While larger suppliers generally maintain formal, documented modern slavery and human rights frameworks, many SMEs indicated that they rely on informal practices, local sourcing strategies, or limited internal controls, and may not yet have fully developed standalone policies, formal due diligence programs, or public reporting.
- A few SMEs confirmed that they are not subject to modern slavery or supply chain reporting legislation and therefore do not publish annual statements or maintain formalised governance structures in this area. These suppliers often cited domestic sourcing, local labour markets, or operational scale as factors influencing their current approach.

Overall, the assessments demonstrate continued progress in supplier engagement and transparency, while also identifying opportunities to further strengthen awareness, documentation, and consistency of modern slavery controls—particularly among smaller suppliers that may have limited internal resources or formal compliance frameworks.

BHJ Canada will continue to use these insights to support targeted engagement, clarification requests, and ongoing monitoring, with the objective of promoting responsible business practices and continuous improvement across its supply chain.

## Measures Taken to Remediate Forced Labour and/or Child Labour

BHJ Canada's Modern Slavery statement is not a standalone policy but is supported by the technical data gathered during its operational audits. These links can be categorized into three main areas:

### 1. Verification of Labour Standards (The Global Food Safety Initiative Link)

Although Global Food Safety Initiative (GFSI)-benchmarked standards (like FSSC 22000) are primarily food safety audits, they include modules on Social Responsibility and Worker Safety.

BHJ uses the "Management System" portion of the Global Food Safety Initiative (GFSI) audit to verify that labour practices meet legal Canadian standards. Global Food Safety Initiative (GFSI)-benchmarked audits provide an annual, third-party verification that BHJ Canada's internal management systems are robust, transparent, and capable of identifying irregularities in personnel documentation—a key step in preventing forced labour.

### 2. Supply Chain Traceability

Modern slavery often hides in "deep" supply chains (Tier 2 or Tier 3). The Marine Stewardship Council (MSC) Chain of Custody (CoC) audit is designed specifically to prevent "leakage" or the mixing of unverified materials into the supply chain.

The same rigorous tracking used to prove a fish is "sustainable" is used to ensure it was not sourced from high-risk vessels known for human rights abuses. By maintaining Marine Stewardship Council Chain of Custody certification, BHJ Canada utilizes high-resolution traceability data to map its seafood supply chain. This transparency is a primary tool in the company's Modern Slavery strategy, ensuring that raw materials are sourced from regulated, visible fisheries rather than high-risk, unmonitored operations.

### 3. Risk-Based Assessments

Under the Modern Slavery Act, BHJ Canada must report on the "parts of its business and supply chains that carry a risk." BHJ combines audit data and conducting annual risk assessments within supply chain suppliers to track potential indicators of lower oversight and higher labour risk.

Following a rigorous and comprehensive assessment of internal operations and global supply chain, BHJ Canada reports that no instances or evidence of forced labour or child labour were identified during the 2025 reporting period. While these findings affirm the current efficacy of due diligence protocols—including integrated Global Food Safety Initiative and Marine Stewardship Council audit frameworks—BHJ Canada recognizes that the eradication of modern slavery is a dynamic and evolving challenge.

BHJ Canada views ethical vigilance not as a static goal, but as a core operational discipline. We remain steadfast in our commitment to continuous improvement, ensuring that human rights protections are deeply embedded in our core. We look forward to providing further updates on our progress and enhanced mitigation strategies in future disclosures to the Department of Public Safety Canada.

## Next Steps in Our Journey

As BHJ Canada enters the next reporting cycle, we have identified key areas for the continuous improvement of our ethical supply chain management. The following initiatives are scheduled for implementation and review throughout 2026:

### 1. Enhanced Supplier Engagement

- Expansion of Self-Assessment Questionnaires (SAQs): Deploying updated, high-resolution SAQs to all Tier 1 suppliers to capture more granular data on their sub-tier labour practices.

### 2. Integration of Audit Data (Global Food Safety Initiative & Marine Stewardship Council)

- Audit Synchronization: Formally integrating labour risk markers into our existing Global Food Safety Initiative (FSSC 22000) and Marine Stewardship Council (MSC) Chain of Custody internal audit checklists to ensure a "single pane of glass" view of compliance.

### 3. Internal Training and Capacity Building

- Red-Flag Awareness Training: Delivering specialized training to procurement and logistics teams to help them identify subtle "red flags" of forced labour during site visits and vendor negotiations.
- Leadership Oversight: Reviews by the BHJ Canada Leadership Team to evaluate the effectiveness of current mitigation strategies.

### 4. Reporting and Transparency

- Public Safety Canada Alignment: Ensuring all 2026 reporting remains fully compliant with updated federal guidance under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.
- Stakeholder Disclosure: Continuing to update our digital platforms and corporate statements to reflect our ongoing progress in human rights protections.