

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

Introduction

This report constitutes the first report prepared by the Donald's Fine Foods Group (defined below) pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") for our fiscal year ended April 30, 2024.

This report is a joint report made by Donald's Fine Foods, 412412 B.C. Ltd., 671406 B.C. Ltd., 060578 B.C. Ltd., Britco Pork Inc., 101166616 Saskatchewan Ltd., Thunder Creek Pork Inc., 102050303 Saskatchewan Ltd., North 49 Foods Ltd., 102089713 Saskatchewan Ltd., Five Corners Meat Company Ltd., and Five Corners Meat Company (Alberta) Ltd. (collectively, "Donald's").

We are committed to conducting our business with the highest level of integrity and ethics, in accordance with all applicable laws and regulations. These key principles form our values as a company and guide every action we take and decisions we make. Our employees and suppliers are key partners in ensuring our commitments. Forced labour and child labour are contrary to these values.

Donald's acknowledges the risks associated with forced labour and child labour in the global supply chain and have not knowingly used forced or child labour in our operations or nor knowingly received goods, products, and/or services from suppliers that employ or use forced or child labour. As such, we maintain a zero-tolerance approach to forced and child labour and are committed to complying with all relevant laws concerning this throughout our supply chain and network or partners.

Organizational structure, activities, and supply chain

Structure

Donald's is a specialty meat procurement, processing, and distribution company, headquartered in Richmond, British Columbia providing quality meat products and services to Canadian retail and foodservice partners and international customers in over 25 countries under our brands that include Savoury Choice, Sakura Farms Premium Pork, Paradise Valley Free Range Pork, Primrose Farms, and Britco Pork. The company began operations in 1993, with a small meat distribution company with only 3 employees and now employees approximately 1,050 employees, of which approximately 890 are covered by collective agreements, with 6 plants. Our business has been built around our mission of "Creating great experiences around your table through quality foods, innovation and our values" and belief in our core values of Customer Focus, Integrity, People, Quality, and Safety.

Donald's consists of Donald's Fine Foods, a partnership registered in British Columbia, which directly or indirectly controls the following Canadian entities:

- 060578 B.C. Ltd.
- Britco Pork Inc.
- 101166616 Saskatchewan Ltd.
- Thunder Creek Pork Inc.
- 102050303 Saskatchewan Ltd.

- North 49 Foods Ltd.
- 102089713 Saskatchewan Ltd.
- Five Corners Meat Company Ltd.
- Five Corners Meat Company (Alberta) Ltd.

Activities and Supply Chain

Donald's is a meat processing, manufacturing, and distribution business. Pork products are the main product species, making up over 90% of our revenue. Donald's also buys, manufactures, and sells other protein products, which includes pork, beef, lamb, goat, and chicken beef, lamb, goat, and chicken in many different cuts, pack sizes and configurations.

We sell approximately 50% of our products to export customers mainly through industry food brokers, with the balance sold to domestic retail and food service customers through our distribution centre in Richmond, BC. The company uses our fleet of 8 reefer trucks to ship to Vancouver-based customers and third party carriers to service other customers in Western Canada.

Donald's Fine Foods has maintained long-lasting relationships with our stakeholders and has been an integral part of our success since starting up in 1993. We currently have over 700 vendor and source our animals through our own production and Western Canadian producers, family farms and Hutterite Colonies, with all other goods and services mainly through vendors in Canada and the United States of America.

Steps Taken to Prevent and Reduce Risks

At Donald's, we are committed to treating everyone with dignity and respect and strongly believe that human rights are rights inherent to all human beings, regardless of race, gender identity, sexual orientation, physical handicap, nationality, ethnicity, language, religion, or any other status. This applies to all workers, whether direct, contract, temporary, foreign or migrant, student, and all other types of workers. Suppliers are expected to share this commitment and comply with all applicable labour and human rights law and regulations.

In the reporting year, the following steps were taken to prevent and reduce risks of forced labour or child labour in our activities and supply chains:

- Set up a committee, comprised of senior Finance and Human Resource executives, to review the Act and Donald's policies and procedures and determine how to address the risks of forced labour and child labour.
- Mapped our tier 1 suppliers and started assessing the risk levels of each supplier.
- Issued correspondence to our tier 1 major suppliers, requesting information on their policies and procedures to fight against forced labour or child labour and confirmation that they are adhering to the Act.
- Developed and distributed a new Supplier Code of Conduct to tier 1 suppliers, requesting acknowledgement from each supplier.
- Started the process of including clauses in new vendor contracts and agreements that include requirements for compliance with applicable laws and Donald's policies.
- A review of risks where forced labour and child labour could be identified and prevented through hiring, and contracting practices, by developing an action plan to address any areas of risk.
- Developing and implementing
 - due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and child labour in our practices and processes,
 - anti-forced labour and anti-child labour language for our contractual clauses with our direct suppliers,
 - anti-forced labour and anti-child labour standards policies and procedures for employees, contractors and visitors to Donald's,
 - awareness and training materials on forced labour and child labour.
- Using our confidential reporting process, to ensure that complaints or concerns relating to forced labour and child labour are received, reviewed and adequately addressed.

- Setting up parameters that specify the consequences if our policies or processes are breached including with contractors termination of business contracts, and, with employees being subject to discipline up to and including termination of employment.
- Implementation of a confidential email to report incidents or concerns regarding potential issues or risks.

Policies and Due Diligence Processes

Our due diligence processes involve incorporating responsible business conduct into our governance structure, policies, procedures, and risk management systems. As part of our ongoing commitment to human rights, we continue to develop our approaches relating to responsible business conduct and have developed Respectful Workplace and Human Rights policies that work in conjunction with our other policies.

Governance and Management Oversight

This year, we established a committee, comprised of senior Finance and Human Resource executives, who was responsible for reviewing the Act and Donald's policies and procedures and determining areas to prioritize in addressing the risks of forced labour and child labour. Moving forward, the committee will provide updates and recommendations to the Senior Leadership Team.

The Finance Team is responsible for managing Donald's supply chain compliance, which includes identifying, preventing and monitoring the risks of forced labour and child labour. The CFO is responsible for the escalation of any complaints.

The Human Resources Team is responsible for managing compliance, training and monitoring of human rights, which includes identifying, preventing and monitoring the risks of forced labour and child labour. The team is responsible for periodically providing training to employees and contractors relating to Donald's commitment to and compliance with labour, employment, safety, human rights, inclusion obligations and human rights policies.

Our Human Resources Teams are available as first points of contact in the event of a suspected breach of employment, labour or human rights requirement, the VP of Human Resources is responsible for the review of such and of any complaints relating to employment, labour or human rights issues and for managing any reported breaches of the Human Rights Policy and the Respectful Workplace Policy.

Policies

Donald's has implemented policies relevant to the prevention and mitigation of forced labour and child labour in our operations and supply chains.

The Code of Business Conduct and Ethics applies to our directors, officers, managers and employees; it sets our expectations of ethical business behaviour and that individuals and organizations in our operation and supply chains refrain from any illegal, dishonest, or unethical conduct.

Our Respectful Workplace Policy commits the company and our subsidiaries to high standards of ethical business and workplace behaviour. This includes respecting and supporting the fundamental principles of human rights and rights at work. The Human Rights Policy describes our zero-tolerance approach to forced labour and child labour in our operations and supply chains. Both Policies provide guidelines regarding the minimum age of hiring workers at our operations, which comply with legal requirements across the jurisdictions we operate in, as well as set our expectations regarding establishing safe working conditions that do not interfere with the education, schooling or rights of young workers.

The *Supplier Code of Conduct* sets the expectation that our suppliers will not use forced labour or child labour in any of

their facilities. Each supplier is responsible for ensuring that its employees, representatives and subcontractors comply with the *Supplier Code of Conduct*. The Supplier Code of Conduct explicitly prohibits the use of forced labour and child labour as follows:

Child Labour. Suppliers must not use child labour and comply with all applicable labour laws at all times, ensuring that all employees will be of legal age established by local laws. In that local labour laws do not set a minimum age, employees must be at least eighteen (18) years old as evidenced by official and verifiable documentation of each of your employee's date of birth.

Forced Labour or Physical Coercion: Employment must be voluntary at all times. Donald's will not tolerate any practice of forced or involuntary labour, bonded, indentured, or slave labour or the use of physical or mental coercion or corporal punishment. Any form of human trafficking is further prohibited and shall not be used in any form of employment with the Supplier's business.

Employees, contractors or outside parties can confidentially email us at confidential@donaldsfinefoods.com to report any potential policy or other violations, reports or concerns relating to instances of forced labour or child labour. Reviews and potential next steps are assessed thereafter.

Due Diligence Processes

Donald's issued letters to tier 1 major suppliers asking for actions, policies, and due diligence that they have or have undertaken and to identify the origin of the products used in their supply chain. Compliance to this request is currently under review.

Donald's engages with our direct suppliers to assess, mitigate and prevent the risks of human rights violations. All existing and new direct suppliers are required to agree to our new *Supplier Code of Conduct* and all existing and new employees will be trained on the Human Rights and Respectful Place Policy Statements as part of their onboarding process. As noted above, our *Supplier Code of Conduct* includes zero tolerance for forced labour or child labour in the supplier's operations or subcontractors. These suppliers, upon request, are required to sign a statement of compliance with the *Supplier Code of Conduct*. Donald's reserves the right to conduct audits on our direct suppliers to ensure compliance with these policies.

Forced Labour and Child Labour Risk Mitigation

Donald's approach has focused on mitigating risks to our employees in our own operations, including ensuring the safety and human rights of all workers is of the utmost importance.

We recognize the risks of forced labour and child labour in the global food supply chain, including where:

- larger domestic and foreign migrant, temporary, and young worker populations exists,
- there is lesser employment laws and enforcement of such,
- charging workers for recruitment fees is a common practice, and,
- prevalence of modern slavery has been documented.

Awareness of the risks of forced labour and child labour in the extended food supply chain is critical to targeting our actions and engagement with our suppliers. In line with the Supplier Code of Conduct, identifying and prioritizing the most prevalent risks connected to our operations and business relationships is key to preventing and mitigating forced labour and child labour. We are committed to improving our understanding of the risks in our business and supply chain, including by engaging in reviews, and through the mapping of our supply chains against publicly available information, and seeking feedback from workers, manufacturers, distributors and communities.

Measures Taken to Remediate Any Forced Labour or Child Labour

Donald's approach to remediation is guided by our Human Rights Policy.

Donald's also encourages the reporting and investigation of human rights violations through our reporting email line. The hotline is available to employees, vendors, community members and customers to report any potential violations of company policies. Donald's does not tolerate direct or indirect acts of retaliation made in response to a good faith report.

Donald's has the right to suspend, terminate and/or remove a supplier from our vendor list in the event of a violation of our Supplier Code of Conduct. Donald's is committed to using this leverage to engage and work with suppliers to properly remedy any human rights violations that suppliers discover in their operations or supply chains.

To date, there have been no reported or identified instances of forced labour or child labour in our activities or supply chains and, as such, Donald's has not taken any substantive remediation measures.

Remediation Of Loss of Income to the Most Vulnerable Families

To date there have been no identified or reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains and as such, we have not taken steps to remediate such loss of income.

Employee Training

We are committed to training all employees in accordance with our policies, applicable laws and the Human Rights Code as they relate to the workplace, supporting the rights, health and safety of our employees and others impacted by our operations.

We have commenced training across all facilities on our Human Rights Policy, Respectful Workplace Policy and Employee Handbook which includes our Ethical Code of Conduct. All new hires are trained and sign off on the policies.

The training provides specifics, including but not limited to:

- The Employee Code of Conduct,
- Equal opportunity employment,
- The Human Rights Code,
- Employment being freely chosen,
- Working conditions,
- Health and safety requirements and obligations,
- Minimum hiring age requirements,
- The respectful workplace policy,
- Anti Bullying, Anti Harassment, and Discrimination and Violence Prevention Policy,
- Accessibility Policy

We have not yet developed training specifically addressing the risks of forced labour and child labour in our supply chains,

Assessing Effectiveness

To assess the effectiveness of our approach to risks, including human rights, we rely on input from relevant internal and external stakeholders, including customers, employees and members of our communities.

Donald's tracks any reports made to our confidential@donaldfinefoods.com email address. This is an important communication tool in which we receive feedback to assess our effectiveness in assessing, preventing and mitigating workplace-related risks or violations of our policies, which could include the risks of forced and child labour. .

Approval and attestation

This report has been approved by the partners of Donald's Fine Foods. In accordance with the requirements of the Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in the report for the entities listed above. Based on our knowledge, and having exercised reasonable diligence, we 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.

Dated in the City of Richmond, BC, this 21st day of May, 2024



Allan Leung
Chief Executive Officer

I have the authority to bind Donald's Fine Foods and the affiliate companies.