



Forced Labour and Child Labour in Supply Chain Report

Fiscal Year 2023

1. ABOUT THIS REPORT

This report is made by Compass Food Sales Company Limited (“**Compass**”, “**Company**”, “**we**”, “**our**”) pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) for the financial year ending June 30, 2023.

This report outlines the measures Compass has taken within its last financial year to prevent and mitigate the risk of forced labour or child labour (also known as modern slavery) within its operations and its supply chains.

2. PREVENTING AND REDUCING RISKS OF FORCED LABOUR AND CHILD LABOUR

At Compass, our values are people, purpose and performance. We are proud of the workplace culture we have built, and our awards and recognition are proof of the positive impact of our efforts. Indeed, we care deeply about creating an inclusive environment for our employees, keeping people safe and healthy, and we expect our suppliers to feel the same.

As part of our commitment to conducting our business ethically and responsibly, we recognize the importance of addressing modern slavery risks and have taken steps to prevent and reduce such risks, as follows:

- We have maintained our practice to systematically review certifications and documentation attesting third-party food & safety audits on the majority of our suppliers.
- Following our last financial year and ongoing we require our suppliers to put in place supply chain and ethical policies prohibiting the use of modern slavery.

Details of the above actions are set forth in this report.

3. ABOUT US & OUR SUPPLY CHAIN

Headquartered in Ontario, Canada, Compass is a leading supplier of high-quality dried fruits and nuts since 1974. We have also evolved into providing private label baking and snacking products to major grocery, big box and drugstore retail channels in Canada and

the US. Furthermore, Compass supplies ingredients and bulk products to manufacturer and food service companies.

Our supply chain spans through multiples stages, beginning with the sourcing of raw materials. In the case of food production, raw materials such as dried fruit and nuts are often sourced from various countries or regions, including North America, South America, Africa, Europe, Australia and Asia. These raw materials are then processed and transformed into intermediate products at manufacturing facilities located globally.

Following processing, intermediate products are assembled or further processed into final product packages by Compass in Canada. This stage involves various components and ingredients sourced from different suppliers worldwide. The final products are then distributed through a network of warehouses and transportation channels, ensuring timely delivery to customers worldwide. Transportation logistics involves partnerships with shipping companies, freight forwarders, and distributors, facilitating the movement of goods across borders and continents.

4. POLICIES AND DUE DILIGENCE PROCESSES

At Compass, we are committed to embedding responsible business conduct into our policies and management systems and to working with suppliers who operate fairly and ethically, including with their employees.

Throughout our activities and those of our supply chains, our organization prioritizes transparency and traceability to ensure the integrity, safety, and ethical standards of our products. As such, we ensure that we have appropriate policies and processes in place to reduce the risk that forced labour and child labour be used anywhere in our supply chains.

Due Diligence Processes

a. Suppliers

New suppliers are evaluated based on the raw materials supplied and the risks associated with such products, as well as other processes in the manufacturing environment. The majority of suppliers are required to be certified under certification programmes that meet the Global Food Safety Initiative (GFSI) requirements, a food safety standard recognized by large retailers. GFSI food safety standard covers farming, packaging, storage and distribution.

As part of our onboarding process, we thoroughly verify ~~that~~ potential suppliers have proper certification in place with respect to food safety and quality safety, prior to starting business relationship with them and annually thereafter. Potential suppliers who are not certified under a GFSI recognized programme are subject to further testing, and requirements, which may include providing a Certificate of Origin, depending on risk.

The majority of our suppliers are audited under the GFSI compliant Brand Reputation through Compliance Global Standard (“**BRCGS**”) that provides for evaluations based on

various criteria such as quality, safety, ethical practices, eco-friendly packaging and sustainability. Such supplier approval program includes the audit of certificates, processes and ethical policies.

Compass also adheres to BRCGS audits, ensuring compliance with internationally recognized food safety and quality standards. Compass participates in an annual third-party audit, including on-site inspection and the review of policies, documentation, and processes implemented.

Following our last financial year, as part of the BRCGS audit, suppliers were required to execute an Ethical Standards Letter of Guarantee (the “**Letter**”), whereby they confirmed complying with ethical standards pursuant to Canadian laws, and internationally accepted labour standards including the core conventions of the International Labour Organization and the Universal Declaration of Human Rights. The Letter addresses several sustainability-related topics such as environmental practices, conditions of employment and compensation, hours of labour, forced labour, child labour, discrimination, occupational health and safety, corruption and security.

Annually, we will also require all suppliers to execute an attestation to continue in a business relationship with them. Such attestation will require suppliers to identify the measures taken with respect to modern slavery and to confirm that they comply with applicable laws, including anti-forced and child labour international standards.

Code of Ethics and Conduct & Health and Safety Policy

Our code of ethics and conduct (the “**Code**”) is acknowledged and signed by all employees, directors and officers of Compass. Although it does not specifically target forced labour and child labour, it highlights the values of Compass and how it upholds responsible business conduct. As indicated in the Code, Compass’ stakeholders can rely on the fact that our services, operations, and daily business are based on ethical behaviour.

In addition, Compass is dedicated to ensure the health and safety of all its employees by providing a safe and healthy work environment with safe work procedures as stated in its health and safety policy.

5. RISK ASSESSMENT & REMEDIATION MEASURES

Compass continues to evaluate the risk of modern slavery in its activities and supply chains by examining the countries from which our raw material is sourced and by reviewing documentation provided by vendors.

Given the nature of our risk analysis and the fact that Compass relies on global supply chains which present visibility challenges, no definitive risk areas have been identified yet, but we commit to a further analysis on high-risk countries. Nevertheless, we recognize that utilizing certain fruits sourced from foreign nations like Türkiye, and the Philippines may carry an increased likelihood of forced labour and child labour due to the

socio-political conditions and the potential for human rights violations in the agricultural sector in those countries.

By identifying the source countries of raw materials, Compass enhances visibility and accountability, enabling better risk management and compliance with regulatory requirements. We also mitigate any potential risks by reviewing audit documentation from the majority of our suppliers and by prioritizing long-term relationships with reputable suppliers.

Given that Compass has not identified any instances of forced labour or child labour in both its activities and those of its supply chains during the last financial year, our organization has not taken any measures to remediate such occurrences or any loss of income in the most vulnerable families resulting from any such measures. However, if we become aware of any cases of forced labour or child labour, whether in our business or supply chains, we are dedicated to adopt an adequate approach to remediate such occurrence.

6. TRAINING

Our employees are trained on health and safety measures, but Compass does not provide its employees with training specifically on forced and child labour. However, we intend to implement training to raise awareness and ensure a high level of understanding of the risks of modern slavery at a later stage.

7. ASSESSING THE EFFECTIVENESS

In order to assess the effectiveness of our processes taken to ensure that forced labour and child labour are not being used in our supply chains, we regularly review our policies and procedures related to forced labour and child labour and seek to improve our practices, as we may deem appropriate.


As we continue to strive to adhere to the highest human rights standards, we are clear that our business needs to support not only healthy people, but a healthy planet too.

8. APPROVAL AND ATTESTATION

This report was approved by the Board of Directors of Compass Food Sales Company Limited on May 28, 2024 pursuant to paragraph 11(4)(a) of the Act and constitutes Compass Food Sales Company Limited's report for the financial year ending June 30, 2023.

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 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.

I have the authority to bind Compass Food Sales Company Limited.



Full name: Jean-Lou Paquet

Title: Director

Date: May 28, 2024