

Report on the Fight Against Forced Labour and Child Labour

2025

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Introduction

This report, produced by Vegpro International Inc. and its subsidiaries ("Vegpro"), covers the fiscal year ending December 31, 2024. It details the measures put in place to prevent and reduce the risks of forced or child labour within our operations and throughout the supply chain, both in Canada and abroad, as well as for the importation of goods into Canada.

Structure, activities and supply chains

Vegpro is a joint-stock company specializing in the packaging of leafy vegetables. It is the parent company of Vert Nature, a joint-stock company specializing in vegetable growing. Vegpro ensures a constant supply of leafy vegetables throughout the year, thanks to its associated farm and other external farms.

Vegpro's head office is located at 147 rang Saint-Paul in Sherrington, Quebec. The company also has facilities at 10029 Ricardo Road in Coldstream, British Columbia, and 2305 Cypress Lane in Belle Glade, Florida, USA.

Vegpro

Vegpro has 767 employees, distributed as follows:

- **535 employees in Sherrington**, 143 of whom are part of the *Government of Canada's Temporary Foreign Worker Program*
- **156 employees in Coldstream**, 45 of whom are part of the *Government of Canada's Temporary Foreign Worker Program*
- **76 employees in Belle Glade**, Florida

Vert Nature

Vert Nature has 346 employees, distributed as follows:

- **159 employees in Sherrington**
- **79 employees in Coldstream**, British Columbia, 74 of whom are part of the *Government of Canada's Temporary Foreign Worker Program*
- **108 employees in Belle Glade**, Florida, including 20 seasonal employees and 74 employees who are part of the *H-2A Temporary Agricultural Workers program*.

Our supply chain is made up as follows:

Production	Raw materials are produced by Vegpro subsidiary Vert Nature and other external partner farms. Our employees transport the raw material from Vert Nature to Vegpro for packaging, but we can also receive deliveries of raw material from external partners via external carriers. Production is carried out in the same way at our 3 sites.
Transport	Raw products are transported in two ways: either by our drivers or by external carriers. Customer orders are delivered to their warehouses.
Distribution	We do not have a distribution system between our distribution centers and our customers' stores, as this function is the responsibility of our customers. That said, in certain cases, we are responsible for delivering customer orders directly to their stores.

Due diligence policies and processes relating to forced labour and child labour

Policy on Forced Labour and Child Labour

To comply with the requirements of the Law Against Forced Labour and Child Labour, and to promote ethical practices within our organization, Vegpro has developed a strict policy.

The highlights of this policy are as follows:

- **Zero tolerance:** Vegpro will never tolerate the use of forced or child labour in its supply chain. This position is clearly stated in our policy, reflecting our commitment to protecting human rights and promoting ethical working practices.
- **Universal application:** the policy applies to all stages of our operations. We require our business partners to meet the same high standards as we do, as described in our Supplier Code of Conduct.
- **Training and awareness:**
 - Employees: in line with our policy, employees from the corporate quality, purchasing and procurement, and transportation departments, as well as members of our Board of Directors, senior management, and executive management, receive annual training on issues related to forced and child Labour.
 - Ongoing information: information capsules are broadcasted on TV screens located in our facilities and are available on the intranet. They ensure ongoing awareness-raising among offices and production employees.
- **Family support:** we are committed to ensuring that vulnerable families maintain financial stability through transition and support programs.

Key commitments

We are committed to continuously improving our processes and integrating international best practices in human rights and labour standards.

Vegpro's policy on forced and child labour is an essential part of our commitment to respecting human rights and maintaining ethical supply chains. By adopting a zero-tolerance approach, providing adequate training, and implementing monitoring and remediation mechanisms, we ensure that our operations and those of our partners meet the highest labour standards.

Supplier Code of Conduct

In 2024, we drafted a Supplier Code of Conduct to ensure that suppliers are aware of and comply with our requirements to combat forced and child labour.

From 2025, the Code will be included in documentation sent to our suppliers to ensure compliance with our practices.

Risks of Forced Labour and Child Labour

To reinforce our commitment against forced and child labour, Vegpro has undertaken an in-depth analysis to identify the suppliers most at risk of adopting such practices. Here is an overview of the steps and methodologies used in this analysis:

1. **Supplier identification:** first, we prepared a complete list of all our suppliers, including those located in high-risk geographical areas.
2. **Risk criteria:** we have developed specific criteria to assess the risk of using forced or child labour. These criteria include:
 - a. Geographical location of suppliers (high-risk countries according to international indexes).
 - b. Sector of activity (certain sectors are more likely to use such practices).
3. **Data collection:** data was collected from a variety of sources, including public reports and specialized databases.
4. **Risk assessment and ranking:** suppliers were ranked according to the data collected and their level of risk: low, medium, high, and critical.

The risk analysis we carried out enabled us to effectively identify those suppliers most at risk of using forced or child labour. By adopting a proactive, data-driven approach, we have been able to target our efforts effectively. These measures help to protect workers' rights and maintain our high standards of corporate social responsibility.

Remedial measures

To ensure that our operations are free from forced and child labour, Vegpro has developed and implemented the following policies:

- Policy on forced labour and child labour
- Freedom of association policy
- Vacation policy
- Vacation policy
- Occupational health and safety policy, in which refusal to work is addressed
- Employment agency audit procedure
- Overtime policy

Vegpro also implements rigorous measures to ensure that our hiring practices comply with ethical and legal standards to avoid the use of forced and child labour. Here are the specific actions we are taking:

- We carry out a thorough identity and criminal background check on all candidates for employment.
- We strictly comply with current legislation on working hours.
- Overtime is voluntary and is paid at a rate of 50% above the regular rate.
- We produce over 6 days, with 2 production shifts spread over 3 days, as well as a dedicated sanitation shift.
- We ensure that working hours do not exceed statutory limits.
- All employees benefit from a rest period of at least 32 consecutive hours per week to guarantee their well-being.

Vegpro's hiring practices are designed to ensure ethical and legal working practices. By checking the identity and background of applicants, complying with laws on working hours, and organizing shifts to avoid excessive fatigue, we ensure that our employees work under fair and humane conditions, without recourse to forced or child labour. These actions reflect our commitment to maintaining high standards of labour rights in all our operations.

Remedial measures in the event of loss of income

No loss of family income has resulted from measures to eliminate the use of forced or child labour in our operations and supply chains.

Training

Information capsules for production employees

- Information capsules are broadcasted on screens throughout the organization, specifically aimed at production employees.
- These capsules provide key information on the risks and signs of forced and child labour.

Availability of information on the intranet

Office employees have access to the same information capsules via the company intranet. This allows easy, continuous access to educational resources.

Mandatory training for certain departments and job categories

These groups must undergo mandatory training, ensuring that decisions at the highest corporate level are made with a thorough understanding of the issues surrounding forced and child labour.

Affected departments	Job categories affected:
<ul style="list-style-type: none">• Corporate Quality• Purchasing• Procurement• Transportation• Environment, social, and governance	<ul style="list-style-type: none">• Board of Directors• Senior Management• Management

Training was provided using a specialized e-learning platform. Lasting 30 minutes, the training covered the following topics:

- **Chapter 1:** Introduction to forced labour training
- **Chapter 2:** A brief history of labour legislation in Canada
- **Chapter 3:** Bill S-211
- **Chapter 4:** Penalties and enforcement of forced labour legislation
- **Chapter 5:** Steps to forced labour compliance
- **Chapter 6:** Fulfilling reporting obligations
- **Chapter 7:** Concluding the forced labour training course

General information dissemination

For the rest of our employees, information on these topics is regularly updated on internal TV screens and is available on the intranet.

This approach ensures that all employees are informed and aware of the company's policies and measures to prevent forced and child labour.

Efficacy assessment

To minimize the risks associated with forced and child labour, Vegpro adopts a proactive strategy in the selection of its suppliers. We strive to choose suppliers based primarily in Canada and the United States, where strict laws and regulations prohibit such practices.

Rigorous legislative framework

Canadian laws, such as the Canada Labour Code and provincial legislation, impose strict standards on working conditions, firmly prohibiting forced and child labour.

In the United States, laws such as the Fair Labour Standards Act (FLSA) and the Trafficking Victims Protection Act (TVPA) offer robust protections against forced and child labour. In addition, the United States has implemented rigorous compliance measures through various regulatory agencies.

The Canadian and U.S. governments have specialized agencies, such as the Ministry of Labour in Canada and the Department of Labour in the U.S., which actively monitor and enforce labour laws, ensuring an ethical working environment.

Reducing risks

By choosing suppliers located in these countries, we significantly reduce the risk of using forced or child labour. These suppliers are more likely to meet high standards of worker protection due to stringent laws and government oversight.

By favouring suppliers located in Canada and the United States, Vegpro reinforces its commitment to preventing forced and child labour in its supply chain. This strategy, combined with rigorous audits and a strict contractual framework, helps maintain ethical labour practices and protect workers' rights. This proactive approach not only ensures compliance with the law but also maintains our high level of corporate social responsibility.

Approval and certification

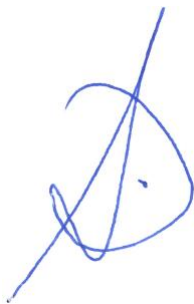
This report has been approved pursuant to subparagraph 11(4)(b)(ii) of the Act.

In accordance with the requirements of the Act, and in particular section 11, I certify that I have reviewed the information contained in the report for the entity or entities listed above. To the best of my knowledge and having exercised due diligence, I confirm that the information contained in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year referred to above.

By signing below, I confirm that I have the authority to bind Vegpro and its subsidiaries.

Anthony Fantin

Name of Chairman of the Board of Directors



Signature

March 26, 2025

Date