

Grace Foods Canada Inc.

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BILL S-211

An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act

THE REPORT

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act. This statement outlines the approach and initiatives by Grace Foods Canada Inc. to identify and address the risks of forced labour and child labour in its business operations and supply chains during the financial year 2023.

Company Structure

Grace Foods Canada Inc., headquartered at 70 West Wilmot Street, Richmond Hill, Ontario, L4B 1H8, Canada, is a wholly owned subsidiary of GraceKennedy Limited, situated at 42 – 56 Harbour Street, Kingston, Jamaica. Established in Canada on November 10, 1984, the company employs a workforce of 53 dedicated full-time employees in addition to 12 third-party agency workers.

The company operates in the food distribution and warehousing industry and imports and distributes a wide range of products under the "Grace" brand as well as under the Grace owned Dunns River and Lafe Brands. The company has been distributing food products in Canada for over 30 years. The company also distributes other third-party brands into the Canadian market. These third-party principals that we represent are subject to the Supplier Code of Conduct.

Food products are procured from more than 50 countries globally, through agreements with suppliers in diverse regions including, but not restricted to, Thailand, Vietnam, Sri Lanka, and West Africa, for the production of various food items.

Risks in Supply Chain

Grace Foods Canada Inc. is committed to upholding the fundamental principles of human rights and labor standards in all aspects of our operations and supply chain. We recognize the importance of respecting the dignity, safety, and well-being of all individuals involved in the production of our goods and services.

The company opposes all forms of forced labor and child labour in our operations and supply chain. We will not engage in or support any practices that involve coercion, deception, or threats to compel individuals to work against their will. The company adheres to the principles introduced through



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Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and is committed to ensuring that child labor is not utilized in any stage of our operations or supply chain.

Although the company has not yet pinpointed any specific risks within its supply chain, the vulnerable geographical locations of manufacturing operations and/or factories, particularly those involved in the production of food categories such as coconuts, may necessitate the utilization of temporary and seasonal labor.

Actions Taken

Considering the inherent risks associated with this industry, the GraceKennedy Group, along with Grace Foods Canada, has instituted a Supplier Code of Conduct aimed at mitigating and preventing any potential occurrences of forced labor or child labor. This code integrates the following initiatives:

- 1. Contracting external assessment of risks of forced labour and/or child labour in the activities and supply chains.
- 2. Developing and implementing an action plan for addressing forced labour and/or child labour.
- 3. Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains.

In addition, suppliers are required to attest during supplier onboarding and/or renewal of Supply Agreements that they do not use forced labour in the supply chain.

Training

In alignment with our dedication to encourage an ethical workplace environment and upholding human rights standards, Grace Foods Canada has developed a comprehensive training and awareness program focused on combating forced labor and child labor. The implementation of this training initiative will commence in 2024, marking another significant step forward in our commitment to ethical business practices and social responsibility.

Dated: March 7, 2024