



Introduction

This report is made pursuant to Bill S-211, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9 (the “**Act**”). The report outlines the approach and initiatives taken by Freshstone Brands Inc. (“**Freshstone**”) to identify and address the risks of forced labour and child labour in its business operations and supply chains in its 2023 financial reporting year.

Commitment

Freshstone's core values put people first, and the company considers the respect of human rights to be a fundamental corporate responsibility. Freshstone expects its business partners to comply with the company's core values.

As such, Freshstone is committed to preventing and reducing the risk that forced labour or child labour is used in the production of the goods it sells to its customers in Canada and globally.

Structure, Activities, and Supply Chains

Freshstone is a Canadian company based in Ontario that specializes in the manufacture of high quality prepared foods products. The company services the retail, foodservice, and co-manufacturing industries, and its products include branded and private label entrees, salads, sides, appetizers, hand-held foods, and other prepared foods.

Freshstone's supply chain consists of product suppliers located in the regions of North America, Central America, South America, Europe and Asia.. These suppliers provide packaging materials and the raw goods that the company uses to produce food products, such as fresh and frozen vegetables, grain, protein, dairy ingredients and dry ingredients.

Steps Taken by Freshstone in Prior Financial Year

In 2023, Freshstone took the following steps to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada:

- An annual review of the terms of Freshstone's Supplier Code of Conduct.
- An annual review of Freshstone's direct supplier located outside of Canada.



- Conducted a preliminary internal assessment of the risks of forced labour and child labour in Freshstone's supply chains to enhance the company's due diligence process for its suppliers.

Policies and Due Diligence Processes

Freshstone has due diligence processes in relation to forced labour and child labour, including embedding responsible business conduct into the company's policies and management systems.


In particular, Freshstone maintains the following policies and processes:

- A Supplier Code of Conduct, which details Freshstone's expectations of suppliers in respect of human rights, labour, legal compliance, health and safety, the environment, anti-corruption, ethics and governance. The Code of Conduct specifically includes provisions prohibiting child labour and forced labour, as well as a risk assessment procedure prior to engaging with new suppliers.
- A Code of Ethics that applies to all members of Freshstone, including the Board of Directors, management and employees at every level. The Code details the standards of behaviour expected by the company. It also outlines the key responsibilities of the leaders who are to provide a model of ethical conduct and to create a work environment reflecting both the content and the spirit of the Code.
- A Reporting Policy, which states that employees and suppliers that have concerns regarding forced labour or child labour have a responsibility to report their concerns to management. The reporting process is confidential and any retaliatory measures against those who report is strictly prohibited.

Forced Labour and Child Labour Risks

Freshstone has started the process of identifying the parts of its activities and supply chains that carry a risk of forced labour or child labour. Freshstone uses a risk-based approach that allows the company to prioritize its efforts and adjust its actions. The company's methodology for identifying risks in its supply chain focuses on:

- country of origin;
- supplier's category; and
- type of products/services offered by the supplier.

	Freshstone Brands Inc.	Page 3 of 4
Bill S-211 Annual Report		Revision:1.0
		Fiscal year 2023

Freshstone’s methodology for identifying risk includes a risk score that allows the company to determine the level of additional due diligence to be performed, including with respect to forced and child labour, and the extent of ongoing monitoring and frequency of review required. The methodology and resulting risk score is based on:

- 1) whether the supplier is headquartered or its manufacturing sites are located in countries that have a low score on corruption and/or that are at risk according to the global slavery index based on the products they supply to Freshstone;
- 2) whether the products and/or services come from or are delivered to one of the countries mentioned above;
- 3) whether Freshstone is supplied with certain indirect goods and services; and
- 4) if the products offered by the supplier to Freshstone include raw materials.

Remediation Measures

Freshstone has not identified any forced labour or child labour in their activities or supply chains. As such, the company has not undertaken any remediation measures.

Remediation of Loss of Income

Freshstone has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in the company's activities and supply chains. As such, the company has not undertaken any income remediation measures.

Training Provided to Employees

Freshstone provides general training to its employees, including with respect to safe, ethical, and legally compliant workplace practices and policies. All new office employees are assigned a mandatory onboarding training package which includes training on Freshstone’s Code of Ethics. On an annual basis, all office employees are required to certify their abidance by our Code of Ethics.

During the 2024 fiscal year, Freshstone intends to provide training to targeted groups of employees that will include specific training on identifying and reducing the risk of forced labour and child labour in the company’s activities and supply chains.



Assessing Effectiveness

Freshstone has in place a number of measures to prevent and reduce the risk that forced labour or child labour is used in the company's activities and supply chains. Although the company has not yet taken any actions to assess the effectiveness of those actions, Freshstone intends to assess its effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains in subsequent reporting years.

Approval and Attestation

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 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.

IN WITNESS WHEREOF the authorized signing officer(s) of Freshstone Brands Inc. have executed this report as of the effective date of the signatures set out below.

SIGNED

May 30, 2024

Date

) **FRESHSTONE BRANDS INC.**

)

)

)

)

) **Name: William Blink**

) **Title: Chief Financial Officer**

)

) I have the authority to bind
Freshstone Brands Inc.