



ANNUAL REPORT

Fighting Against Forced Labour and
Child Labour in Supply Chains Act

(S.C. 2023, c. 9)

FRESHSTONE BRANDS INC.

Federal Corporation No. 1364032-9

Reporting Period: December 29, 2024 to December 27, 2025

Date of Report: May 26, 2026

Filing Year: 2026

1. Structure, Activities and Supply Chains

Freshstone Brands Inc. is a federal corporation incorporated under the Canada Business Corporations Act (Corporation No. 1364032-9). The entity's operational headquarters are located at 5063 North Service Road, Burlington, Ontario, L7L 5H6, with registered offices at 4200 Bankers Hall West, 888 - 3rd Street S.W., Calgary, Alberta, T2P 5C5. Freshstone Brands Inc. operates additional facilities in Etobicoke, Kitchener, Charlottetown, Delisle, Edmonton, and Mississauga. Tiffany Gate Foods operates as a subsidiary under the Freshstone Brands Inc. corporate umbrella.

During the reporting period (December 29, 2024 to December 27, 2025), Freshstone Brands Inc. employed approximately 349 employees and generated approximately \$110 million CAD in revenue.

Freshstone Brands Inc. is a market leader in prepared meals manufacturing, producing high-quality prepared food products for retail, foodservice, and co-manufacturing channels across Canada. The entity's product range includes branded and private label entrées, salads, sides, appetizers, hand-held foods, and other prepared food products. Freshstone Brands Inc. operates seven kitchens and one distribution centre across four provinces.

Freshstone Brands Inc.'s supply chain encompasses approximately 2,000 suppliers providing raw materials, ingredients, packaging, manufacturing services, logistics, and support services. Freshstone Brands Inc. has maintained Tier II C-TPAT (Customs-Trade Partnership Against Terrorism) certification for over ten years, successfully completing multiple physical revalidation inspections by U.S. Customs and Border Protection, demonstrating a sustained commitment to supply chain security and integrity.

During the reporting period, Freshstone Brands Inc. initiated a comprehensive supply chain compliance program through the XFACTOR VERIFIED platform to systematically assess and manage forced labour and child labour risks across its supplier ecosystem. All supplier qualification records, risk tier assignments, and compliance data are maintained in the IFOOD ERP system (Food IQ Cloud), which serves as the entity's system of record for its approved supplier list.

2. Policies and Due Diligence Processes

Freshstone Brands Inc. has established comprehensive policies and procedures to identify, address, and prevent the use of forced labour and child labour in its operations and supply chains.

2.1 Forced and Child Labour Policy

Freshstone Brands Inc. maintains a formal policy on the prevention, detection, and remediation of child and forced labour (Policy No. HRCLFL01), approved by the Director of Human Resources on September 22, 2025. This policy applies to all employees, contracted personnel agencies, foreign and domestic suppliers, and all partners in the supply chain. Freshstone Brands Inc. enforces a zero-tolerance approach toward child labour, forced labour, bonded labour, indentured labour, and prison labour. All employment must be voluntary, lawful, and verifiable. Workers must retain control of their own personal documents at all times, and no recruitment or placement fees may be charged to workers.

2.2 Whistleblower and Non-Retaliation Policy

Freshstone Brands Inc. maintains a Global Whistleblower Protection and Non-Retaliation Policy (Policy No. HRWB01, effective January 1, 2026). A confidential reporting channel is accessible to all employees, temporary and agency workers, suppliers, carriers, and any external party involved in the supply chain. Reports are routed to the Supply Chain Security Committee for unbiased review, and retaliation against any person who makes a report in good faith is strictly prohibited.

2.3 Supplier Handbooks

Freshstone Brands Inc. requires all suppliers to receive, review, and acknowledge one of three compliance handbooks prior to any business engagement:

- Integrated Supplier Security, ESG and Ethical Supply Chain Handbook (v3.0) — applicable to Procurement, Purchasing, Quality Assurance, Quality Control, and Shipping and Receiving. Covers forced labour definitions and indicators aligned with ILO standards, supplier selection and audit protocols, documentation requirements, incident reporting, remediation timelines, and annual recertification.
- Trusted Talent Access Protocol (v2.0) — applicable to Human Resources and Operations. Covers wage theft prevention, anti-trafficking policies, employee grievance and whistleblower mechanisms, child labour prevention and age verification, and subcontractor screening.
- Digital Trust Assurance Playbook (v2.0) — applicable to IT and Finance. Covers secure handling of supplier compliance data, encryption standards, access controls, audit trail maintenance, and compliance with PIPEDA.

2.4 Due Diligence Process

Freshstone Brands Inc.'s due diligence process is conducted through the XFACTOR VERIFIED platform and follows a structured 11-step assessment cycle:

- Supplier receives and acknowledges the applicable handbook prior to assessment
- Preliminary risk level assessment evaluating commodity risk, geographic risk, certification status, supply chain position, and volume and criticality
- Formal platform invitation issued with confirmed assessment scope and risk designation
- Scenario-based assessment across 19 categories spanning physical security, cybersecurity, personnel vetting, transportation security, documentation integrity, forced labour risk, environmental management, social labour standards, and food fraud vulnerability
- Due Diligence Folder generated with structured document requests corresponding to all affirmative claims
- Document authenticity review combining AI-assisted analysis with human verification team oversight
- Comprehensive cargo mapping capturing origin locations, transportation legs, consolidation hubs, border crossings, and sub-supplier relationships
- Structured threat assessment across five categories including forced labour and ethical sourcing threats

- Supplier Compliance Report with composite compliance score, findings by framework, risk tier designation, and recommended Corrective Action Plan
- Supplier signs compliance report confirming receipt of findings and commitment to remediation timeline
- Structured follow-up against Plan of Action commitments throughout the cycle, with annual reassessment required for all suppliers

Freshstone Brands Inc.'s due diligence extends beyond Canadian legislative requirements. The entity has maintained Tier II C-TPAT certification for over ten years, with all associated due diligence processes independently validated through U.S. Customs and Border Protection physical revalidation inspections. This long-standing certification demonstrates a proven, sustained commitment to supply chain security and compliance that predates and exceeds the requirements of the Act.

3. Forced Labour and Child Labour Risks

Freshstone Brands Inc. has assessed the risks of forced labour and child labour within its business and supply chains. As a prepared foods manufacturer with an international supply chain of approximately 2,000 suppliers, Freshstone Brands Inc. recognizes that certain aspects of its supply chain may carry elevated risk.

3.1 Identified Risk Areas

- Agricultural and raw ingredient sourcing, which is recognized internationally as carrying elevated forced labour risk, particularly for certain commodities and growing regions
- Sourcing from regions identified as higher-risk by the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor, the Global Slavery Index, and the U.S. Uyghur Forced Labor Prevention Act entity and region lists
- Use of third-party logistics providers and subcontracted labour in warehousing and distribution operations
- Multi-tier supply chains where visibility into sub-tier supplier practices may be limited

3.2 Steps Taken to Assess and Manage Risk

Freshstone Brands Inc. classifies all suppliers into risk tiers based on assessment outcomes: Tier 1 (High Risk, below 60% compliance score), Tier 2 (Moderate Risk, 60–79%), and Tier 3 (Standard Risk, 80% and above). High-risk suppliers are subject to enhanced assessment depth and expedited timelines. All Tier 1 and Tier 2 suppliers are required to complete the full XFACTOR VERIFIED assessment as a mandatory gate that cannot be waived except under a documented emergency procurement protocol.

Country-of-origin risk is assessed against Canada's Bill S-211 high-risk country designations and the U.S. Uyghur Forced Labor Prevention Act entity and region lists. The XFACTOR VERIFIED platform flags high-risk nodes in the supply chain, including nodes in high-risk countries and extended-static-time locations.

Freshstone Brands Inc.'s supplier attestation collection through the XFACTOR VERIFIED platform is in its initial phase. Comprehensive attestation data across the full supplier ecosystem is expected within the next reporting cycle.

4. Remediation Measures

During the reporting period, Freshstone Brands Inc. did not identify any instances of forced labour or child labour in its operations or supply chains that required remediation.

Freshstone Brands Inc. has established a formal Corrective Action Plan (CAP) framework for addressing any findings. When the XFACTOR VERIFIED assessment identifies deficiencies, a CAP is generated specifying each finding, the required remediation action, and a firm deadline proportionate to the severity. Suppliers must sign the CAP as part of their compliance report, constituting formal acknowledgment and a binding commitment to the remediation timeline. Documentary evidence must be on file and reviewed before any finding is marked as closed.

Freshstone Brands Inc.'s Whistleblower Protection and Non-Retaliation Policy provides a protected reporting channel for any employee, supplier, or agency worker to report suspected violations. Confirmed violations result in immediate remediation, corrective action, and where warranted, termination of the supplier or agency relationship and referral to law enforcement.

5. Remediation of Loss of Income

During the reporting period, Freshstone Brands Inc. did not take any measures to eliminate forced labour or child labour that resulted in a loss of income to the most vulnerable families.

Freshstone Brands Inc. recognizes the importance of ensuring that any future measures taken to address forced labour or child labour do not inadvertently harm vulnerable workers or communities. Should remediation activities result in income loss to affected families, Freshstone Brands Inc. is committed to implementing responsible remediation practices that prioritize the well-being of those affected.

6. Training

Freshstone Brands Inc. has implemented comprehensive training programs on forced labour and child labour for both its employees and its suppliers.

6.1 Supplier Training Program

All suppliers in Freshstone Brands Inc.'s supply chain are required to complete a mandatory training program covering Bill S-211 obligations and forced labour awareness:

Module	Title	Audience
M15	Bill S-211 Definitions and Forced Labour	All Suppliers
M16	Zero Tolerance and Supply Chain Liability	All Suppliers
M02	Supplier Reporting Obligations	Suppliers
M04	Due Diligence for Suppliers	Suppliers
M06	Labour Practice Documentation	Suppliers
M08	Remediation and Continuous Improvement	Suppliers
M01	Bill S-211 Reporting Obligations	Freshstone Employees

M03	Due Diligence and Risk Assessment	Freshstone Employees
M05	Questionnaire and Information Gathering	Freshstone Employees
M07	Risk Identification and Mitigation	Freshstone Employees

6.2 Internal Employee Training Programs

Freshstone Brands Inc. employees receive department-specific compliance training. The shipping and receiving department completes an in-depth 10-chapter training program covering critical learning, traceability, conveyance security, seal control, procedures, conveyance inspections, additional precautions, incident reporting, forms, and best practices. All management personnel receive executive-level briefings on supply chain security and compliance obligations. Training is provided at time of hire and through annual refresher sessions.

Training Program	Departments
Bill S-211 Supply Chains Act	Legal, Procurement, Operations, HQ
ESG and Sustainability	Sustainability, Procurement, Finance, HQ
C-TPAT Compliance	Customs, Logistics, Security, HQ
PIP Compliance	Imports, Customs, Procurement, HQ
Food Defence and Safety	Quality, Operations, Procurement, HQ
Digital Trust Ready	IT, Cybersecurity, Operations, HQ

6.3 Personnel Security and Screening

Freshstone Brands Inc. maintains rigorous pre-employment screening procedures including verification of at least three references, criminal background checks, and identity verification for all prospective employees. Employees in sensitive positions are subject to annual credit and criminal record re-verification. All employees sign a Corporate Code of Business Ethics and Conduct. Employee vetting requirements extend to temporary workforce and contracted personnel agencies, who are subject to annual third-party compliance audits.

7. Assessing Effectiveness

Freshstone Brands Inc. assesses the effectiveness of its efforts through a multi-layered audit and monitoring framework:

- Monthly departmental audits conducted and documented across all departments
- Quarterly reviews by the Supply Chain Security Committee assessing all monthly audit results
- Annual in-depth assessment scoring across all C-TPAT Minimum Security Criteria and Bill S-211 requirements
- Supplier attestation completion rates tracked through the XFACTOR VERIFIED platform

- Corrective action completion and verification rates with documentary evidence required for closure
- Real-time monitoring through the IFOOD ERP Risk Intelligence Dashboard, which flags supplier status changes, expired certifications, and assessment deadlines
- Quarterly SVI (Status Verification Interface) verification through the CBP C-TPAT portal for all cross-border partners
- Annual reassessment requirement for all suppliers, with no supplier maintained on the Approved Supplier List without completing the full cycle

Freshstone Brands Inc.'s sustained Tier II C-TPAT certification, maintained for over ten years with successful physical revalidation inspections, provides independent, government-validated confirmation of the effectiveness of its supply chain security and compliance programs.

As the supplier attestation program through XFACTOR VERIFIED was initiated during the reporting period, Freshstone Brands Inc. expects to report comprehensive quantitative effectiveness metrics, including attestation completion rates and finding resolution data, in the next reporting cycle.


Attestation

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act), and in particular section 11 thereof, I attest that I have reviewed the information contained in the report on behalf of the governing body of Freshstone Brands Inc.. 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 within this report.

Frank Burdzy

Director

Date: _____



Signed on behalf of the governing body of: Freshstone Brands Inc.

Corporation No.: 1364032-9

Note: *This attestation must be signed by a member of the governing body of the entity. Per Public Safety Canada guidance, a typed signature consisting of the word “signed” is not sufficient. An electronic signature or wet-ink signature is required.*