



BHI Canada
24 Nixon Road
Bolton, ON
Canada
L7E 1K3

PH: 905-951-2030
FX: 905-951-2032

BHI Canada Meat Products Inc. – “Fighting Against Forced Labour and Child Labour in Supply Chains Act” Report for Financial Year 2024 (January to December)

BHI Canada is pleased to submit its second report under the “Fighting Against Forced Labour and Child Labour in Supply Chains Act”. BHI Canada welcomes this important initiative by the Canadian Government, and we look forward to detailing the accomplishments so far and outlining the initiatives for the next reporting period.

We believe that all human rights must be respected and that we must address any forced labour and child labour that takes place in the supply chain we are associated with. We recognise that the practice of modern slavery is insidious and not always easy to identify in supply chains outside our direct control, which is why we take a risk-based approach to identify supply chains most likely to be affected.

“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 or 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.”

Full name: Rod Deibert

Title: President

Date: 2025.02.24.

A handwritten signature in black ink, appearing to read "Rod Deibert", written over a horizontal line.

Signature

I have the authority to bind BHI Canada Meat Products Inc.



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BHJ Canada's structure, activities, and supply chains

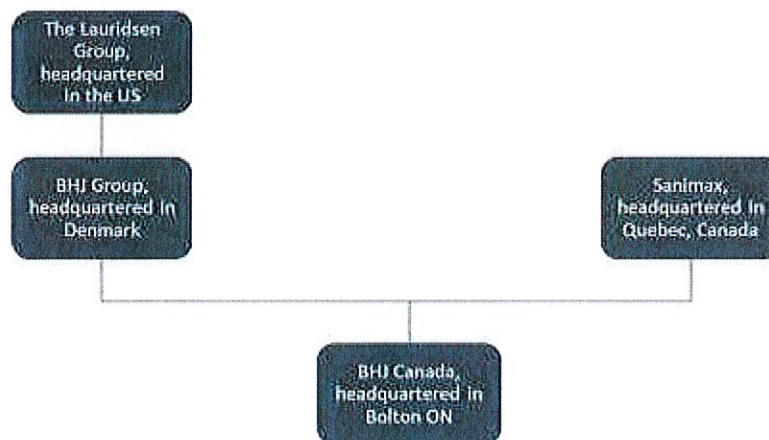
BHJ History

BHJ Canada is an international supplier of raw materials and ingredients for the pet food and pharmaceutical industries.

BHJ Canada was established in Calgary, AB, in 1991 and is now headquartered in Bolton, ON. Over the years, we have expanded our presence and currently operate plants in Bolton and Calgary, as well as partner with processing installations in Eastern Canada. Today BHJ Canada is part of the BHJ Global Network consisting of production facilities and offices in 12 countries in Asia, Australia, Europe, New Zealand, North America, and South America, which employs a total of more than 1200 people.

The BHJ Group was founded in 1969 by Svend Beck, Peter Holm and Vagn Jacobsen. Their primary objective was sourcing and processing raw materials from Danish slaughterhouses and fish producers for the food and pet food industries.

BHJ Canada has strong ownership, which is a unique 50/50 partnership between BHJ and Sanimax. The BHJ Group is headquartered in Denmark and is a subsidiary of The Lauridsen Group, Inc. (LGI), a U.S. company. Sanimax is a family-owned company that has been in business since 1939 and is based in Quebec. This structure has been in place since 2004 and BHJ Canada is the only member of BHJ Group with this BHJ/Sanimax shared-ownership structure.



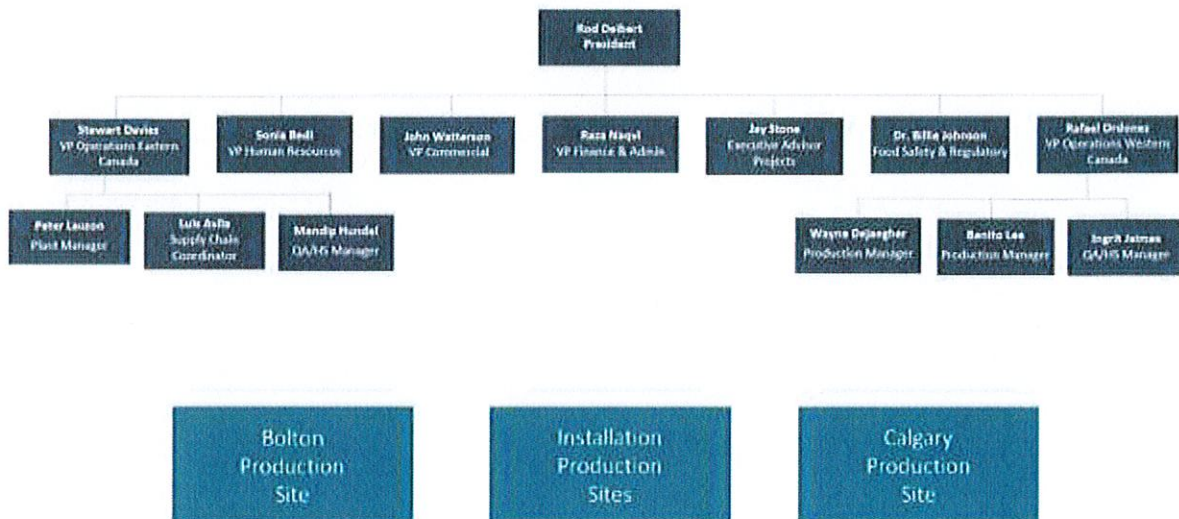
BHJ Canada's Business Operation

BHJ Canada's business operation and reputation are built upon the principles of fair dealing and ethical conduct of our employees and suppliers. The Company's reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

BHJ Canada complies with all applicable laws and regulations and expects its directors, officers, employees and suppliers to conduct business in accordance with the letter, spirit, and intent of all relevant legislation and to refrain from any illegal, dishonest or unethical conduct. BHJ Canada's Leadership Team is detailed below.

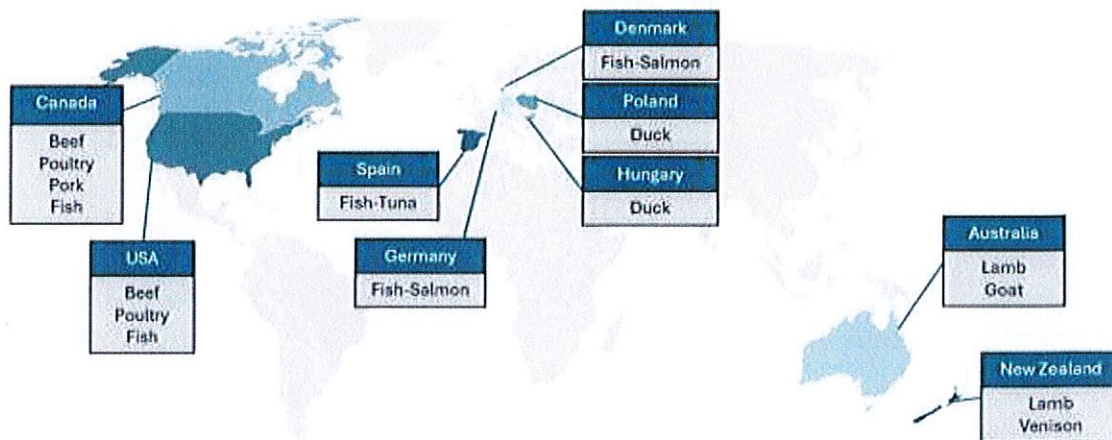


BHJ Canada Organization Chart



BHJ Canada's Supply Chain

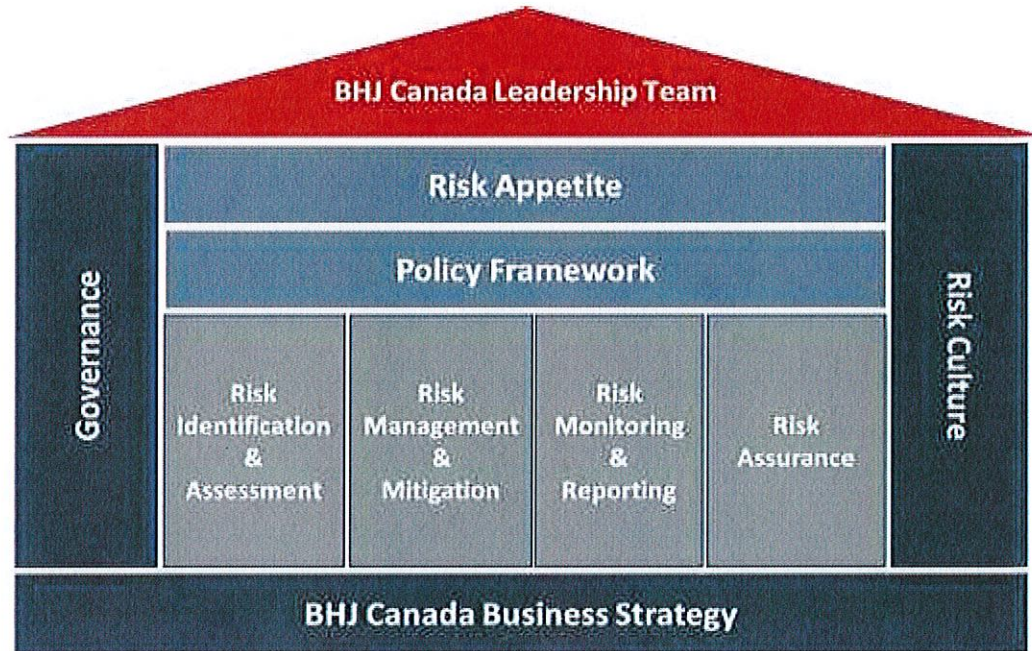
BHJ Canada sources its raw materials primarily in North America, supplemented by some additional materials from Australia, New Zealand, and various western European countries. In accordance with the latest UN report 2024, Global Estimates of Modern Slavery, published by the International Labour Organization, International Organization for Migration and international human rights group Walk Free (Global Slavery Index), approximately 50 million people were living in modern slavery. While BHJ Canada acknowledges that no country is free from forced labour and/or child labour, BHJ Canada does not procure raw materials from high-risk locations.



As a business, BHJ Canada also consumes general categories of products, such as IT equipment, stationery and textiles (uniforms) which may be procured from locations and industries which are classified as high risk. BHJ Canada is aware of the risk this poses, and a thorough analysis of all product categories will be included in its due diligence processes, outlined in the following sections.

Framework, Policies and Due Diligence Processes

BHJ Canada has developed a strong governance framework to ensure compliance with relevant legislations, including the “Fighting Against Forced Labour and Child Labour in Supply Chains Act”.



BHJ Canada’s governance framework outlines accountability, risk appetite, risk culture, business strategy, due diligence processes and policy framework.

BHJ Canada has implemented several different policies to provide guidance, promote consistency, ensure compliance, manage risks, establish accountability, and communicate the company’s culture and values to its employees, business partners and suppliers. The policies include a whistleblower mechanism which offers a safe way to report instances of misconduct while providing protection to those who do so.

The following policies and standards are in place for its employees.

- BHJ Canada Employee Handbook
 - The handbook details the company’s vision, mission and values and outlines the expected standards by which employees must conduct themselves.
- BHJ Canada Workplace Harassment Policy
 - The policy includes examples of workplace harassment, and a reporting mechanism should any misconduct be encountered.

- BHI Canada Workplace Violence Policy
 - The policy outlines measures and procedures to protect employees from workplace violence and related supporting programs.

BHI Canada has the following policies and standards in place for its employees as well as its business partners and suppliers:

- BHI Canada Illegal Labour Policy
 - The policy outlines BHI Canada's commitment to protecting individuals from the exploitations of illegal labour practices such as child labour, forced labour, slavery and human trafficking.
- BHI Canada Code of Conduct
 - The Code of Conduct outlines the business conduct and ethical behaviors, expected from all business partners and suppliers.
- BHI Canada Corporate Social Responsibility
 - The policy outlines BHI Canada's support of human rights and its commitment to the eradication of forced labour and child labour.
- The Fighting Against Forced Labour and Child Labour in Supply Chains Act
 - This act mandates that companies operating in Canada disclose their efforts to eliminate modern slavery (forced labor, including child labor and human trafficking) from their supply chains.

BHI Canada has developed an action plan for addressing risks of forced labour and/or child labour and, as a starting point, it has mapped its activities, including its supply chain, to understand where risks of forced labour and/or child labour may be found. BHI Canada has also reviewed its policies and Code of Conduct to ensure that they align with the "Fighting Against Forced Labour and Child Labour in Supply Chains Act".

BHI Canada has developed its due diligence processes to identify, address and prohibit forced labour and/or child labour in its operation and supply chain. During this reporting period, BHI Canada has conducted assessments of risks of forced labour and/or child labour in the organization's activities and supply chains.

Forced labour and Child Labour in our supply chain is assessed on country of origin and industry risk. Country of origin risk, adopted from the Global Slavery Index, is based on where our suppliers are located and, if known, the country of our "supplier's supplier". Industry risk is determined by understanding the level of labour, unskilled labour, and supply chain complexity for a particular industry category. Understanding supply chain complexity helps with understanding complex supplier relationships, complex contract structures, and complex supply chains where it's difficult to exactly label a country of origin.

Both the country risk and industry risk have been applied to our supplier base to get an overall risk rating per supplier.

In addition to developing the due diligence processes, BHI Canada has also commenced a process of socializing the legislative requirements to its staff, business partners and suppliers.

Training

During the 2024 reporting period, BHJ Canada implemented training on forced labour and/or child labour for its employees. Our employee induction process is designed to ensure that all new employees are educated on the importance of the Modern Slavery Act and subsequent actions if any such incidents occur. BHJ Canada has also worked with its business partners and suppliers to ensure that a) all parties are aware of their obligations under the Act; and b) gather evidence that business partners and suppliers are conducting training to ensure broad awareness of the requirements of the Act.

Actions taken to Access and Address Forced Labour and Child Labour

During the current reporting period, BHJ Canada engaged a leading third-party Risk Management provider, Information Services Group (ISG). This brought Modern Slavery subject matter expertise and experience in identifying and assessing Modern Slavery and Forced Labour and Child Labour risks to BHJ's Modern Slavery processes. For the suppliers in scope, ISG undertook extensive research into secondary sources such as, Code of Conduct, Ethical Sourcing, Whistleblower Policies, responses to Human Exploitation legislation, high risk locations and industry based on the Global Slavery Index, news and alerts, including adverse media, as well as any other information which may be used to mitigate Modern Slavery and Forced Labour and Child Labour risks, to ensure that any ambiguous finding was thoroughly investigated.

Questionnaires were sent out to 309 suppliers based on products and services that could be considered as high risk. At the time of compiling this statement, 78 suppliers have responded to the questionnaires. As part of the due diligence exercise, ISG performed their analysis, including raising any issues with suppliers directly, until resolution. These issues were subsequently discussed with and reviewed by the BHJ Procurement Team.

The assessments included suppliers' actions and practices regarding Modern Slavery and Forced Labour and Child Labour, their level of awareness and incorporation of Modern Slavery and Forced Labour and Child Labour Risks into their internal processes and procedures, and any proactive actions they may have undertaken.

This program has enabled BHJ Canada to continuously review and monitor supplier risk and if necessary, raise issues if a supplier's risk posture, regarding Forced Labour and Child Labour, changes due to internal or external factors. This is an ongoing process. In the next reporting period, BHJ Canada will pursue additional responses to the questionnaire and continue to impress upon its suppliers, the importance of compliance with ethical employment standards, not only to BHJ Canada, but also in their own business operations.

Each year, we work to update and strengthen our commitment and standards towards addressing modern slavery, drawing on lessons from emerging best practices, and internationally recognized rights frameworks. Accordingly, BHJ Canada has completed the following independent third-party audits to continue making progress to maintain compliance with our continually evolving high standards:

- SMETA (Sedex Members Ethical Trade Audit) is a social audit designed to assess and monitor ethical and responsible business practices in global supply chains.
- EcoVadis audit provides sustainability and corporate social responsibility ratings for companies based on their environmental, social, and governance practices.
- The Global Food Safety Initiative and MSC (Marine Stewardship Council) audits also included the child labour and forced labour component.

Effectiveness of Procedures

BHJ Canada acknowledges that the journey towards assurance of no forced labour and/or child labour in its operation and supply chain has only just commenced. However, BHJ Canada will continually monitor its own employment practices as well as those of its partners, suppliers and all others conducting business on behalf of the organization to ensure compliance to ethical employment standards and protocols. Where a supplier or contractor is found to be in violation of the Act, BHJ Canada will take prompt remedial action in order to address the violation, which may include termination of the business contract with the organization.

All employees have access to the BHJ Canada Employee Handbook, which includes our commitment and expectation, as well as mechanisms to address suspected instances of Modern Slavery, Forced Labour and Child Labour. BHJ Canada has also published their first Fighting Against Forced Labour and Child Labour in Supply Chains Annual Report in their corporate website.

BHJ Canada intends to continue engaging its supply chain by sending out questionnaires relating to work practices and evaluating the responses for any risks of forced labour and/or child labour. Where required, BHJ Canada will conduct an audit of any supplier to understand the nature of the risk and, if necessary, terminate its contract with the relevant party.

BHJ Canada will collate the information, collected through supplier questionnaires, incidents reported through the whistleblower channel and any other relevant information and prepare regular reports for the Leadership Team. Such reports will also detail the effectiveness of BHJ Canada's due diligence process by tracking relevant performance metrics across BHJ Canada's operation and supply chain.

Detailed analysis of the suppliers' responses indicates the following trends:

- No reported concerns of modern slavery or human trafficking in BHJ Canada's business or supply chain.
- Certain suppliers have policies in place to ensure no forced work or child labour occurs and acceptable working conditions are provided.
- Certain suppliers have confirmed that they have training on Modern Slavery and Human Trafficking available to increase the awareness and share ways of identifying it within the organization or supply chain.
- Some suppliers confirmed they have engaged in due diligence that allows them to assess the potential risk inherent in their operations and supply chain.

- Some Suppliers confirmed that they have engaged in due diligence that analyses and mitigates risk from a business or investment decision.
- Suppliers confirmed that they have taken measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in company's activities and supply chains.
- Small to medium enterprises may not necessarily have the same level of corporate policies in place as larger organizations.

Measures Taken to Remediate Forced Labour and/or Child Labour

During the reporting period January to December 2024, as a result of the comprehensive assessment methodology, BHJ Canada has thoroughly assessed its operations and supply chain and not found any evidence of forced labour and/or child labour in its operation, nor its supply chain. However, BHJ Canada acknowledges that eradication of forced labour and/or child labour is an on-going activity which needs to be embedded in the way the Company does business. BHJ Canada is committed towards continuous improvement of its approach to the eradication of forced labour and child labour, and we look forward to sharing our progress with the Department of Public Safety Canada in the future.

Next Steps in Our Journey

BHJ Canada continues to evolve the way we review and assess our operations and supply chain activities to make sure human rights issues are addressed and the welfare of workers in our organisation and supply chains is protected. In the long-term, BHJ Canada will continue to seek greater transparency of all its supply chains by direct engagement and additional risk identification strategies.

In the next reporting year, BHJ Canada intends to raise Forced Labour and Child Labour awareness issues throughout our business and work with our supply chain to ensure the awareness of Modern Slavery, as Forced Labour and Child Labour risks continues to be at the forefront.