

Villeroy, May 31, 2024

SUBJECT: JOINT ANNUAL REPORT - DECLARATION OF RISKS OF FORCED LABOUR AND CHILD LABOUR (BILL S-211)

Reporting entity: Fruit d'Or Inc.

Target fiscal year: September 1st 2022 to August 31, 2023

This report outlines the status of the requirements reported as part of the application of Bill S-211 - An Act to combat forced labour and child labour in supply chains. Fruit d'Or Inc. identified in section 1, (hereinafter referred to as "Fruit d'Or") is concerned about compliance with this new law and intends to comply with the requirements prescribed by the latter.

This joint Fruit d'Or report includes information on the requirements set out in section 11 of the Act, namely:

- A description of the measures taken to prevent and reduce the risk of forced labour and child labour, in accordance with paragraph 11 (1).
- Additional information on each of the seven elements listed in paragraph 11 (3)

For further information, please contact Martin Le Moine, President of Fruit d'Or, at assistantedirection@fruit-dor.ca.



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A. Structure, activities and supply chains

A leader in berry processing, Fruit d'Or is the world's leading processor of organic cranberries and the second largest processor of organic wild blueberries. The company employs nearly 500 people at 5 production sites, including four in Quebec (Villeroy, Plessisville, Dolbeau-Mistassini) and one in Carver, Massachusetts. Its products are distributed in over fifty countries, and Fruit d'Or works with 90 grower-partners (cranberries and wild blueberries). The company operates in three business sectors: Ingredients, Nutraceuticals and Retail.

Fruit d'Or's main suppliers are cranberry and wild blueberry growers located mainly in Quebec, with a few in New Brunswick and Massachusetts. Once harvested from the growers, the fruit is transported to one of Fruit d'Or's five production sites for freezing and processing.

Other major Fruit d'Or suppliers include energy (hydroelectricity and natural gas), sweetening agents such as apple juice (China or Turkey), cane sugar (Brazil or Peru) and soluble corn dextrin fibers (China), sunflower oil (Netherlands) and packaging (Canada).

B. Due diligence policies and processes relating to forced labor and child labor in the supply chain

Fruit d'Or is firmly committed to respecting fundamental human rights and freedoms, as defined by the International Bill of Human Rights, including the Universal Declaration of Human Rights (UDHR), the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights. Fruit d'Or also adheres to the fundamental principles and rights set out in the Declaration of the International Labour Organization (ILO), the principles of the Ethical Trading Initiative (ETI) Base Code and the 10 principles of the United Nations (UN) Global Compact: see the [Corporate Social Responsibility Statement](https://fruitdor.ca/fr/blogue/entrepriseresponsableetdurable/): <https://fruitdor.ca/fr/blogue/entrepriseresponsableetdurable/>



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As part of its support for the Sustainable Development Goals (SDGs), in 2023 Fruit d'Or developed its very first sustainable development plan for the period 2024-2026. This plan prioritizes ensuring a responsible supply chain. Three commitments have been identified:

1. Require all suppliers (over \$100K CAD) and grower-partners to adhere to our Supplier Code of Conduct
2. Engage 100% of suppliers likely to have poor ESG performance in a CSR assessment program (detailed questionnaire or audit)
3. Systematically integrate sustainable development criteria into the selection of all suppliers

To date, the company's suppliers have been invited to complete a questionnaire on the Tracegains platform, enabling Fruit d'Or to assess their compliance with:

- compliance with local and federal laws on slavery and human trafficking
- the existence of a program to ensure the health and safety of their workers
- the existence of a corporate social responsibility program in their company

In addition, during its last financial year, Fruit d'Or had a full-time manager and 3 full-time agronomists at the disposal of its agricultural supply chain. This structure, which generates important services for producers (agronomic support in particular), also enables visits to be made to farms (each farm is visited at least once a year), thus ensuring that ethical standards are respected.

Farmers are also invited to complete a biennial questionnaire to assess their sustainability practices, including a specific section for farm employees.

It's worth noting that over three-quarters (76%) of Fruit d'Or's cranberry growers hold *Cranberry Enviro Certified (CEC)* or *GlogalGAP* certification,



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which include requirements relating to workers' rights and health and safety (representing 98.97% of our cranberry supply (in pound) for 2023).

Finally, Fruit d'Or's USA subsidiary (Decas Cranberry) requires all its suppliers to comply with its code of conduct. All suppliers must adhere to this code to qualify (Appendix A - Decas Supplier Code of Conduct).

C. Identification of forced labor and child labor risks in the supply chain

Identifying risks in one's own activities:

Fruit d'Or Inc. uses the Sedex (Supplier Ethical Data Exchange) collaborative platform, which enables it to transparently disseminate its social responsibility data. In November 2023, Fruit d'Or completed the SMETA ethical trade audit for its two main operational sites in the Centre-du-Québec region. The audit methodology developed by Sedex, SMETA, is used to assess a company's compliance with the fundamental principles of ETI as well as local legislation. The latest version of the 4-pillar SMETA audit was used: labor standards, health and safety, environment and business ethics. A three-year assessment cycle for these two sites will be maintained, to demonstrate ongoing progress. For more details, the full SMETA audit reports are available here: <https://www.sedex.com/> Fruit d'Or's reference number on Sedex is: ZC1043511

It should be noted that Fruit d'Or's US subsidiary, which is not subject to the S-211 law, also publishes its data on the Sedex collaborative platform and carries out the SMETA audit every three years.

Identifying risks in the supply chain:

In 2023, Fruit d'Or established an action plan to examine the ways in which its supply chains could potentially cause, contribute to or be directly or indirectly linked to the risk of forced or child labor. This action plan is aimed at meeting the previously mentioned commitments to ensure a responsible supply chain.

The first project of this action plan consists in the creation of a supplier and producer-partner code of conduct integrating requirements in terms of



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working conditions, health and safety, environment and ethics, which will be used for all subsidiaries under the Fruit d'Or Inc. entity. Adherence to the code of conduct will be mandatory for all existing and new suppliers from September 2024. The code will include a contractual clause enabling Fruit d'Or Inc. to terminate its business relationship with the supplier in the event of violation of requirements relating to forced labor and/or child labor.

The second project of the action plan consists in the creation of an ESG risk analysis grid (including forced and/or child labor) in the supply chain. Suppliers identified as "at risk" will be asked to answer a sustainability questionnaire developed by Fruit d'Or's in-house experts, in line with relevant international benchmarks.

An ESG evaluation grid will also be developed, and a proportion of suppliers to be determined based on risk analysis will be audited in a pilot project from 2026.

In addition, annual visits to grower-partners will be documented, to ensure increased monitoring over time.

Finally, as part of its action plan, Fruit d'Or is committed to developing and disseminating a responsible sourcing policy, incorporating strict supplier selection criteria in terms of social responsibility and sustainable development (including forced labor and/or child labor).

D. Measures taken to remedy forced or child labor in the supply chain

To date, no action has been required to remedy forced or child labor in Fruit d'Or supply chains. The risk identification action plan, detailed in the previous section, will help determine the need for remedial or corrective measures.



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E. Measures taken to remedy the loss of income for the most vulnerable families resulting from any measures to eliminate the use of forced labour or child labour

To date, no action has been required to remedy the loss of income for the most vulnerable families caused by a measure to eliminate the use of forced or child labor in Fruit d'Or's operations and supply chains.

F. Employee training on forced labor and child labor

To date, no formal training initiatives concerning forced labor and child labor have been implemented within Fruit d'Or. However, a governance committee has been set up to oversee the company's sustainable development plan. This committee is made up of two employees in charge of supplier relations: an agronomist responsible for berry sourcing and a corporate purchasing manager. These committee members, as well as the person in charge of sustainable development, have benefited from workshops on social responsibility within the supply chain to raise awareness of forced labor and child labor. Their approach is based on the use of benchmarks such as the *B Impact Assessment*, the United Nations Sustainable Development Goals (SDGs), the ISO 26000 standard, the BNQ 21000 standard and the Standard Ethical Trading Initiative (SMETA), to define the priorities of the sustainable development plan to ensure a responsible supply chain.

G. How it assesses the effectiveness of its efforts to avoid the use of forced labor or child labor in its commercial and supply chains

Fruit d'Or has set up a sustainable development plan through which commitments to social responsibility in its supply chain will be monitored, some of which are even integrated into the company's strategic plan. A governance structure has been set up to monitor the plan's performance indicators. The plan's commitments and projects will be monitored annually and reviewed in full every three years (including policies and procedures relating to forced labor and child labor).




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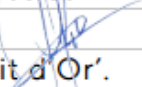
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BOARD OF DIRECTOR'S STATEMENT

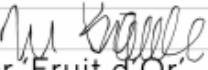
In accordance with the requirements of the Act, and in particular section 11 thereof, I certify that I have reviewed the information contained in the report for the entity in connection with this report. To the best of my knowledge and having exercised due diligence, I confirm that the information contained 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.

Nom complet :	Martin Le Moine
Titre :	Président
Date :	2024-05-29
Signature :	
J'ai le pouvoir de lier 'Fruit d'Or'.	

Nom complet :	Sylvain Dufour
Titre :	Secrétaire
Date :	2024-05-30
Signature :	
J'ai le pouvoir de lier 'Fruit d'Or'.	

Nom complet :	Pierre Rivard
Titre :	Administrateur
Date :	2024-05-30
Signature :	
J'ai le pouvoir de lier 'Fruit d'Or'.	

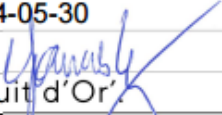
Nom complet :	Isabelle Pasquet
Titre :	Administrateur
Date :	31 mai 2024
Signature :	
J'ai le pouvoir de lier 'Fruit d'Or'.	

Nom complet :	Marc Bédard
Titre :	Administrateur
Date :	2024-05-31
Signature :	
J'ai le pouvoir de lier 'Fruit d'Or'.	



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Nom complet :	Francis Le Moine
Titre :	Administrateur
Date :	2024-05-30
Signature :	
J'ai le pouvoir de lier 'Fruit d'Or'.	



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APPENDIX A: DECAS SUPPLIER CODE OF CONDUCT

V. 23



Decas Supplier Code of Conduct

The Decas Supplier Code of Conduct outlines expectations regarding supplier's labor and business practices. Businesses, organizations and individuals must adhere to this Code in order to be considered as a potential supplier to Decas. All impacted employees and agents of Supplier must be aware of our Supplier Code of Conduct.

Supplier Code of Conduct:

1. Supplier's plants and facilities shall operate in full compliance with all mandated local and federal laws, including all applicable environmental laws and regulations.
2. Supplier shall employ only workers who meet the applicable minimum legal age requirement. Supplier must also comply with all other applicable child labor laws.
3. Supplier shall not use any indentured labor, forced labor, slavery or servitude; nor knowingly conduct business with businesses, organizations or individuals that utilize or engage in forced labor, slavery, servitude or human trafficking.
4. Supplier shall set working hours, wages and over-time pay in compliance with all applicable laws. Workers shall be paid at least the local minimum legal wage.
6. Supplier shall employ workers on the basis of their ability to do the job; not on the basis of their personal characteristics or beliefs (including race, color, gender, nationality, religion, age, maternity or marital status).

Suppliers that violate any provision in this Supplier Code of Conduct risk immediate loss of all existing and future business with Decas.

Decas Supplier Code of Conduct:

Supplier acknowledges that Supplier has received the Decas Supplier Code of Conduct, has read these documents, and will abide by the requirements therein.

NAME:
TITLE:
SIGNATURE:
DATE:



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