

Shafer-Haggart Ltd.'s Modern Slavery Report

Advancing Responsible Sourcing and Human Rights

This Statement is issued by Shafer-Haggart Ltd. for the financial year 2025 in accordance with the following legislation:

- Canada: *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Bill S-211, 2024)
- United Kingdom: *Modern Slavery Act 2015*
- Australia: *Modern Slavery Act 2018 (Cth)*

Introduction

Shafer-Haggart Ltd. is committed to conducting its operations in a manner that respects human rights and upholds fair labour practices across all areas of its business activities. This Statement outlines the Company's ongoing efforts to identify, assess, and address risks associated with modern slavery, including forced labour, child labour, and human trafficking, as part of its broader commitment to ethical and responsible sourcing practices.

Since 2020, the Company has participated in the amfori Business Social Compliance Initiative (BSCI) and has maintained membership with SEDEX/SMETA to support the enhancement of working conditions and promote greater transparency throughout its supply chain. In addition, the Company's sourcing processes are certified under both the Marine Stewardship Council (MSC) Chain of Custody Standard and the Aquaculture Stewardship Council (ASC) Chain of Custody Standard, reinforcing responsible practices in the sourcing of both wild-capture and farmed seafood products.

The Company's approach is guided by the BSCI Code of Conduct (Annexure 1) and aligned with internationally recognised frameworks and principles, including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact, the Children's Rights and Business Principles, and the core conventions of the International Labour Organization (ILO).

Shafer-Haggart Ltd. does not engage in or support the use of forced labour or child labour in any aspect of its operations or supply chain activities. The Company remains committed to maintaining effective due diligence, monitoring, and remediation processes to identify and mitigate risks while promoting accountability and continuous improvement throughout its supply chain. Additional information regarding the Company and its operations is available at: www.shafer-haggart.com.

1. Organizational Structure, Operations, and Supply Chain Overview

Shafer-Haggart Ltd., established in 1934, operates as a trading company engaged in the international import and export of food products. The Company's product portfolio includes canned seafood, fruits, vegetables, and other food products supplied to retail and food service customers. Its operations involve the sourcing of products from international suppliers and the distribution of these products to markets in Canada, the United States, the United Kingdom, Europe, New Zealand, and Australia.

The Company's head office is located at 2855 Arbutus Street, Vancouver, Canada, from which its business and operational activities are administered. Shafer-Haggart Ltd. employs 42 personnel and

does not operate offices outside Canada. Employees support the Company's commercial, administrative, and operational functions.

The Company does not own or operate manufacturing facilities. Products are sourced through a global network of Tier 1 (direct) and Tier 2 (indirect) suppliers located across 20 countries. The supply chain includes 90 Tier 1 suppliers engaged in manufacturing activities, as well as 14 trading entities that facilitate sourcing through Tier 2 suppliers.

Shafer-Haggart Ltd. requires suppliers within its supply chain to operate in accordance with the Company's standards relating to ethical conduct, responsible sourcing, and business practices.

2. Policies and Due Diligence Processes Related to Forced Labour and Child Labour

Shafer-Haggart Ltd. has established and implemented a range of policies, procedures, and management systems designed to identify, prevent, and address human rights risks, including forced labour and child labour, across its supply chains. These measures form part of a structured human rights due diligence approach aimed at identifying, preventing, mitigating, and, where appropriate, remediating adverse impacts associated with supply chain activities.

The key elements of this framework include:

- ***Supplier Code of Conduct (SCOC) (Annexure 2):*** This document outlines the ethical standards required of all suppliers. It reflects the Company's expectations regarding respect for fundamental human rights, including the prohibition of forced labour, child labour, discrimination, and other forms of unethical conduct. Suppliers are required to maintain appropriate management systems to identify and manage related risks within their operations. The Code has been in effect since January 2024.
- ***Supplier Social Compliance Self-Declaration (Annexure 3):*** Suppliers who do not hold a valid third-party social audit are required to complete a self-declaration confirming compliance with applicable social standards. This includes providing relevant information and supporting documentation on their social compliance systems and practices, enabling Shafer-Haggart Ltd. to assess alignment with its human rights expectations. This process was introduced in 2021.
- ***Corporate Responsibility & Responsible Sourcing Policy (Annexure 4):*** This policy sets out the Company's approach to responsible sourcing and corporate accountability, with a focus on respect for human rights throughout the supply chain.
- ***Gender Equality and Inclusion Policy (Annexure 5):*** This policy promotes fair treatment and equal opportunities for individuals across the Company's operations and supply chain relationships.
- ***Sustainably Sourced Fish & Seafood Statement (Annexure 6):*** This statement sets out the Company's commitment to responsible and environmentally conscious sourcing of fish and seafood products.

Shafer-Haggart Ltd. maintains mandatory requirements for all suppliers to uphold responsible business conduct and compliance with applicable modern slavery legislation. Procurement contracts include binding provisions that prohibit the use of forced labour and child labour, require traceability of goods to their origin, and stipulate compliance with the Supplier Code of Conduct. Depending on the nature of the supplier relationship, suppliers are required either to participate in recognised third-party social audit programmes or to complete the Supplier Social Compliance Self-Declaration. These obligations apply to both Tier 1 and Tier 2 suppliers.

Suppliers are expected to implement appropriate systems and processes to identify, assess, monitor, and address risks related to labour practices within their operations. To support ongoing oversight, Shafer-Haggart Ltd. utilises a combination of internal assessment tools, including the Supplier Social Compliance Self-Declaration, as well as third-party social audits conducted against recognised standards such as amfori BSCI, SMETA, SA8000, or equivalent frameworks. Audit validity periods typically range from 12 to 36 months, depending on certification status.

At the commencement of a supplier relationship, suppliers must provide either a valid third-party social audit report or, where this is not available, complete the Supplier Social Compliance Self-Declaration and formally agree to the Supplier Code of Conduct. All suppliers, both new and existing, are also required to complete periodic online training modules relating to social compliance requirements.

Where instances of non-compliance or elevated risk are identified through audits, declarations, or other monitoring activities, corrective action measures may be implemented. Where suppliers fail to meet required standards or do not demonstrate adequate progress toward compliance, Shafer-Haggart Ltd. may review and, where necessary, terminate the business relationship.

3. Risk Assessment and Management

Shafer-Haggart Ltd. applies a structured due diligence approach to the identification, assessment, and management of risks related to forced labour and child labour across its supply chains. This approach is embedded within supplier selection, ongoing monitoring, and periodic review processes, and is intended to support compliance with applicable legal requirements and alignment with the Company's responsible sourcing framework.

3.1 Identification and Management of High-Risk Areas in Business and Supply Chains

Shafer-Haggart Ltd. monitors relevant industry developments, civil society reporting, and internationally recognised frameworks to support the identification and assessment of forced labour and child labour risks within its supply chains. These sources are used as part of the Company's due diligence process to inform risk evaluation and sourcing decisions.

External reference tools include the amfori BSCI Country Risk Classification (Annexure 7), which provides an assessment of social and labour-related risks at country level. This classification categorises countries across multiple risk levels and is used by Shafer-Haggart Ltd. to support sourcing decisions and supplier engagement. The classification is maintained by amfori and applied as part of the Company's ongoing risk assessment process for both existing and potential sourcing locations.

The Company also refers to relevant International Labour Organization (ILO) conventions and guidance, including Convention No. 138 (Minimum Age) and Convention No. 182 (Worst Forms of Child Labour). These standards inform internal policies and support the identification of risk indicators within the due diligence framework. Additional ILO resources relating to vulnerable workers and decent work conditions are also used to support risk assessment processes.

The U.S. Department of Labor's List of Goods Produced by Child Labour or Forced Labour (Annexure 8) is used as a supplementary reference tool to support the identification of product- and country-level risk exposure.

Findings from these external sources are incorporated into the Company's internal control framework, including the Supplier Code of Conduct and the Supplier Social Compliance Self-Declaration, to support ongoing risk identification and mitigation across the supply chain.

3.2 Risk Assessment Methodology

Risk assessment is undertaken using both country-level and worker-focused considerations.

Country Risk Assessment: Prior to sourcing from a new country, and on a periodic basis for existing sourcing locations, Shafer-Haggart Ltd. assesses environmental, social, and governance (ESG) risks, with particular attention to risks related to forced labour and child labour. This assessment is used to identify country-level risk conditions and to support the categorisation of sourcing regions based on the severity and likelihood of such risks. The resulting classification informs the Company's approach to supplier onboarding, monitoring, and engagement in those regions.

Worker-Centric Risk Assessment: Shafer-Haggart Ltd. recognises that certain groups of workers may be more vulnerable to exploitation, including forced labour and child labour, within global supply chains. In line with International Labour Organization (ILO) guidance, the Company considers the following groups within its risk assessment process:

- **Migrant workers**, who may face language barriers, recruitment fees, retention of identity documents, or reliance on recruitment intermediaries.
- **Children and young workers**, including individuals below the legal minimum working age or those engaged in hazardous work, in line with ILO Convention No. 182.

The presence of vulnerable worker groups is identified through:

- Supplier Social Compliance Self-Declaration submissions; and
- Third-party social audit reports conducted by recognised audit bodies.

Where such groups or elevated risks are identified, the due diligence process is escalated. This may include enhanced review of supplier management systems and requests for additional documentation or updated audit evidence. By applying a rights-based, worker-focused approach grounded in ILO principles, Shafer-Haggart Ltd. seeks to identify, monitor, and address potential risks of labour exploitation within its supply chain.

3.3 Supplier Due Diligence and Monitoring

Shafer-Haggart Ltd. maintains supplier relationships across both Tier 1 (direct suppliers) and Tier 2 (indirect suppliers). Supplier engagement is based on ongoing collaboration and alignment with the Company's ethical sourcing requirements.

As part of the onboarding and monitoring process, suppliers are required to agree to the Supplier Code of Conduct and either complete the Supplier Social Compliance Self-Declaration or provide valid third-party social audit reports. Recognised audit standards include amfori BSCI, SMETA, SA8000, and BAP SA, or equivalent frameworks. These mechanisms are used to assess compliance with internationally recognised labour standards.

3.3.1 Onsite Facility Visits

From 2024, Shafer-Haggart Ltd. has undertaken onsite visits to selected production facilities as part of its human rights and social compliance monitoring programme. These visits are conducted where elevated risk indicators are identified and may also be carried out on a scheduled basis to support ongoing due diligence activities.

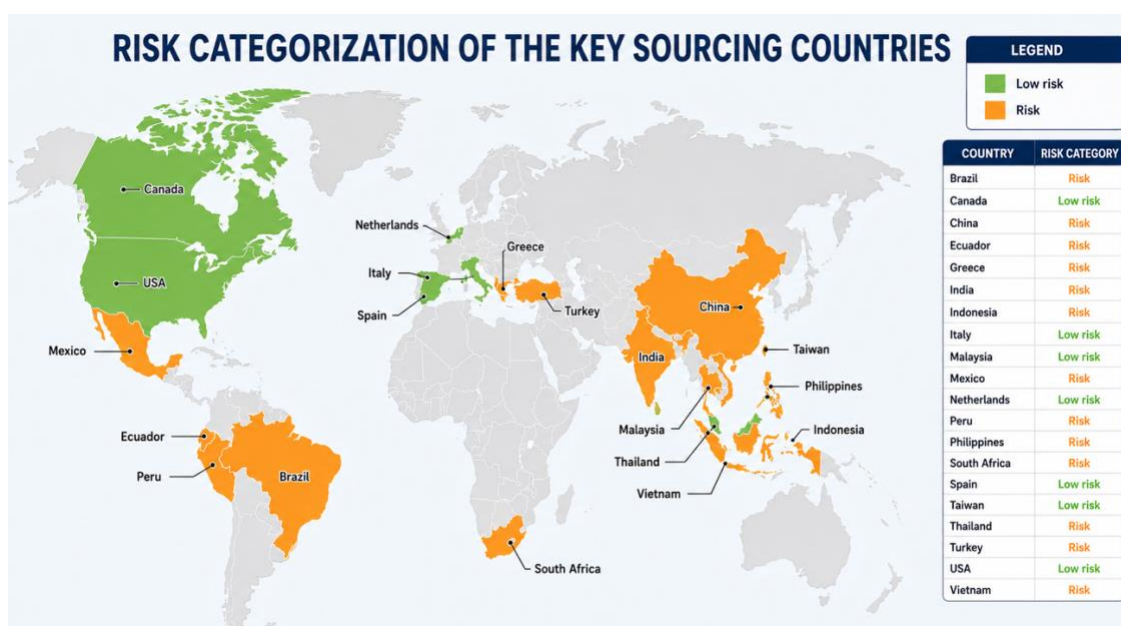
Where non-compliances are identified during onsite visits, suppliers are required to implement corrective actions within agreed timelines, and progress is monitored as part of the follow-up process. These visits also provide an opportunity to communicate the Company's sustainability expectations and to support suppliers in understanding and applying Shafer-Haggart Ltd.'s standards and requirements.

3.4 Mapping and monitoring the supply chains

At Shafer-Haggart Ltd., the Company is committed to upholding ethical and responsible sourcing practices by actively mapping and monitoring its supply chains to identify, prevent, and mitigate risks of forced labour and child labour. As part of its modern slavery risk management approach, the Company assesses the risk levels of sourcing countries using classifications based on recognised international benchmarks. Sourcing countries are categorised into the following risk levels:

- **Risk:** Countries in this category are assessed as having a vulnerability to child labour and/or forced labour risks. Prior to engagement, enhanced due diligence is undertaken to identify, prevent, and mitigate potential labour rights risks.
- **Low Risk:** Countries in this category are assessed as having a lower likelihood of child labour or forced labour risks. Standard due diligence is conducted prior to supplier onboarding, with ongoing monitoring maintained to identify emerging risks.

The maps below illustrate the geographical distribution of key sourcing countries, categorised by their assessed levels of risk in relation to forced labour and child labour. These visual tools support the Company's ongoing due diligence processes.



3.4.1 Country-Specific Risk Distribution

An analysis of the top five sourcing countries by procurement volume indicates the following distribution of forced labour and child labour risks across key sourcing regions.

- 25% of products are sourced from Thailand, a country classified as risk for forced labour.
- 21% of products originate from Italy, which is classified as low risk for forced labour and child labour.
- 18% of products are sourced from Peru, a country classified as risk for forced labour and child labour.
- 16% of products originate from China, which is also classified as risk for forced labour.
- 4% of products are sourced from Canada and Vietnam, with Canada classified as low risk and Vietnam classified as risk for forced labour.

In 2025, Shafer-Haggart Ltd.'s Corporate Responsibility team carried out onsite social compliance assessments at selected production facilities in Thailand and Vietnam, covering 10 facilities. These visits complemented the company's routine social compliance monitoring activities and supported broader efforts to evaluate adherence to labour and human rights standards throughout the supply chain.

3.5 Remediation and Ongoing Risk Management

In line with global best practices and our due diligence obligations, Shafer-Haggart Ltd. recognizes that effective remediation extends beyond the identification of issues and includes proactive engagement to support continuous improvement across the supply chain. Where labour-related concerns are identified, we work collaboratively with suppliers and relevant stakeholders to implement appropriate corrective measures that align with internationally recognized labour standards and responsible business practices.

During the reporting period, ongoing labour-related matters requiring additional attention were identified at two production facilities within our supply chain. These issues were assessed as moderate in nature and did not involve severe labour rights violations. In each case, suppliers agreed to implement corrective action plans aligned with recognized frameworks, including SMETA, amfori BSCI, and relevant International Labour Organization (ILO) principles. Shafer-Haggart Ltd. continues to actively monitor progress and engage with suppliers to support timely resolution and sustained compliance.

In addition, if child labour were to be identified within our supply chain, Shafer-Haggart Ltd. is committed to ensuring that remediation efforts are undertaken in a manner consistent with the best interests of the child and their family, with an emphasis on long-term well-being, protection, and access to appropriate support mechanisms.

Beyond the matters outlined above, no significant labour standards non-compliance issues were identified in Shafer-Haggart Ltd.'s supply chain during the reporting period. This reflects the company's continued investment in due diligence, supplier engagement, and ongoing efforts to strengthen responsible sourcing practices.

4. Training and Awareness Programs on Forced Labour and Child Labour

From 2024, Shafer-Haggart Ltd. implemented mandatory online training for both new and existing suppliers, covering forced labour, child labour, and the company's broader sustainability expectations. In parallel, employees across Shafer-Haggart participate in annual training designed to strengthen awareness of labour-related risks and reinforce the company's commitment to ethical sourcing practices. These training programs provide practical guidance on identifying indicators of forced labour and child labour, understanding supplier responsibilities, and supporting appropriate escalation where concerns arise. Through ongoing awareness initiatives, Shafer-Haggart seeks to strengthen internal capacity and promote responsible labour practices throughout its supply chain.

To support accountability and transparency, reporting mechanisms are in place to enable employees to raise concerns or report suspected labour-related issues. These processes contribute to a workplace culture that supports ethical decision-making and respect for human rights.

5. Monitoring and Evaluating Effectiveness in Preventing Forced Labour and Child Labour

Shafer-Haggart Ltd. is committed to the ongoing prevention and management of forced labour and child labour risks within its supply chain. The company continuously evaluates the effectiveness of its due diligence processes through supplier engagement, social compliance monitoring, and risk-based assessments.

To support continuous improvement, Shafer-Haggart annually reviews and updates its Supplier Code of Conduct, Social Compliance Self-Declaration, and related due diligence processes to ensure continued alignment with responsible sourcing practices and internationally recognized labour standards. Ongoing supplier engagement, corrective action monitoring, and periodic assessments remain key components of the company's approach to identifying, managing, and mitigating labour-related risks across the supply chain.

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.



Reg Pallard

Chief Financial Officer (CFO), Shafer-Haggart Ltd.

May 2026

Annexures

Annexure 1: BSCI Code of Conduct- 2021

Annexure 2: [Supplier Code of Conduct \(SCOC\)](#)

Annexure 3: [Supplier Social Compliance Self-Declaration](#)

Annexure 4: [Corporate Responsibility & Responsible Sourcing Policy](#)

Annexure 5: [Gender Equality Policy](#)

Annexure 6: [Sustainably Sourced Fish & Seafood Statement](#)

Annexure 7: amfori BSCI Country Risk Assessment- 2024/25

Annexure 8: List of Goods Produced by Child Labour or Forced Labour (2024 edition)