

The Shafer-Haggart Ltd.'s Supplier Code of Conduct ('Code') sets forth the minimum expectations concerning social and environmental responsibility for suppliers. The objective is to conduct business at the highest ethical standards with a strong commitment to social and environmental responsibility. Canada's Principles of the Fight against Forced Labour and Child Labour in Supply Chains Act (Bill S-211), Australia's Modern Slavery Act (2018), and the UK's Modern Slavery Act (2015). It also integrates key international conventions, such as the Universal Declaration of Human Rights, the Children's Rights and Business Principles, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the UN Global Compact, and relevant conventions and recommendations from the International Labour Organization (ILO).

These standards reflect Shafer-Haggart Ltd.'s core values and principles, reinforcing its commitment to ethical and responsible business practices across its supply chain.

Definition of Suppliers

For this Code, the term "**supplier(s)**" refers to any entity or business providing products to Shafer-Haggart Ltd. for its trading operations, in any form of packaging.

This includes, but is not limited to:

- Products packed in cans, pouches, cups, bottles, jars, totes, drums, or other commercial formats
- Shelf-stable, semi-processed, frozen, preserved, or ready-to-eat food products
- Fruits, vegetables, fish and seafood, fats and oils, grain-derived foods, processed dairy, dressings, sauces, food chemicals, marinades, seasonings, nuts, grains, and seeds
- Maple products, coconut products, and other processed specialty items

Suppliers are required to fully comply with all local and international legal requirements relevant to their business conduct. They must adopt practices that safeguard workers' rights, safety, and environmental protection. Respecting and upholding human rights, as outlined in the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights, is of utmost importance. Shafer-Haggart Ltd expects and requires suppliers to uphold internationally recognized human rights throughout their operations and supply chain.

Partnerships with Shafer-Haggart Ltd are intended only with suppliers committed to meeting the standards outlined in this Code. Non-compliance with this Code or with local and international legal requirements will prompt a review and re-evaluation of the supplier relationship with Shafer-Haggart Ltd. In cases where the Code cannot be upheld, immediate notification to Shafer-Haggart Ltd. is mandatory and can be facilitated by contacting vthenuwara@shafer-haggart.com

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Approved By:	CR & QA Director (JY)		

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1. BUSINESS PRACTICES

1.1 MANAGEMENT SYSTEMS

- Suppliers are expected to implement necessary management systems, policies, and processes to investigate, prevent, mitigate, and remediate any human rights or environmental impacts. These actions must align with established due diligence standards, legal requirements, and international norms.
- In the event of non-compliances identified through audits or risk assessments, suppliers must undertake corrective and preventive actions addressing the root cause in a timely and effective manner.
- Suppliers shall establish or participate in effective operational-level grievance mechanisms aimed at addressing concerns raised by individuals and communities potentially adversely impacted by operations.
- In cases where there is a migrant worker population or diverse linguistic communities, the operational-level grievance mechanism must be accessible in relevant local languages or through access to appropriate translation services.
- Suppliers shall maintain accurate records related to grievances, ensuring transparency and accountability in the resolution process.

2. WORKPLACE STANDARDS

2.1 FREEDOM OF ASSOCIATION

- Suppliers will respect the legal rights of workers to freely participate in worker organizations without encountering harassment or any form of penalty.
- Workers' rights include the right to elect representatives or the right to form and join Trade unions of their choice and to bargain collectively.
- Retaliation against workers exercising their rights is strictly prohibited, and worker representatives must be shielded from discrimination while fulfilling their responsibilities.
- In situations where independent freedom of association or collective bargaining is legally restricted, suppliers are obligated to provide viable alternative means for association and bargaining.

2.2 SAFE AND HYGIENIC WORKING CONDITIONS

- Suppliers must ensure a safe and healthy work environment and living conditions for workers and surrounding communities in accordance with national occupational health and safety laws and, where national standards are insufficient, adherence to international standards is expected. This includes obtaining the necessary licenses, maintaining safe facilities and equipment, and providing access to clean drinking water, as well as eating and resting areas, free of charge.
- Suppliers are required to implement health and safety management systems that identify, assess, and mitigate occupational risks, with a focus on continuous improvement. They must also maintain accurate records of all health and safety incidents.
- Workers must receive appropriate training on equipment use and be informed of all relevant safety protocols. Personal protective equipment must be provided, along with measures to manage working hours and ensure adequate rest to prevent physical and mental fatigue.

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- Suppliers must seek to improve worker protection in the event of an accident, including by providing compulsory insurance schemes where required by national regulations. Workers must also have the right to leave premises immediately in case of imminent danger, without needing permission.
- Occupational medical assistance and related facilities must be available to support worker well-being.
- For young workers (aged 15–18), suppliers must implement tailored health and safety training and prevent engagement in hazardous or night work unless permitted under ILO exceptions. Any young worker found in hazardous conditions must be reassigned to safer roles without a reduction in pay.

2.3 CHILD LABOUR

- Suppliers are required to show a strong commitment to eliminating child labour from their supply chain.
- Suppliers must strictly follow relevant conventions set by the International Labour Organization (ILO) and adhere to all national laws, regulations, and procedures that prohibit child labour.
- Suppliers shall not employ, directly or indirectly, children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless exceptions recognized by the International Labour Organization (ILO) apply.
- Suppliers must ensure that any work provided or offered to individuals under the age of 18 is performed under circumstances that are not mentally, physically, socially, or morally dangerous to them.
- Suppliers shall not engage in any labour or services that interfere with the schooling of individuals under the age of 18.
- Suppliers must establish robust age-verification mechanisms as part of the recruitment process.
- In the event of the dismissal and removal of individuals under the age of 18, suppliers shall proactively identify measures to ensure the protection of affected children.

2.4 FORCED LABOUR

- Suppliers shall refrain from employing forced, trafficked, illegal, prison, indentured, bonded labour, or any other forms of coerced labour, emphasizing a commitment to eradicating forced labour and child labour from the supply chain.
- All workers shall have the right to choose their employment voluntarily, free from deception, coercion, or the threat of penalty.
- All workers shall be free from physical, psychological, sexual, or gender-based violence or harassment.
- Employers must provide clear and transparent written contracts in a language the worker understands or ensure access to a translator. These contracts must include details of the job, location, working conditions, wages, benefits, and the duration of employment. Any changes to the original contract must be documented and mutually agreed upon by all parties.
- Workers must be free to change their employer at any time, subject to the previously agreed or legally mandated notice period. Resigning workers must receive all outstanding wages and benefits in a timely manner.

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Debt Bondage

- Suppliers and recruitment partners must follow the Employer Pays Principle, ensuring no recruitment fees or related costs (e.g., training, equipment, medical exams) are charged to workers, directly or indirectly. If an incident of debt bondage is found, employers must compensate affected workers within a reasonable timeframe.
- Workers must not incur debt through loans, fines, or wage deductions.
- Only licensed recruitment agencies should be used, and contracts must ensure no fees are charged to workers and prevent exploitative practices.

2.5 DISCRIMINATION

- Suppliers shall foster inclusive workplaces where all workers are treated with equality and respect, without discrimination, exclusion, or preference based on gender, age, religion, or any other characteristic that may lead to unfair treatment.

2.6 WAGES AND BENEFITS

- Suppliers shall comply, as a minimum, with wages mandated by government minimum wage legislation, or industry standards approved based on collective bargaining, whichever is higher. The wages shall refer to standard working hours.
- Wages must be paid regularly, on time, and in legal tender, with allowances "in kind" only accepted in line with ILO standards.
- For production or piece work, wages must meet or exceed legal minimums, industry standards, or collective agreements within standard working hours.
- Workers of all genders, including migrant and local workers, must receive equal pay for equal work and qualifications.
- Deductions should only occur as permitted by law or collective agreement.
- Workers must receive legally mandated social benefits without negatively affecting their pay, seniority, position, or promotion prospects.

2.7 WORKING HOURS

- Suppliers are required to ensure that the total regular hours worked per week do not exceed working hours, in accordance with the international standards set by the International Labour Organization (ILO), unless exceptions are allowed by state and federal government regulations.
- In situations where regular working hours may be exceeded, suppliers may permit overtime. Overtime should be voluntary, exceptional, and compensated at a premium rate in accordance with national law and industry standards, and not less than the legal minimum overtime rate. Additionally, overtime should not significantly increase the risk of occupational hazards.
- Suppliers must ensure that workers have the right to resting breaks in every working day and are entitled to at least one day off in every seven days. Any exceptions to this time-off standard must comply with state and federal government regulations.

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3. Environmental, Ethical, and Responsible Sourcing Standards

3.1 ENVIRONMENTAL REQUIREMENTS

- All suppliers are required to conduct their operations in strict compliance with both local and international environmental laws, regulations, and conventions. This includes, but is not limited to, regulations related to air quality, water usage, land management, chemicals, and waste disposal.
- Suppliers are strongly encouraged to develop and implement monitoring systems aimed at minimizing the environmental impact of their operations. Proactive measures should be taken to identify and address any potential environmental risks associated with business activities.

3.2 ETHICAL BUSINESS BEHAVIOUR

- Suppliers are required to comply with all applicable laws and legal regulations.

3.3 CORPORATE RESPONSIBILITY & RESPONSIBLE SOURCING

- Suppliers must ensure that all raw materials used in the production of products sold or traded with Shafer-Haggart comply with the responsible sourcing criteria outlined in our [Corporate Responsibility & Responsible Sourcing Policy](#).

3.3.1 RESPONSIBLE FISHERIES & MARINE SOURCING (APPLICABLE TO SEAFOOD SUPPLIERS)

Seafood supply chains present higher risks of illegal fishing and labour abuse at sea. The following requirements apply to seafood suppliers:

- Suppliers must ensure all seafood is sourced from vessels and fisheries that comply with applicable laws and regulations.
- Suppliers must maintain traceability of seafood products, including:
 - Vessel name and identification (e.g., IMO number, where applicable)
 - Flag state
 - Catch area (FAO fishing area)
 - Fishing method
- Suppliers must not source from vessels involved in Illegal, Unreported, and Unregulated (IUU) fishing or listed on official IUU blacklists.
- Suppliers must ensure fishing operations meet internationally recognized labour standards, including the International Labour Organization Work in Fishing Convention (C188), where applicable.
- Forced labour, human trafficking, and any form of abuse are strictly prohibited.
- Suppliers must implement risk-based due diligence to identify and address risks related to IUU fishing and labour conditions.
- Where risks are identified, suppliers must take corrective action and notify Shafer-Haggart Ltd.
- Suppliers must provide, upon request, documentation supporting traceability, vessel compliance, and labour conditions.

This section applies only to seafood suppliers. All other suppliers must comply with the general requirements of this Code.

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Supplier Code of Conduct

By signing below, the undersigned acknowledges they have read and understood the above requirements, agrees to comply with Shafer Haggart Ltd.'s Supplier Code of Conduct as outlined above, and acknowledges that violation of any of the standards may result in termination of the business relationship with Shafer Haggart Ltd.

Supplier Name: _____

Additional Production Sites (if applicable): _____

Supplier Management – Name and Position: _____

Authorized Signature: _____

Date: _____

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