

May 22, 2024

**FGF Brands Inc. and Wonder Brands Inc.  
Joint Statement on Forced and Child Labour in the Supply Chain**

This statement has been prepared in response to former *Bill S-211, An Act to Enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* (the “Act”). The *Act* aims to increase industry awareness, transparency, and incentivizes businesses to improve their practices.

“FGF Brands Inc.” and “FGF Brands” are used interchangeably throughout and collectively refer to both FGF Brands Inc. and its affiliate Wonder Brands Inc.

### Approval and 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 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: Ojus Ajmera

Title: Co-Chief Executive Officer

Date: May 22, 2024



*I have the authority to bind FGF Brands Inc. and Wonder Brands Inc.*

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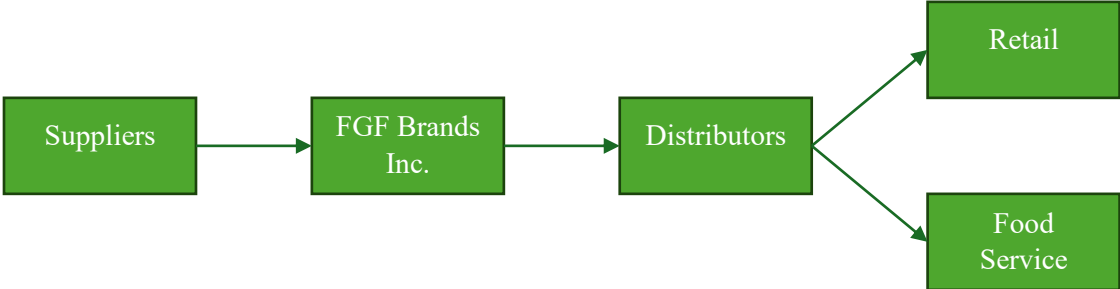
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**About FGF Brands Inc. and Wonder Brands Inc.**

**FGF Brands Inc.** is a manufacturing company that sources materials from countries worldwide and uses those materials to make delicious baked goods. We acquire the finest ingredients through our vast network of suppliers who are major players within their respective industries. We work with distributors, and this enables us to sell our products each day to retail and foodservice clients around the globe.



FGF Brands has a large workforce spanning across multiple production facilities and warehouses throughout Canada and the United States. We are committed to providing great gourmet experiences for customers. We are passionate about food and providing affordable high-quality products.

Our vision is to become the world’s greatest baker, and this does not end with the quality of our products. This vision flows to our processes, our people, and our impact on the world around us. With operations throughout Canada and the United States, we are aware of our responsibility to employ sustainable practices across our entire organization. To refer to our *Environmental Sustainability Policy*, [click here](#).

To learn more about FGF Brands Inc., [click here](#).

**Wonder Brands Inc.** is a manufacturing company that serves retail and foodservice customers with packaged fresh bread, rolls, and Baked in Store products throughout Canada and the United States.

To learn more about Wonder Brands Inc., [click here](#).

## **FGF Brand's Position on Forced and Child Labour in the Supply Chain**

According to the *United Nations International Children's Emergency Fund* (UNICEF), nearly 1 in 10 children are subjected to child labour worldwide.<sup>1</sup> This occurs when they are either underaged for the job (ages 5 to 17) or are exposed to hazards at work that may compromise their physical, mental, social, or educational development.<sup>2</sup>

The *International Labour Organization* (ILO) refers to 'child labour' as work that is mentally, physically, socially, or morally dangerous and harmful to children. It also interferes with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely, or requiring them to attempt combining school attendance with an excessively long and heavy workload.<sup>3</sup>

FGF Brands is committed to the prevention and minimization of forced and child labour at each stage of the supply chain and production of goods process. This is demonstrated in our policies and due diligence processes. For instance, our hiring processes are compliant with local laws, which include adhering to the minimum age of employment. In accordance with regulation, our workforce is compensated, and benefits are allocated fairly, thus removing the risk of exploitation of labour.

Almost half of child labour victims are exposed to hazardous work that directly endangers their health and development. Worker and workplace safety are important at FGF Brands, which also ties into prevention and minimization of hazardous conditions. Our safety standards are derived from the recommendations of governing bodies dedicated to the removal and mitigation of workplace hazards and safety. FGF Brands is concerned with the well-being of its employees. There are allocated breaks during shifts, vacation days, provided safety equipment, and assigned health benefits. We also have talent and personal development programs in place that facilitate career progression.

FGF Brands is engaged with reputable suppliers that are well established in their respective industries. We expect suppliers to have employment practices and processes in place that share our commitment to the prevention and minimization of forced labour and child labour. Our *Supplier Code of Conduct* requires suppliers to be compliant and has them affirm that they are not engaged in forced and child labour. By implementing a selection process for suppliers and other stakeholders throughout the supply chain, FGF Brands can reduce the risks of forced and child labour at each stage of the supply chain.

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<sup>1</sup> <https://www.unicef.org/protection/child-labour>

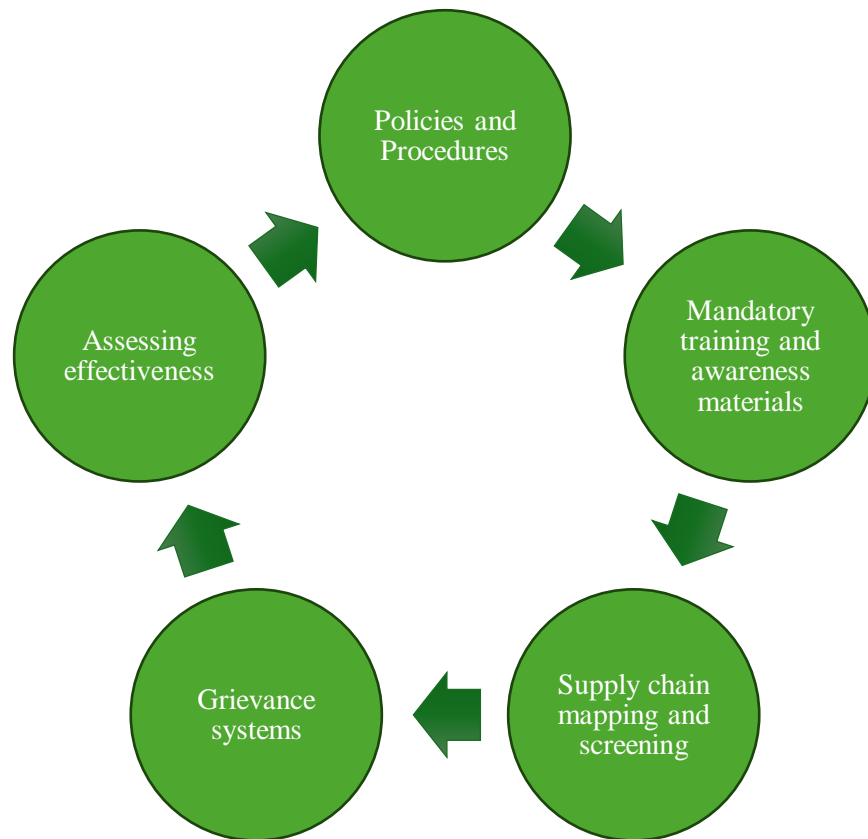
<sup>2</sup> <https://data.unicef.org/topic/child-protection/child-labour/>

<sup>3</sup> [International Labour Organization - What is child labour?](#)

## Continuous Improvement Framework on Countering Forced and Child Labour

To prevent and reduce the risk of forced and child labour at each stage of the supply chain, FGF Brands has created a policy titled *Continuous Improvement Framework on Countering Forced and Child Labour*. Policies and procedures serve as a guide and proper training for engaging with suppliers solidifies adherence to developed policies and processes, which is instrumental in prevention and risk reduction. Ensuring proper communication with potential suppliers and outlining a mapping structure of the supply chain helps to evaluate any potential risks and aids in vetting suppliers.

Mapping and screening activities are the first line of defense to flag potential issues with suppliers. If a risk is not spotted during the mapping and screening stage, the grievance system provides a reporting structure to alert us of violations of our policy and procedures, and/or the *Act*. We assess the effectiveness of our policies and procedures by reviewing the grievances, auditing our procedures, and ensuring that the framework implemented by our policy works.



### *Policies and Procedures*

FGF Brands. has developed and implemented due diligence policies and processes for identifying, addressing, and prohibiting forced and child labour within and throughout the supply chain. The *Supplier Code of Conduct* includes the following:

- Child protection policies and processes.
- Anti-forced labour and child labour contractual clauses.
- Anti-forced labour and child labour standards.
- Code of conduct.

### *Training and Awareness Materials*

FGF Brands action plan includes the implementation of mandatory training for the supply chain and procurement team who are charged with making contracting and purchasing decisions. The supply chain and procurement team are centralized between FGF Brands and Wonder Brands and are required to review awareness materials and validate with suppliers (and distributors) that they are not engaged in any forced or child labour. This validation requirement is by way of adherence to our *Supplier Code of Conduct*, which is communicated to suppliers before onboarding. Each supplier is required to consent to the *Supplier Code of Conduct* and return a sign copy attesting to same.

### *Supply Chain Mapping and Screening*

As part of its commitment to prevent and reduce the risk of forced and child labour at each stage of the supply chain, FGF Brands would perform a mapping exercise, both internally and within its network of suppliers (including distributors). This mapping exercise would include, but is not limited to, reviewing supplier worker recruitment practices and their existing internal controls.

Additionally, FGF Brands audits and monitors its suppliers as part of the selection process. This screening process protects FGF Brands from engaging suppliers involved in forced and child labour within its supply chain. If necessary or appropriate, we may engage independent third parties to verify the working conditions of suppliers and their subcontractors.

### *Grievances*

FGF Brands has also developed and implemented grievance mechanisms. There is a communication plan in place for reporting incidents and/or risks. Lines of communication between team leaders, members, external stakeholders, suppliers, and distributors allow for an easy reporting channel. Our contact details are available on our website with a form for concerns and inquiries ([contact information](#)).

Indications of forced and child labour within our supply chain would be escalated in accordance with our policies and procedures.

#### *Assessing Risks and Effectiveness*

As a food manufacturing company that sources its ingredients and packing materials, both locally and internationally, there is a risk of indirect exposure to forced and child labour. For instance, Tier Two suppliers in non-developed countries have been identified as areas with an increased risk.

FGF Brands has reviewed worker recruitment practices and existing internal controls, both internally and across its network of suppliers and distributors, to identify the risks of forced and child labour. Supplier audits are common practice and part of the selection due diligence process.

FGF Brands conducts a regular review or audit of its policies and procedures related to forced and child labour. Any received reports or grievances are assessed, and this assessment is essential to avoid further occurrences and allow for improvement of existing practices. The end objective is continuous improvement to lower exposure to the maximum possible extent.

#### *Remediation Measures*

FGF Brands has not identified any forced and/or child labour in our activities or supply chain and thus has not taken any remediation measures to date. In the event a grievance is reported or forced and/or child labour is detected, we have several remediation measures to pursue such as formal apologies or where appropriate, compensation packages. We also reserve the right to terminate agreements with non-compliant suppliers, and to institute legal proceedings if warranted.



## **Progress Reporting**

Any news, announcements, and updates regarding our strategies, programs, and activities are available on FGF Brands' website (<https://www.fgfbrands.com>) and Wonder Brands' website (<https://www.wonderbrands.com>).

For any inquiries and concerns related to forced and/or child labour, please reach out through the [contact information](#) available on our website.