



Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada) Report

Craig Ofield Holdings Ltd./Bulk Barn Foods Limited

Fiscal Year 2024

Introduction

This is a joint report made by Craig Ofield Holdings Ltd. (“**COHL**”) and its operating subsidiary Bulk Barn Foods Limited (sometimes referred to as “**Bulk Barn**”, “**we**” or “**our**” in this report) in accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “**Act**”), which came into force on January 1, 2024. This report is made with respect to the 2024 fiscal year for each of COHL and Bulk Barn and covers the financial period commencing on January 21st, 2024 and ending on January 18th, 2025.

COHL has no operating business or employees and is purely a holding company that holds all of the issued and outstanding shares of Bulk Barn. As a holding company, COHL relies entirely on Bulk Barn for the purposes of managing and monitoring supply chain operations and compliance programs.

Bulk Barn is committed to respecting and protecting human rights, acting honestly and with integrity, and promoting a fair and inclusive work environment. Bulk Barn recognizes that all forms of modern slavery, including forced labour, illegal child labour and human trafficking are violations of human rights and are not to be tolerated in its operations or supply chain. We are committed to monitoring and mitigating these risks in our business activities and supply chain. We expect all of our business partners and suppliers to share our commitment to respect human rights and to uphold the foregoing principles within their operations and supply chains.

Actions Taken in Previous Financial Year (2024)

As a Canadian retailer, Bulk Barn recognizes the complexity of the global supply chain and the challenges that exist in identifying and combating forced labour and child labour. This is a battle that must be fought on all fronts, with the support of the government, manufacturers, suppliers, and retailers. Bulk Barn embraced this initiative with the creation of a supply chain due diligence program in 2023. We have remained committed to this effort and have introduced a number of new policies and procedures during the second year of our program to enhance our due diligence efforts.

The accomplishments of the second year of our due diligence program, include the following:

1. Validating the country of origin for simple ingredient bulk goods¹ that have been identified as containing a good that is potentially at risk for forced or child labour as part of our supply chain mapping exercise.
2. Creating and deploying a forced and child labour survey to be completed by vendors of imported goods and vendors of simple ingredient bulk goods sourced from a country

¹ “Simple ingredient bulk goods” means bulk goods with 3 or fewer ingredients.

considered to be of risk.

3. Expanding our procurement and compliance review procedures to include a forced and child labour risk assessment for new merchandise and new vendors.
4. Developing a risk rating system based on the vendor's documented controls for forced/child labour.
5. Developing procedures to investigate grievances relating to allegations of forced and/or child labour in our supply chain.
6. Conducting the second year of mandatory annual compliance and awareness training focused on forced labour and child labour for a select group of employees involved in the procurement or transportation of retail products.

Our Business

Structure

COHL is a Canadian private company registered in the Province of Ontario. The sole business of COHL is holding all of the issued and outstanding shares of Bulk Barn. Bulk Barn is a wholly owned subsidiary of COHL.

Bulk Barn is a proudly Canadian privately held company, with registered corporate head office and distribution centre located in Aurora, Ontario. Established in 1982, Bulk Barn has successfully grown from one store to a chain of over 280 specialty bulk food stores, doing business in 10 provinces across Canada, all operating under the familiar brand name Bulk Barn®.

Bulk Barn® stores are operated corporately by Bulk Barn and at some locations by licensed independent franchisee operators. Licensed independent franchisee operators are responsible for the recruitment and management of their employees and are required to comply with applicable laws, including Human Rights and Employment Standards in the provinces in which they operate. Bulk Barn employs over 3,000 employees, employed throughout its corporate head office, distribution centre and retail stores.

Activities

Bulk Barn primarily operates in the retail and wholesale trade. Bulk Barn's reportable activities include importing goods into Canada. The Bulk Barn® chain of stores is supported by Bulk Barn's corporate head office which arranges for, among other matters, the purchase of domestic and imported merchandise sold at the retail stores as well as the transportation of merchandise to Bulk Barn® stores across Canada. Distribution to the retail stores is carried out from Bulk Barn's central distribution centre, located in Aurora, Ontario, or by direct delivery to stores by certain vendors.

Bulk Barn provides Canadian consumers with the opportunity to purchase a variety of bulk and prepackaged food products and ingredients, pet food, natural health products, and consumer products directly from our chain of retail stores, or to purchase those products through third party e-commerce platforms (where available).

Bulk Barn prides itself on creating a unique and exciting shopping experience, offering quality products and the flexibility to purchase as little or as much as a consumer may need.

Supply Chain

Bulk Barn works with both domestic and international vendors, to supply consumers with a large and diverse selection of products. Based on our 2024 supply chain analysis, 84% of our direct retail vendors are based in Canada, 15% of our direct retail vendors are based in the United States and the remaining 1% are international vendors.

Given that bulk merchandise constitutes the majority of the products sold at Bulk Barn stores, our supply chain due diligence program primarily focuses on simple ingredient bulk goods and imported goods.

Policies, Procedures and Due Diligence Processes

The following documents/policies support our due diligence program:

Vendor Product Supply Terms

Our Vendor Product Supply Terms are an integral part of our established procurement procedures and are provided to all of Bulk Barn's new and existing vendors. The Vendor Product Supply Terms outline our compliance expectations of vendors, including responsible sourcing and the requirements that: neither child labour nor forced labour be used in vendor supply chains; and that vendors maintain policies, practices, and procedures in relation to modern slavery.

By working with Bulk Barn, vendors accept our Vendor Product Supply Terms. All merchandise-related purchase orders reference our Vendor Product Supply Terms and link to our Vendor Portal where these terms can be accessed.

Third Party Code of Conduct for Business Partners

Bulk Barn has established a Third-Party Code of Conduct for Business Partners. This document sets out our expectations of business partners concerning, among other matters, ethical conduct and compliance with law including Human Rights and Labour Standards. A copy of our Third Party Code of Conduct is available on the Bulk Barn Website: [Bulk Barn Third Party Code of Conduct for Business Partners](#), as well as being incorporated into our Vendor Product Supply Terms as a schedule. All of our business partners are expected to comply with these requirements.

Vendor Fair Trade Practices and Legal Compliance Policy Letter

Our vendor policy letter is provided to vendors, confirming their fair trade and responsible sourcing practices. The requirement for fair trade and responsible sourcing practices specifically includes having policies, practices, and processes to monitor conditions and implement standards to prevent the use of forced and child labour in vendor supply chains.

Human Rights Policy and Procedures

Bulk Barn's Human Rights Policy and Procedures, established in 2020, outline our commitment to providing an environment free of discrimination and harassment, in which all individuals are treated with respect and dignity and are able to contribute fully and have equal opportunities. Our policy applies at every level of the organization and to every aspect of the workplace environment and employment relationship, including recruitment, selection, promotion, transfers, training, salaries, benefits, and termination. It also covers rates of pay, overtime, hours of work, holidays, discipline, and performance evaluations. Our policy ensures all our employees have the right to freedom from harassment and discrimination. As part of this policy, training and education is provided to all employees.

Employees can report incidents and complaints of workplace violence and harassment including human rights issues to our Human Resources Department by confidential internal email, by telephone or in-person. Reporting and investigations are handled confidentially, and without negative consequence to the complainant for complaints made in good faith. Investigations are conducted and corrective actions are implemented where deemed necessary.

Procurement Related Procedures

A forced and child labour survey was created in 2024 for use with our vendors. The survey collects information about vendors' policies and procedures regarding the mitigation of forced and child labour within their business operations and supply chains, including their mandatory reporting requirements, ethical audit memberships, verification of the country of origin for their goods and the identification of any forced or child labour risks.

Bulk Barn specifications and compliance checklists incorporate questions regarding vendors' human rights programs and product risks.

Grievance and Remediation Policy

Our Grievance and Remediation Policy was created in 2024 to create a process for investigating external grievance allegations of forced labour or child labour within our supply chain. This process also facilitates the implementation of remediation strategies, where appropriate, with support from our vendors.

Forced Labour and Child Labour Risks

Bulk Barn is committed to understanding and identifying the risks of forced and child labour within our business and supply chain. Like most retailers, our global supply chain is complex, providing various levels of product transparency.

Based on a high-level activity mapping exercise of our business activities and supply chains, we have determined that the inherent risk of forced and/or child labour in our business operations and activities is low based on the following factors:

- All corporate head office and distribution centre employees are directly employed by Bulk Barn.
- Our Human Resources Department is involved in the hiring of staff for our corporately operated stores.
- Our Human Rights Policy and Procedures are applicable to all employees throughout the organization.
- There are long-standing business relationships with the main service providers for our corporate head office and distribution centre.
- Bulk Barn complies with provincial labour and employment standards in the jurisdictions in which it does business.

The activity identified as having a higher risk of forced labour and/or child labour for our business is the procurement of agricultural commodities and imported merchandise. These categories will continue to be our focus in our due diligence program.

Utilizing the US Bureau of International Labor Affairs' Lists of Goods Produced by Child Labor or Forced Labor (referred to as the "**List**"), which identifies goods² and countries that are considered at risk for using child or forced labour, we conducted a review of our active simple ingredient bulk goods, sourced domestically or imported, that could be at risk for forced or child labour.

Consistent with our previous year's assessment, we identified approximately 30% of the goods in this category as containing a good potentially at risk (as identified from the List) from a country of risk. An examination of the forced and child labour survey responses from vendors of active simple ingredient bulk goods and imported goods revealed that the majority of these vendors have human rights policies and/or procedures in place to mitigate forced and/or child labour risk.

These survey results support our initiative to mitigate the risk of forced and child labour in our supply chain, and we will continue to monitor and follow up with our vendors to understand their strategies to implement or improve their human rights programs.

² "goods" means goods, wares, articles, materials, items, supplies, and merchandise.

Remediation

Bulk Barn is unaware of any situations of forced labour and/or child labour within its business operations or supply chain where remediation measures were required.

Accordingly, Bulk Barn was not involved in any remediation, including loss of income in 2024.

Employee Training

In January 2025, Bulk Barn conducted its second annual mandatory child labour, forced labour and modern slavery awareness training program for employees who work on our procurement and supply chain teams. The content of the training was intended to promote awareness of the forced labour and child labour legislation and to provide updates to participants regarding our due diligence program. The training program provided an explanation of key terms and definitions, examples of how modern slavery is used across the supply chain and examples of some of the riskiest imported goods.

Training will continue to be held annually and will elaborate on risks in the industry and ongoing developments in Bulk Barn's policies and procedures to identify, mitigate and reduce the risk of forced labour and child labour in our business and supply chains.

Additionally, this year one of Bulk Barn's due diligence program leads completed an in-depth online training course on forced and child labour provided by ILO (International Labour Organization). Continuing education on both international and Canadian forced labour and child labour regulations and compliance best practices will be the focus for our due diligence program team.

Assessing Effectiveness of Our Strategies

In 2024, we completed our initial review and risk rating of vendors of potentially higher risk goods. The effectiveness of our program is based on maintaining and monitoring the risk ratings of our vendors, with the goal of having all vendors of potentially higher risk goods having implemented strategies to mitigate forced and child labour within their supply chains. Vendor's ratings are reassessed as new information is provided and at least annually.

Based on the reassessment of our program in 2024, our due diligence program has been effective at identifying risks within our supply chain. We will continue to review our policies and procedures on an ongoing basis to reduce the risk of forced and/or child labour in our supply chain.

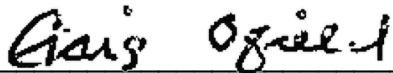
Approval and Attestation

The report was approved pursuant to paragraph 11(4)(a) of the Act by the sole director of Craig Ofield Holdings Ltd. and of Bulk Barn Foods Limited.

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.

For clarity, I am providing this attestation in my capacity as an officer and director of each of Craig Ofield Holdings Ltd. and of Bulk Barn Foods Limited, respectively, and not in my personal capacity.

May 1, 2025



Craig S. Ofield
Chairman, Director

I have the authority to bind Bulk Barn Foods Limited



Craig S. Ofield
President, CEO, Director

I have the authority to bind Craig Ofield Holdings Ltd.