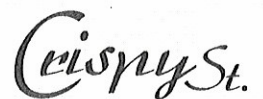




Report on Forced Labour and Child Labour in Supply Chain - 2024

For the fiscal year ending May 31, 2024





TWI FOODS INC.

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1. Application

This report has been prepared in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. It outlines the policies and procedures that TWI Foods Inc. (hereafter referred to as "the Entity") has established and will implement to prevent and mitigate the risks of forced labour and child labour within its supply chain.

2. Steps to prevent and reduce Risks of Forced Labour and Child Labour

TWI Foods Inc. has been diligently building and scaling its business to support sustained growth. Although we have not previously implemented targeted measures to address the risks of forced labour or child labour within our supply chains, we are now firmly committed to taking swift and effective action to prevent and mitigate these risks.

TWI Foods Inc. manufactures bakery products in Canada. We primarily source materials from the Canadian subsidiaries of large multinational companies and distributors. However, we also import certain raw materials and packaging components from the United States, India, China, Lithuania, and Malaysia. While vegetable fats (such as vegetable ghee, margarine, and shortening) are sourced from reputable suppliers and present a relatively low risk, we recognize the importance of proactively identifying and addressing potential risks across our broader supply chain.

We are undertaking the following initiatives:

- **Risk Assessment:** We will conduct a comprehensive assessment of the risks related to forced labour and child labour within our operations and supply chains. This evaluation will help us identify vulnerable areas and prioritize corrective actions.
- **Policy Development and Implementation:** We have developed a policy specifically addressing forced and child labour, which is currently being implemented. This policy outlines clear measures to detect, prevent, and mitigate such practices within our operations and supplier relationships.
- **Due Diligence Framework:** We are rapidly establishing robust due diligence policies and procedures to identify, address, and eliminate any instances of forced or child labour. These will promote oversight, accountability, and compliance across all levels of our supply chain.
- **Supplier Engagement and Monitoring:** We will collaborate closely with our suppliers to ensure they also have effective policies and processes in place to





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prevent the use of forced and child labour. Compliance will be supported through ongoing engagement and periodic audits.

TWI Foods Inc. is committed to strengthening its efforts to assess, manage, and reduce the risks of forced and child labour. These initiatives reflect our dedication to maintaining ethical standards and safeguarding the integrity of our global supply chains.

3. Structure, Activities and Supply Chains

TWI Foods Inc. operates within the industrial and food manufacturing sectors in Canada, specializing in the production of a wide range of bakery products, including flatbreads, cakes, cake rusk, cookies, and savory snacks. All our employees are based in Canada, and all manufacturing and operational activities are conducted domestically.

Our supply chain is primarily centered in Canada and the United States, with the majority of processing taking place within Canada. While vegetable fat (palm-sourced) is not a Canadian product, it is procured through reputable suppliers who are committed to ethical sourcing practices. We primarily source from North America and rely on our suppliers to import materials as required, with a strong emphasis on holding them accountable for upholding high ethical and sustainability standards.

TWI Foods Inc. is structured under the leadership of a President and supported by specialized departments for operations, sales and marketing, and finance. We also utilize fractional support for human resources (HR) and information technology (IT). The HR function reports directly to the CFO, while IT reports to the Vice President, allowing for streamlined operations and effective strategic oversight across all areas.

We are committed to maintaining ethical sourcing practices and full compliance with applicable regulations. Our organizational structure is designed to support efficient distribution, rigorous quality control, and excellence in procurement, quality assurance, and logistics; ensuring the integrity and sustainability of our supply chain at every level.

4. Policies and Due diligence Processes

TWI Foods Inc. is committed to preventing forced labour and child labour through rigorous employment screening procedures. All prospective employees are required to complete a job application, submit a detailed questionnaire, provide a resume for review, and create an employee profile within our HR system.





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As part of the screening process, we verify each candidate's eligibility to work in Canada, confirm the validity of their Social Insurance Number and/or driver's license, and conduct age verification where applicable. These measures ensure compliance with legal employment standards and reflect our dedication to ethical labour practices.

5. Forced Labour and Child Labour Risks

As a manufacturer of bakery products, TWI Foods Inc. recognizes that the most significant risk of forced or child labour within our operations likely resides in our vegetable fats supply chain. Given the essential role that vegetable fats play in our production, this segment of our supply chain requires close monitoring to ensure adherence to ethical sourcing standards.

Our supply chain for vegetable fats supported by four core suppliers. Three of these suppliers import raw palm oil and process vegetable fats domestically in Canada, while the fourth processes vegetable fats in Malaysia. Although our Canadian-based suppliers operate within a robust regulatory environment, the sourcing of vegetable fats from Malaysia (despite coming from a reputable supplier) requires additional scrutiny due to heightened regional risks of forced and child labour.

To strengthen oversight and promote responsible sourcing, we are committed to implementing the following measures without delay:

- **Supplier Contracts and Compliance:** We will work with our suppliers to incorporate strict contractual clauses requiring compliance with ethical sourcing standards. Additionally, we will request formal letters of compliance affirming their commitment to preventing forced and child labour throughout their supply chains.
- **Review of Supplier Declarations:** We will conduct a thorough review of anti-slavery and human trafficking statements from our key suppliers. This will ensure alignment with our own ethical standards and reinforce accountability.
- **Ongoing Engagement and Dialogue:** We will maintain regular communication with our suppliers to monitor and support their efforts in preventing forced and child labour. This collaborative approach will promote continuous improvement and shared responsibility.





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- **Risk Assessment:** We will conduct periodic risk assessments to identify and address any potential vulnerabilities within our supply chains, with a particular focus on regions where the risk of forced or child labour is higher.

- **Transparency and Reporting:** We are committed to enhancing transparency in our supply chain practices. Any findings or concerns related to forced or child labour will be reported promptly and addressed in collaboration with our suppliers.

While the majority of our supply chain activities occur within North America, we remain committed to proactively managing the risks associated with global sourcing. Upholding ethical business practices and ensuring the integrity of our supply chain are fundamental to our values and ongoing operations.

6. Remediation Measures

To date, no instances of forced labour or child labour have been identified within our operations or supply chain. In the event that such issues are discovered, TWI Foods Inc. is fully committed to taking immediate and appropriate corrective action to address and resolve the matter in a timely and responsible manner.

7. Remediation of Loss of Income

No specific measures have been required in this area, as no vulnerable families have been identified as having experienced a loss of income as a result of actions taken by TWI Foods Inc. to eliminate forced labour or child labour from our supply chain.

8. Training

We have trained our managers to utilize a standardized screening questionnaire during candidate interviews. This process includes verifying the candidate's eligibility to work in Canada, confirming possession of a valid Social Insurance Number and/or driver's license, and conducting age verification when applicable.





9. Assessing Effectiveness

To the best of our knowledge, no instances of forced or child labour have been identified within our operations or supply chain. TWI Foods Inc. remains committed to the ongoing monitoring and assessment of our operations and supply chain to prevent the occurrence of unethical labour practices.

10. Approval and attestation

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, and specifically section 11 thereof, I hereby attest that I have reviewed the information contained in this report for the entities listed above. To the best of my knowledge, and having exercised reasonable diligence, I confirm that the information provided is true, accurate, and complete in all material respects for the purposes of the Act, for the reporting year indicated above.

Ali Kizilbash

President

21st May 2025

I have the authority to bind TWI Foods Inc.



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