



Introduction

Upfield Canada Inc.

This submission is Upfield Canada Inc.'s Statement under Section 11 of the Canadian "Fighting Against Forced Labour and Child Labour in Supply Chains Act", and it details the steps taken by Upfield Canada and its affiliated entities to prevent human rights risks, including forced labour, child labour, slavery and human trafficking, throughout our business operations and supply chain in respect of the financial year ending 31 December 2023.

Structure

UPFIELD CANADA INC., is an Ontario corporation (herein, "Upfield") with a fiscal year ending 31st December. Upfield is a wholly owned subsidiary of Upfield B.V., a private company with limited liability, headquartered in the Netherlands, and both are part of and operate within the "Upfield Group". Upfield Group, established in 2018, is comprised of Sigma Holdco B.V. and its subsidiaries. Upfield Group is a global leader in plant-based food, with core categories of spreads and butters, creams, liquids and cheeses. Globally, Upfield Group is the leading producer of plant-based spreads and other plant-based consumer products, with iconic brands such as FLORA, RAMA, BECEL, VIOLIFE, BLUE BAND and COUNTRY CROCK. Superior taste and quality are the standards we and our predecessors have set for our products since 1871. We have been the margarine and spread category authority, giving us unmatched experience, know-how and inspiration to support the "Future of Food".

In Canada, Upfield produces, distributes, and markets dairy alternative products and operates from a headquarters located in Toronto, Ontario, and also operates one manufacturing facility in Brantford, Ontario. Upfield employed approximately 179 employees as of 31 March 2024 in Canada, Upfield Group employed an average number of 4,668 employees, calculated on the basis of full-time equivalents, during calendar year of 2023.

At Upfield, as the Future of Food, respecting and promoting human rights is fundamental and we recognise that we have a responsibility to operate in line with high standards of integrity and ethics according to internationally recognised human rights standards, including to identify and prevent the risks of forced labour, child labour, slavery and human trafficking. This objective is consistent with our [Human Rights Policy](#), as well as Upfield Group's core values of Performance, Passion, and Care in everything we do, and we encourage others to do the same. Our operations and supply chain are guided by our Human Rights Policy and its principles. Upfield Foods UK Limited, an entity within Upfield Group, annually files a Modern Slavery Statement in compliance with the Modern Slavery Act 2015.

At Upfield, sustainability is at the heart of everything we do. As a leader in plant-based foods, we are driven by our purpose to transform the global food system in partnership with our customers, suppliers, and stakeholders across our value chain. Our Environmental, Social, Governance ("ESG") strategy was developed to address our material impacts and opportunities. In 2023, we continued to implement our strategy and put our purpose into action to deliver positive impact across the four pillars: providing Plant-Based foods, enabling Healthier Lives and Happier People,

and to contributing to a Better Planet for us all. A cross-functional ESG leadership team within Upfield Group is responsible for the implementation, progress monitoring and management of material ESG risks and opportunities. A reflection of how well we manage ESG risk can be seen in our 2023 Sustainalytics rating, where Upfield Group achieved a risk rating of 22 during the reporting period, placing Upfield Group in the top 5% in the Packaged Foods sub-industry and the top 7% of the broader Food Products industry. This reflects Upfield Group's steadfast commitment to responsible and sustainable business practices.

Activities During 2023

Upfield manufactures and distributes plant-based margarines, spreads and plant-based cheese alternative products for the Canadian market. Upfield also imports certain plant-based spreads, cheese alternative and cream products from its affiliates in the U.S. and the European Union as well as exporting certain plant-based spreads and cheese alternative products it manufactures in Canada to its affiliates in the U.S. and Latin America. Upfield seeks to comply with the applicable provisions of the Customs Act and applicable laws and regulations governing import and export activities.

Supply Chain

Our supply chain contemplates more than 70 direct and indirect suppliers, including local suppliers for raw materials, which are primarily plant-based oils, and packaging materials. Upfield in Canada mainly consumes canola and soybean oils which are produced locally in Canada and U.S., other oils such as palm, palm kernel oil and its derivatives which have origin in Southeast Asia, and olive and avocado oils with origin in Europe. Imported oils must be processed and packaged in North America by local suppliers to meet Upfield quality and operational requirements. All oils and raw materials purchased by Upfield, must comply with Upfield's responsible sourcing policies. Upfield also purchases services, equipment, spare parts, and consumables from local suppliers as well as from parties in North America and Europe for its operations in Canada.

To deliver on our principles in support of human rights, Upfield has established a process to identify, prevent and mitigate potential human rights risks, including forced and child labour, slavery and human trafficking risks, that might occur in our operations and supply chain.

This Statement sets out the actions that Upfield has taken this year to evaluate, understand and mitigate potential human rights risks, including as to forced and child labour, relating to our business and supply chain. It also highlights the measures currently in place and any enhancements required to address human rights risks and eliminate the possibility of forced and child labour, slavery and human trafficking occurring in our business and supply chain.

A. Steps to Identify, Prevent and Reduce Human Rights Risks

Policies and Human Rights Due Diligence Process

We have developed and implemented various compliance and supplier due diligence processes to support Upfield's commitment in respecting human rights and outlining Upfield's requirements with respect to third parties.

When it comes to our suppliers, which vary from small to large multi-national companies located across three continents (North America, Europe and Asia), operating with integrity requires significant effort to manage legal, operational and policy compliance. Upfield seeks to play an active role in ensuring suppliers adhere to our standards. For that purpose, key policies, and a due diligence process for Upfield's employees and suppliers are in place to set out Upfield's commitment to respecting human rights and outlining its requirements towards third parties.

From a governance perspective, Upfield is committed to the prevention and mitigation of human rights risks, including forced and child labour, slavery and human trafficking in our operations and supply chain through the implementation of:

1. **The Upfield Code of Conduct and Business Partners Code of Conduct:** from the inception of Upfield in July 2018, we have maintained and communicated our core values and commitment to compliance to employees and suppliers through principles or codes of conduct.

The Upfield Code of Conduct and the Business Partners Code of Conduct contain a Human Rights chapter that covers how we aim to respect human rights in our own operations, with our varied network of partners and in the communities in which we operate.

All employees and new suppliers are asked to review and confirm compliance with the respective Code. We maintain a link to our applicable policies, including the Code of Conduct, in our standard contractual terms and conditions and agreements with external third parties, so suppliers know our standards are mandatory and that they must agree to adhere to them in order to work with Upfield. We also ensure regular training on the Code of Conduct to build awareness and ensure employee adherence.

2. **Human Rights Policy:** Upfield has established a human rights due diligence process that follows a risk-based approach to identify and mitigate the salient risks in our operation and supply chain. Our approach has been defined in Upfield's [Human Rights Policy](#), which is aligned with the Universal Declaration of Human Rights, the International Bill of Rights, the International Labour Organization's Fundamental Conventions, the UN Global Compact Ten Principles, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and other relevant international legal instruments that are mandatory considering Upfield's operations.
3. **Responsible Sourcing Policy (RSP):** In October 2022, Upfield Group approved the updated Responsible Sourcing Policy, which affirms the principles that must guide our suppliers' operations based on respecting human rights, international labour standards, including the prohibition of forced and child labour, slavery and human trafficking. Suppliers must meet all the criteria defined in the Responsible Sourcing Policy and report any breach of this specific policy.
4. **Key commodity Policies:** Upfield Group has identified potential human rights risks in key commodity supply chains through a due diligence process. To mitigate those risks,

including forced and child labour, slavery and human trafficking, Upfield has issued policies to ensure suppliers comply with specific standards for sourcing palm oil, soy, shea, coconut, and pulp & paper. The mentioned policies include dispositions about the suppliers' obligation to ensure compliance with the Human Rights Policy and the Responsible Sourcing Policy to require respect and promotion of human rights, the improvement of employees' working conditions and the compliance of environmental standards in their operations.

5. **Recruitment Policy:** Upfield operates a robust recruitment process in line with company guidelines for its employees and other agency workers, including conducting eligibility to work, including immigration status and work authorization within Canada, for all employees and agency workers including to safeguard against forced and child labour and human trafficking.
6. **Upfield Third Party Due Diligence Process:** Ahead of working with each new third-party supplier and other business partners, a due diligence review and multi-level screening process is being conducted. The screening process consists of the following key elements:
 - Supplier self-evaluation questionnaire.
 - Professional review of global databases on specific risks identified and linked to a prospective business partner; and
 - Supplier audits and certification program through implementing various Sedex tools, including external Sedex Members Ethical Trade Audit (SMETA) audits.
 - Sustainability certification standards on key commodities to ensure responsible sourcing in our supply chain, like the Roundtable on Sustainable Palm Oil certification.

We use our ethical sourcing assessment program to determine and prioritise areas and types of suppliers at risk of child, forced or compulsory labour practices. We then use a variety of mechanisms to mitigate these risks, including engaging with suppliers in particular regions, collecting and evaluating data from these suppliers, and working together to implement corrective actions where appropriate.

The due diligence process is managed and monitored by operational risk owners in close cooperation with global, regional, and local compliance officers.

7. **Upfield's Human Rights Due Diligence Strategy**

In 2022, Upfield Group implemented a "Human Rights Roadmap" developed with an expert Business and Human Rights consultancy firm to ensure our approach complies with human rights laws and regulations.

In 2023, Upfield further defined and enhanced its Human Rights Due Diligence process, as further detailed below. This process is based on a risk-based approach divided into five stages: identification of risks, prioritisation of risks, mitigation measures, monitoring and evaluation, and communication. The process involves our supply chain, which varies from small to large multinational companies across the globe.

B. Identification of risks

Following recognised standards, we implemented a human rights risk assessment methodology to identify the actual and potential risks associated with our operation and supply chain. We evaluated:

- The scope of our operations and supply chain, identifying our stakeholders, and recognising which actions and decisions could directly or indirectly impact human rights.
- The risks identified as salient issues by relevant benchmarks in the packaged food sector.
- The social and environmental risks identified in our supply chain, including suppliers and business partners in the location where the company operates and where our high-risk commodities are purchased.
- The incidents, complaints, Speak Up cases and grievances the company has received related to human rights matters.

Based on this initial analysis, we identified the potential risks in our operations and supply chain. Considering that the potential risks were consulted and ratified by relevant stakeholders, we proceeded to review the [Human Rights Policy](#) accordingly to update our governance policies and processes to prevent the occurrence of any of the potential risks.

As a result of this identification of potential risks, Upfield defined “Zero Tolerance for all forms of forced labour and human trafficking” as one of the Human Rights Principles that must guide all Upfield employees and associates, business partners, suppliers, customers, and other relevant stakeholders in our supply chains.

C. Prioritisation of Risks

Considering the potential risks identified, we defined specific criteria to classify them according to their likelihood of happening and their potential impact based on a rights-holder perspective, considering each risk’s scale, scope, and ability to remediate it. Thus, the risks with the highest impact and most likely to happen had a higher severity and were classified as ‘Salient Issues’.

Additionally, Upfield Group established a process for our supply chain to identify and prioritise the Salient Issues derived from the geographical location of the commodities we purchase. The pre-screen tool from [Sedex Radar](#) allows Upfield Group entities to dive deep into the supply chain and analyse the socio-economic risks derived from the regions where commodities are purchased so that we can closely track the labour, health and safety, environmental and business ethics risks from each region as part of our human rights due diligence process.

For our operations, we defined Upfield’s Human Rights Salient Issues to be a) Health and Safety incidents or violations of relevant legal dispositions on the matter and b) discrimination and harassment practices among employees. For our high-risk commodities, the Human Rights Salient Issues are a) forced labour practices focused on the palm oil supply chain; and b) lack of fair labour conditions for workers in the value chain.

D. Mitigation measures

The mitigation measures defined by Upfield include creating or modifying governance frameworks to establish clear accountability and responsibility for human rights, as well as concrete actions, programmes and strategies to tackle the causes of the risks and improve their existing controls. For instance, Upfield's [Human Rights Policy](#) is reinforced in the other governance policies, such as the [Code of Conduct](#), [Business Partner Code of Conduct](#), [Diversity, Equality and Inclusion Policy](#), [Responsible Sourcing Policy](#), and the commodity-specific responsible sourcing policies we have issued.

Upfield Group has defined actions to cease and prevent the occurrence of human rights salient issues:

1. Upfield's standard contractual terms and conditions include suppliers' obligation to agree with our Policies and Guidelines, which are included in the [Supplier Centre](#).
2. Additionally, as part of the onboarding process, all suppliers must acknowledge the content of the key policies addressing human rights risks and compliance before the contract is executed.
3. All suppliers in scope must have a [Sedex](#) Self-Assessment Questionnaire (SAQ) to verify their human rights due diligence and identify potential human rights and environmental risks. Our target is for 100% of suppliers in scope¹ to complete the Sedex Self-Assessment Questionnaire by 2025. If we identify a supplier as high-risk² based on the SAQ, we will request a SMETA (Sedex Members Ethical Trade Audit), which is the most widely used format for social audits in the world, enabling businesses to assess their sites and suppliers to understand working conditions in their supply chain, to ensure that the supplier addresses human rights findings adequately.
4. For high-risk commodities³, we drive compliance by our suppliers to prevent violation of human rights through the certifications we require from them. For example, we require the Roundtable Sustainability Palm Oil (RSPO) Certification for palm oil suppliers. This certification evaluates that suppliers respect, assess, address, and remediate, if relevant, environmental and human rights standards within their workforce and supply chain, including workers' labour rights, freedom of association and collective bargaining, forced labour, child labour, all forms of harassment and non-discrimination. Although not identified as a risk resulting from the measures taken within Upfield Group to prevent forced and child labour, outlined in this report, it is important to highlight that we are committed to ensuring that vulnerable families do not suffer from loss of income within our supply chain by Upfield Group's enforcement through principles in our [Responsible Sourcing Policy](#) and other relevant policies. Upfield Group has implemented robust measures to prevent such occurrences, prioritizing the well-being and dignity of all individuals involved in our supply chain.

¹ The category 'suppliers in scope' refers to the *direct suppliers*, which provide goods or ingredients to Upfield Group that are then directly incorporated into the final product being manufactured by Upfield Group, and to the *targeted indirect suppliers*, which provide services and equipment with an annual spending \geq 100k EUR.

² The category 'high-risk suppliers' refers to suppliers with an overall risk score higher than 6.0 on the Sedex Self-Assessment Questionnaire.

³ Palm oil, soybean oil, paper & pulp and coconut oil suppliers.

5. We also actively participate in multi-stakeholder initiatives to improve human rights due diligence standards within the fast-moving consumer goods (**FMCG**) industry. We are part of the Human Rights Coalition and the Palm Oil Working Group of the Consumer Goods Forum. Our participation is focused on contributing to joint work with other companies to unify human rights standards in the industry, identify similar challenges we face, and propose joint action to tackle systematic issues.

6. Furthermore, Upfield Group has strategic relationships with non-governmental organisations (NGOs) and other entities, such as Earthworm Foundation, to support our human rights and environmental due diligence process in matters that could be relevant to our operations and supply chain, including the prevention of forced labour and human trafficking.

E. Monitoring & Evaluation; Assessing Effectiveness

We actively monitor our human rights approach to keep it to the highest standards and to verify the effectiveness of the preventive and mitigation measures defined as part of our human rights' due diligence process. Concretely, Upfield has established the following monitoring mechanisms:

Control monitoring: Upfield has established surveys to maintain transparent communication relationship with employees. Additionally, Upfield has developed internal audits that include Environmental, Social and Governance ("**ESG**") standards within the evaluation. Moreover, we conduct third-party independent audits, including SMETA in our factories, to verify compliance with legal and ethical standards in our own operations.

In 2023, we continued our ongoing auditing process, completing the SMETA audit for our manufacturing site in Canada. Overall audit results were satisfactory. Improvement opportunities have been identified and addressed by the organization. For our supply chain, Upfield Group has defined the "Supplier Due Diligence Onboarding System", the Sedex Self-Assessment Questionnaire, the Sedex SMETA and the high-risk suppliers' certifications as tools it implements to verify suppliers' ethical performance.

Incident monitoring: Upfield has implemented a robust grievance system to monitor issues internally and externally. For Upfield's internal and external stakeholders, the Speak Up channel allows persons to report concerns anonymously and allows us to monitor and address any abnormal circumstance, including related to human rights issues, including forced labour and human trafficking.

We aim to always support a culture where people are treated fairly and with respect and have an outlet where business practices can be reported without fear of reprisal. Reported concerns are investigated and addressed within the Upfield Group Compliance Committee which reviews matters across the Upfield Group. The Compliance Committee comprises the Chief Financial Officer, the General Counsel, the Chief People and Organisation Officer and the Head of Internal Audit. The Chief Compliance Officer chairs the Committee.

Furthermore, the [Business Partner Code of Conduct](#) defines suppliers' obligation to establish grievance mechanisms, which align with Upfield Group's Code standards. Finally, to the necessary extent, Upfield will monitor and analyse the legal claims received against the company to identify any potential breach of human rights legal standards that they might reflect.

F. Training and Communication

We are committed to communicating transparently with all our stakeholders. For that purpose, we have established a range of communication channels to provide relevant information regarding our human rights approach efforts, strategies, and activities to all the stakeholders who could, directly or indirectly, be affected by our operations and supply chain, including our actions to identify and prevent forced and child labour and human trafficking.

Following our periodical human rights risk assessment, we have defined specific channels to communicate our human rights approach, including impacts and priorities. Externally, the [ESG Centre](#) contains public documents related to Upfield Group's overall ESG performance (including human rights matters), such as the ESG Annual Summary, the ESG Addendum, the ESG Policies and the Grievance Tracker. Internally, we have also defined the Viva Engage ESG Activation Station and Cultivate, our eLearning platform, as some of the channels we use to publish human rights-related material, including information on our Zero Tolerance to Forced Labour and Human Trafficking.

Additionally, a Human Rights module was included in our Code of Conduct e-learning. We aim to ensure that all Upfield Group employees understand and are aware of the risks of forced and child labour, slavery and human trafficking and can actively assist in its detection and prevention.

We also provide specific and specialised training by role, depending on each employee's responsibilities and risks. For instance, we have developed role training for employees who must know about human rights matters to maintain our Roundtable Sustainable on Palm Oil (RSPO) Certification.

2024 and Beyond

Upfield recognises the importance of maintaining constant vigilance to identify and address human rights risks, including forced and child labour, slavery and human trafficking, in its own business and its supply chain. Recognising this, we remain committed to upholding human rights and safety in our operations and supply chain. We will continue vigilance in monitoring the progress and effectiveness of our programmes in preventing and mitigating human rights risks, including forced and child labour, slavery and human trafficking, annually and shall report on our progress as we continue in our journey. We will maintain our commitment and duty to respect human rights and prevent forced and child labour, slavery and human trafficking throughout 2024 and beyond. For that purpose, in 2024, Upfield will continue focusing on implementing the Human Rights Roadmap to support continuous improvement by documenting and enhancing the processes established for Upfield Group to identify and mitigate human rights risks, including the prevention of forced and child labour, slavery and human trafficking.

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 or 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 list above.

I have the authority to bind Upfield Canada Inc.

Daniel Costello

Daniel Costello

Director

May 30, 2024

I have the authority to bind Upfield Canada Inc.

James Breach

James Arthur Breach

Director

May 30, 2024