

Gay Lea Foods Co-operative Ltd.

Fighting Against Forced Labour and Child Labour in Supply Chains Act Report

Reporting Year 2024

Executive Summary

Gay Lea Foods Co-operative Limited (“Gay Lea Foods”), is a Canadian dairy product manufacturer that produces exceptional products for retail, foodservice, industrial and export markets. The co-operative is 100% Canadian-owned, with members on more than 1,200 dairy farms in Ontario and Manitoba, and more than 3,000 investor shareholders.

Gay Lea Foods is committed to transparency in reporting and its obligation to ensure that no forced or child labour is used throughout its portfolio of entities or supply chain. Activities spanning the production and supply chain include careful identification and monitoring of suppliers and the responsible sourcing of raw materials. With consideration to Canada's *Labour Standards Regulations*, Gay Lea Foods is committed to preventing and reducing the risk of forced and child labour, and to implementing policies and practices to create a workplace environment that values the rights and dignity of its labour force.

Supplier management is a critical aspect of Gay Lea Foods' commitment. As of 2023, the co-operative requires all suppliers to review and adhere to a Supplier Code of Conduct, outlining its expectations with regard to forced and child labour, and complete a Supplier Declaration Questionnaire. The co-operative, inclusive of its entities, evaluates suppliers through a Sustainability Risk Matrix, grouping them based on sustainability risk levels and following up with communications regarding corresponding expectations.

In 2024, Gay Lea Foods identified select high-risk non-dairy ingredients and conducted in-depth supply chain analyses. These assessments, conducted through supplier engagement and third-party documentation found:

- **No evidence of child labour or forced labour.**
- Supplier commitments to ethical sourcing and transparent labour practices.
- Valid third-party certifications or signed declarations in support of zero-tolerance practices.

Gay Lea Foods' comprehensive approach, including internal and external policies, supplier engagement, and due diligence practices, reflects the co-operative's commitment to ethical and sustainable practices throughout its supply chains. **In 2024, Gay Lea Foods and its entities have not identified forced labour or child labour risks, or instances related, within any aspects of its activities or supply chain.**

Preventing and Reducing Risks of Forced Labour and Child Labour

Gay Lea Foods is committed to ethical practices and social responsibility that recognizes the importance of preventing modern slavery within its operations and supply chains. The co-operative is proud to be a significant employer in Canada, employing more than 1,400 employees across the country. Gay Lea Foods provides a wide range of employment opportunities and promotes fair labour practices, valuing the contributions of its diverse workforce. As a co-operative, stakeholder membership consists of farmers on more than 1,200 dairy farms across Ontario, and Manitoba, as well as investors and employees.

Under its portfolio of entities in 2024, inclusive of Bothwell Cheese Inc, Alberta Cheese, Grober Nutrition, Ladouceur Milk Transport and Hewitt's Dairy Limited, Gay Lea Foods ensures that all brands adhere to consistent high standards. This includes transparency in reporting and a commitment to eradicating forced labour and child labour by proactively assessing its supply chain. Its business activities encompass the sourcing, processing, production, sale, and distribution of goods while maintaining a clear understanding of the kinds and volumes of goods involved at each stage.

To prevent and reduce the risk of forced labour or child labour, Gay Lea Foods has taken the following steps in the previous financial year:

- Mapping all new supply chains
- Conducting an internal assessment of the risks of forced labour and/or child labour in the organization's activities and supply chains
- Developing and implementing an action plan for addressing forced labour and/or child labour
- Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour
- Developing and implementing due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains
- Requiring suppliers to have policies and procedures in place for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains
- Monitoring suppliers
- Enacting measures to provide for, or cooperate in, the remediation of forced labour and/or child labour
- Developing and implementing grievance mechanisms
- Developing and implementing procedures to track performance in addressing forced labour and/or child labour
- Engaging with supply chain partners on the issue of addressing forced labour and/or child labour

Canadian dairy product manufacturers source the primary inputs of their products, milk, from Canadian dairy farmers through provincial milk boards. Therefore in 2024, we recognize Canadian Dairy Commission's (CDC) 2024 Modern Slavery Act Report outcomes, which confirms:

- Domestic dairy products pose minimal risk under current regulatory and ethical standards.

Gay Lea Foods supports this low-risk categorization and continues to monitor compliance across our dairy supply chain. Gay Lea Foods encourages a collective commitment to eradicating modern slavery and is unwavering in its pursuit of ethical and sustainable practices within the co-operative and throughout supply chains.

Policies and Due Diligence Processes

Gay Lea Foods is compliant with *Canada's Labour Standards Regulations* and upholds all relevant provincial and municipal employment laws. All employees work in Canada, primarily in Ontario, and are covered by robust policies that reflect the co-operative's commitment to fair labour practices and human rights.

Labour Force Policies and Procedures

Gay Lea Foods fosters a workplace that respects the rights and dignity of all employees through the following core policies:

- **Ethics Policy:** Sets clear expectations for legal and ethical conduct, including compliance with health, safety, and employment laws.
- **Hiring and Posting Policy:** Establishes a minimum employment age of 16 (18 for high-risk tasks), preventing the employment of underage labour.
- **Gay Lea Foods Code of Conduct:** Emphasizes adherence to the UN Global Compact Principles 4 and 5, supporting the elimination of all forms of forced and child labour.

Procurement and Supply Chain Due Diligence

Gay Lea Foods maintains comprehensive supply chain oversight to prevent forced and child labour through:

- **Supplier Code of Conduct** (est. 2023): All suppliers must comply with applicable human rights and labour laws, maintain zero tolerance for modern slavery, and meet or exceed international standards. Non-compliance may result in corrective actions or termination.
- **Supplier Declaration Questionnaire** (est. 2023): Requires all current and future suppliers to confirm their policies prohibit child and forced labour and demonstrate alignment with ESG standards.
- **Sustainability Risk Matrix** (est. 2023): Used to evaluate suppliers based on product risk, sourcing country, third-party certifications, and ESG policies. Suppliers are categorized as Green (low risk), Yellow (medium risk), or Orange (high risk), with tailored engagement expectations.

As of the date of this report, no cases of forced or child labour have been identified in Gay Lea Foods' operations or supply chain. Therefore, no remediation or income-loss mitigation measures have been required.

Ensuring that employees are aware of the signs of modern slavery and human trafficking is essential for early detection and prevention. Therefore, Gay Lea Foods will develop and begin to execute regular, mandatory training sessions and awareness programs to educate staff about the risks associated with modern slavery and empower them to report any concerns or suspicions.

Gay Lea Foods regularly monitors and evaluates its efforts to ensure ongoing compliance with *Canada's Modern Slavery Act* and other relevant legislation. Additionally, it maintains transparent reporting mechanisms to encourage whistleblowing and, when necessary, facilitates the reporting of any instances or suspicions of modern slavery within the organization and supply chain.

Attestation – Reporting Year 2024

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 listed above.

I have the authority to bind Gay Lea Foods Co-operative Limited.

Full name: Rob Goodwill

Title: Chair of the Board, Gay Lea Foods Co-operative Ltd.

Date: May 26, 2025

Signature:

A handwritten signature in black ink, appearing to read 'Rob Goodwill', written in a cursive style.