
Pacific Coast Fruit Products Ltd

Statement on the Prevention of Modern Slavery and Human Trafficking

Published: May 24, 2024

Overview

Pacific Coast Fruit Products Ltd (“PCFP” or the “**Company**”) is producing this report (the “**Report**”) in accordance with Section 11(1) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) for the financial year ended December 31, 2023.

This Report sets out PCFP’s actions to identify and understand any forced labour or child labour risks related to our business and describes the policies and processes the Company has in place to combat these potential risks in our business and supply chains.

This Report has been approved by PCFP’s board of directors (the “**Board of Directors**”). All information provided in this Report pertains to Pacific Coast Fruit Products Ltd., as the entity required to report pursuant to Section 11(1) of the Act. All information presented in this Report is current as of the date set forth above unless otherwise indicated.

About PCFP

Structure

Pacific Coast Fruit Products Ltd is a food processing and distribution company supplying high quality fruit products for emerging and existing high-growth industries including specialty beverages, ciders, craft breweries, preserves, dairy and baby food nutraceuticals.

Based in Abbotsford British Columbia, PCFP operates two facilities. The first and largest facility focuses on the production of high-quality fruit juice concentrates, NFC (not from concentrate) juice, purees, and puree concentrates for the food and beverage industry. This facility operates on a continuous 24-hour, 7 day per week basis to ensure products are delivered in a timely manner. The second facility, located close by in Abbotsford BC, is able to run similar products to its larger partner facility with the added distinction of packaging the products in aseptic bag-in-box or drums. Our smaller facility also has the capacity to process fruit into both ready to eat and bakeable fillings for use in the commercial baking industry. This facility runs on a four-day 10-hour shift basis.

Pacific Coast Fruit Products Ltd is headquartered at 2890 Garden Street, Abbotsford British, Columbia.

Supply Chains

PCFP’s main ingredient consists of raw fruit, sourced both locally from the surrounding Fraser Valley British Columbia agricultural area and internationally. While the majority of fruit ingredients are sourced from Canada and the United States, PCFP does source fruit internationally.

PCFP maintains a strict certification guideline regarding Food Safety System Certification (FSSC 22000) for both CII (processing of perishable plant products), and CIV (Processing of Ambient Stable Products). These certifications and audit processes require the tracking and confirmation of ingredients from source.

Policies and Due Diligence Processes

Policies

The Company implements the following policies to mitigate the risk of forced labour and child labour in its business and supply chains:

1. *Code of Conduct and Business Ethics*: The Company's Code of Conduct and Business Ethics ("**Code of Conduct**") clearly sets out the Company's core values, and the actions and behavior expected from all PCFP directors, officers and employees. The Company also expects its contractors and suppliers to adhere to the spirit of the Code of Conduct. The Code of Conduct requires all PCFP representatives to comply with the letter and spirit of all applicable laws, rules and regulations in the jurisdictions that the Company operates in, including those pertaining to health & safety and human rights. All reported violations of the Code of Conduct are reported to the Company's senior leadership and directors (a committee of the Board of Directors). The Code of Conduct is available on the Company's website.

Due Diligence Processes

The Company also mitigates the risk of forced labour and child labour in its business and supply chains through various mandated due diligence processes.

As part of its standard recruitment and hiring process, the Company conducts background checks and verifies identification for every prospective employee and maintains these records in its confidential files in accordance with applicable law. The Company also requires that all new employees receive mandatory training on the Code of Conduct (as described above) as part of their onboarding. The Company's employees are also required to annually acknowledge that they have reviewed and are complying with the Code of Conduct.

The Company also implements a number of due diligence processes in certain circumstances to mitigate the risk that forced labour or child labour is used by the Company's suppliers or service providers, including the following:

1. Initiation of a requirement for suppliers and transportation providers to undertake a letter of guarantee/statement of compliance for raw materials and finished goods which enables the Company to further evaluate its suppliers and service providers based on specified criteria. This criterion includes the following statements:
 - i) compliance regarding local state/provincial/federal employment guidelines including minimum wage guidelines,
 - ii) affording safe and sanitary working facilities,
 - iii) hiring based on a non-discriminatory basis
 - iv) does not subscribe to forced labour or slavery and
 - v) have developed and adopted adequate internal company control systems that discourage bribery and corruption.

2. Maintaining respected and identifiable audit standard with regard to food traceability and product standards through FSCC (ISO) 22000 including audit of PCFP supply chain processes in the audit process. These standards are audited annually through global partners including SAI Global demonstrating PCFP's commitment to a robust and transparent production process and including ingredient traceability.

Risk Assessment

PCFP is generally responsible for arranging for shipments of its products to and from export markets outside of Canada and the US. A review of Global Slavery Index-2023 notes the top 5 imported products at risk of modern slavery for Canada being Electronics, Garments, Gold, Sugarcane and Textiles. PCFP's main ingredient and import being raw fruit, we fall outside the identified import product groups, however, we continue to assess risk based on the information derived from mitigation measures outlined above.

The Company mitigates this risk through the due diligence practices outlined above.

Remediation Measures

The Company did not discover nor was made aware of any instances of forced labour or child labour in its operations and supply chains during 2023 and, consequently, no remediation measures were required.

Training

As mentioned above, the Company requires all new employees to participate in mandatory training on the Company's Code of Conduct as part of their onboarding. Moreover, the Company's employees are required to comply with all Company policies, including all policies described in this document, and the Company provides regular training and testing to ensure that all employees understand such policies.

Assessing Effectiveness

The Company primarily assesses the effectiveness of its policies and due diligence processes relating to forced labour and child labour through monitoring and evaluating any concerns raised through its Code of Conduct policy (as described above). The Company also provides its employees a forum to raise any concerns through regular, confidential employee engagement surveys, the results of which are used to inform updates to the Company's policies and changes to our workplace. To date, no issues relating to forced labour or child labour have been raised.

The Company seeks to evaluate the performance of our suppliers and service providers, including their compliance with our Code of Conduct, to ensure that the Company's business relationships align with our strategic objectives and core values. The Company documents any instances of non-compliances from our suppliers and service providers, including violations of our Code of Conduct, and will consider such non-compliances as we engage such supplier or service provider for future projects or, in some circumstances, terminate our business relationship with such supplier or service provider.

The Company's Board of Directors is responsible for assessing the overall effectiveness of the Company's corporate governance policies, including the Code of Conduct. The Board of Directors will review the Code of Conduct on an annual basis.

Steps Taken in 2023

The Company has taken the following steps during the 2023 financial year ended December 31, 2023 to prevent and reduce the risk that forced labour or child labour is used at any step of the production of the Company's goods:

1. continuing to implement the policies and mandated due diligence processes described in this Statement;
2. providing mandatory training on the Company's Code of Conduct to all new and existing Company employees.
3. undertaking a confidential engagement survey to solicit feedback from all employees regarding working conditions at the Company's workplaces.

The Company intends to continue to review and update its policies, procedures, and processes to ensure that it maintains appropriate safeguards against the risk of forced labour and child labour in its business and supply chains. The Company will also continue to implement its training processes to ensure that all employees are empowered to identify and report any suspected instances of forced labour and child labour in the course of their employment at PCFP.


Attestation follows on the next page.

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 this statement for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the statement is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

ATTESTED this May 23, 2024.

By order of the Board of Directors

A handwritten signature in black ink, appearing to read "David Rountree", is written over a horizontal line.

Chair, Board of Directors
Pacific Coast Fruit Products
Ltd.

I have authority to bind the Company.