



THOMAS, LARGE & SINGER INC.

**FIGHTING AGAINST FORCED LABOUR
AND CHILD LABOUR IN SUPPLY CHAINS**

Inaugural Report for the Financial Year Ended January 31, 2024



OUR COMMITMENT TO RESPONSIBLE SUPPLY CHAINS AND RESPECT FOR HUMAN RIGHTS

The following report (the "**Report**") has been prepared by Thomas, Large and Singer Inc. ("**TLS**", or the "**Company**") in accordance with the reporting requirements under Canada's new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") for the financial reporting year ended January 31, 2024.

Our commitment to responsible distribution of goods is grounded in the ethos of our business as a family business founded in 1912 to help service end-to-end distribution and sales across consumer-packaged goods (CPG) clients. TLS began in Canada as a food brokerage in Toronto and has a rich history of growing its operations. Over our 100+ year history, we are proud to have grown into a leading CPG service provider in North America, helping brands across the globe sell and deliver products to Canada and the U.S. through our innovative sales and supply chain solutions.

The content in the Report has been organized according to the information required by the Act.
CORPORATE STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

TLS is a fourth-generation family owned, privately held Canadian corporation providing distribution, buy and sell, import, financial, systems and sales services to domestic and international clients. TLS is a preferred value chain solutions provider in the consumer-packaged goods industry for many North American and international clients. Further information on our core business activities are outlined below.

Value Chain Distribution Services

TLS offers services geared to manufacturers, brand owners and food processors looking for effective logistics and supply chain management in Canada and the U.S.A. As part of our value chain distribution services, TLS provides logistics, warehousing solutions, sales, technology and financial management services to its clients.

Sales Solutions

TLS offers complete e-commerce solutions that enables our clients to reach online marketplaces across both Canada and the United States. Our services include vendor portal management, new item setup, fulfillment, content management and search engine optimization, to name only a few.

With over a century of expertise working with distributors, food processors and national account operators in the Canadian and US markets, TLS's services are executed and supported by the



Company's Tier 1 systems which include our Enterprise Resource Planning system, Transport Management System, Trade & Promotion Management system and Business intelligence tools.

Emblem Logistics Inc. ("**ELI**" or "**Emblem**") is a wholly owned subsidiary carrying out 3PL storage activities within a 587,000 square foot Distribution centre in Brampton Ontario. ELI employs 100 full-time workers and 89 temporary workers.

ELI performs the 3PL storage function for TLS's ambient temperature storage clients in the Canadian region and also provides clients with display building capabilities and 'Direct to Consumer' fulfillment. ELI operates an advanced 'Warehouse Management System' to execute its activities. ELI's facility is a Safe Quality Food (SQF) Institute, accredited facility (member of the Global Food Safety Initiative) with a SQF Practitioner on site. As part of our commitment to sustainability, ELI has been diverting 100% of its waste from Landfill to Emerald Energy from Waste Inc. since November 2019. This is a step TLS has taken to minimize its environmental impact.

The Company is headquartered in Canada, with our head office in Markham, Ontario and our distribution centre is located in Brampton, Ontario. The Company's registered business number is 88995 1893 RC0003. TLS's services are also offered in the United States under our operating company, TLS America Inc. In 2023, TLS's workforce consisted of 130 full-time employees and 1 part time employee.

TLS has the following memberships: GS1 Canada Grocery Sector Board Technology work group, EDI Technical standards workgroup. FHPC Supply Chain Committee, WERC Toronto Board of Directors, Member of International Warehouse and Logistics Association, Member of Council of Supply Chain Management Professionals.

THE COMPANY'S SUPPLY CHAIN

TLS's supply chain consists of large, reputable and recognizable manufacturers from across the globe that leverage TLS for our expertise in distribution, sales and the financial 'order-to-cash' function. The Company provides services to both large and small brands looking to reach US and Canadian markets. To ensure our supply chain partners withhold strong ESG principles, including respect for Human Rights, TLS is in the process of formalizing a Supplier Code of Conduct and implementing other measures as outlined in this report.

The Company's supply chain is an integral part of our business. In 2023, TLS had 39 direct Consumer Packaged Goods suppliers. TLS sources the vast majority of its products from countries with regulated environments or deemed low risk with respect to forced and child labour. In 2023, over 80% of our products were produced and sourced from Canada and the United States of America. The remaining products were sourced from the following countries:



Brazil, Columbia, Czechia, France, Germany, United Kingdom, Netherlands, India, Japan, Mexico, Poland, Portugal, Spain, China, and Turkey.

As part of our supply chain process, TLS takes title to the products being distributed under the Company's 'Vendor of Record' with customers.

We are committed to complying with all local laws and regulations, along with ensuring our supply chain and partners also conform to all applicable laws and regulations as required by the Government or any regulatory authority. At all times, TLS holds and maintains the necessary licenses, registrations or other certifications as required by the Government or regulatory authority.

TLS recognizes the important role we play implementing effective supply chain management practices and are committed to ensuring we uphold strong sustainable supply chain principles, which include respect for human rights.

POLICIES AND DUE DILIGENCE PROCESSES IN RELATION TO FORCED LABOUR AND CHILD LABOUR

TLS is committed to preventing child labour and forced labour within our operations and supporting similar commitments by our clients, suppliers and partners with whom we do business. This will be reflected in our refreshed due diligence processes. In laying the foundation for supply chain transparency and the reduction of any potential risk, we are dedicated to promoting a corporate culture of integrity and ethical behaviour through compliance with prevailing laws, regulations and internal policies. In order to uphold this commitment, TLS has embedded due diligence processes and responsible business conduct into our governance structure, procurement process, corporate policies and risk management procedures.

As part of our risk management and procurement process, we identify and assess any negative risks that could impact our business, and where necessary, take the appropriate steps to prevent or mitigate against those risks through effective controls. As part of our robust risk management process, we are in the process of implementing a whistleblower policy and channel that all TLS employees are required to read and comply with. Any adverse impacts or complaints, including the issue of Human Rights, can be reported through this channel.

TLS maintains our suppliers' country of origin data which identifies countries that we source from. As part of our enhanced due diligence process, TLS will be working with our clients to ensure that they have embedded relevant Human Rights processes – or are working towards an established roadmap - such as a "Code of Conduct" or "Petition on Human Rights", into their



business. Many of TLS's brands already have existing commitments that explicitly prevents the use of child or forced labour within their respective supply chains.

Moving forward, TLS will ensure our due diligence process continues to embed responsible business conduct into our policies and management systems, and work to source products from countries with regulated environments or deemed low risk with respect to Human Rights.

GOVERNANCE

TLS adheres to strong governance practices expected of a private business. We are in the process of formalizing the oversight of our Sustainability and ESG program. This will include a formal management committee that will be responsible for the oversight of TLS's Sustainability strategy, which will include the protection of human rights and ethical supply chain practices. This is a corporate priority that will have executive oversight from the President.

CORPORATE POLICIES

Our commitment to responsible business conduct is evident through our corporate policies, which extends to our supply chain. Our policies are developed by our legal and management team, and approved by our CEO. TLS is in the process of formalizing our Supplier Code of Conduct and Whistleblower Policy to explicitly include the protection of human rights and the prevention of Child and Forced Labour. In 2024, we also plan to implement a whistleblower channel through which anyone, including employees, members of the community, contractors and suppliers can submit a complaint regarding potential wrongful behaviour.

TLS is committed to further strengthening our supply chain management practices through the introduction of sustainable procurement criteria, that will explicitly state the prohibition of any form of forced labour or child labour within our supply chain. We are also in the process of updating our supplier onboarding program and contractual clauses that will include a provision that the Contractor ensure that the guidelines and policies of the Company are met.

THE PARTS OF THE BUSINESS AND SUPPLY CHAINS THAT CARRY A RISK OF FORCED OR CHILD LABOUR BEING USED AND THE STEPS TAKEN TO ASSESS AND MANAGE THAT RISK



TLS is in the process of formalizing its Risk Management oversight and due diligence policies to include the necessary procedures to identify, communicate and manage material risks across our business. The results of our Materiality Assessment will be integrated into our risk management framework. This will include policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in our own activities and supply chain. TLS's current risk profile does not currently include any specific risks with respect to forced labour or child labour as part of its business activities. Yet, we are committed to implementing leading practices in order to identify emerging material risks in our business and in our supply chain, and taking the necessary actions to mitigate against those risks as required.

MEASURES TAKEN TO REMEDIATE ANY FORCED LABOUR OR CHILD LABOUR

In 2023, no incidents of forced labour or child labour were identified by TLS in its activities or supply chains, nor were any incidents reported to TLS by any employee, supplier or external partners. No remediation actions, including remediation of lost income, have been required to date.

TRAINING AND AWARENESS ACTIVITIES FOR EMPLOYEES

We are in the process of formalizing an employee-wide training program. This program will require mandatory training on the issues of child and forced Labour, along with other issues deemed relevant to our business. As part of this training, TLS will consider collaborating with industry associations and other partners, where relevant, as a way of leveraging each other's expertise. We will also be requiring all employees to attest that they have reviewed and understood our Whistleblower Policy and Business Code of Conduct, which will include our commitment to Human Rights.

ASSESSING EFFECTIVENESS IN ENSURING THAT FORCED LABOUR AND CHILD LABOUR ARE NOT BEING USED IN THE COMPANY'S BUSINESS AND SUPPLY CHAIN ACTIVITIES

TLS is in the process of formally assessing our effectiveness in ensuring that forced labour and child labour are not being used in any parts of our business and supply chains. Given the complexity and interconnectedness of our international supply chain, we are committed to continuously monitoring the effectiveness of the measures we currently have and will be implementing. One measure to assess the effectiveness that we are currently developing is a Supplier Code of Conduct. This code will formalize our existing expectations of our supply chain partners to ensure that they are prioritizing human rights and ethical business conduct in their



business. This Supplier Code of Conduct will enhance our existing due diligence processes and support internal processes for assessing the effectiveness in preventing human rights violations. We will also be reviewing any whistleblower complaints to ensure no incidents of forced or child labour are reported.

In 2024, we plan to conduct a materiality assessment that will identify the most material ESG issues to our business and communicate our commitment to managing those business risks and opportunities externally.

APPROVAL AND ATTESTATION

This Report was approved by the board of directors of Thomas, Large & Singer Inc. on May 31, 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. For clarity, I am providing this attestation in my capacity as a director and officer of Thomas, Large & Singer Inc., and not in my personal capacity.

A handwritten signature in black ink that reads "David Singer". The signature is written in a cursive style and is positioned above the printed name and title.

David Singer
President
Thomas, Large & Singer Inc.

I have the authority to bind Thomas, Large & Singer Inc.

May 31, 2024