



McCain Foods | Canada

Modern Slavery Report Financial Year 2024

Sustainability, human rights, and dignity in our supply chain.





Foreword.

As a leading producer of prepared potato and appetizer products, and a family-owned company, McCain Foods Limited ("McCain") is committed to addressing modern slavery¹ and respecting human rights in conducting its global business. A number of McCain policies and processes, including the McCain Code of Conduct and the McCain Supplier Code of Conduct, have been in place for years to help identify and manage these risks globally. Following the introduction of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") in Canada and similar legislation elsewhere, McCain continues to enhance its approach in ensuring respect for the human rights of its own workers and workers in its supply chain.

During its financial year ended June 30, 2024 ("FY24", with other financial years being similarly referred to), McCain continued to develop its framework of guiding principles to ensure that its business practices help to address the risk of modern slavery within McCain's own operations and supply chain. In Canada, McCain's Modern Slavery Committee intends to build on this foundation to comprehensively and effectively address local risks.

In addition to addressing the global policies and programs currently in place at McCain, this report outlines the status of initiatives in development at or otherwise affecting the Canadian business operations of McCain ("McCain Foods Canada", "we" or "our") and McCain's affiliated entity, McCain Produce Inc.², to address the risks of modern slavery within their own operations and supply chain. Both McCain and McCain Produce Inc. are corporations existing under the laws of the Province of New Brunswick. McCain Foods Canada and McCain Produce Inc. are collectively referred to as the "Group" for the purposes of this report.

Structure, operations and supply chain.

McCain operates a global business. Its head office is located in Toronto, Canada. McCain is a privately-owned, multinational leader in the frozen food industry, manufacturing quality products, including French fries, appetizers, pizzas, vegetables, desserts, and prepared meals. McCain also owns companies in complementary industries, such as agriculture and transportation.

In Canada, McCain Foods Canada is the largest branded manufacturer of frozen potato products and supplies to quick service restaurants, food service businesses, and retail establishments (e.g., supermarkets). Beyond frozen potato products, McCain Foods Canada also supplies a range of prepared foods, appetizer products and desserts. McCain Foods

¹ For the purposes of this report, the term "modern slavery" refers to forced labour and child labour as defined in the Act.

² The business activities of McCain Produce Inc. are not as broad as those of the reporting entity. Certain categorizations of McCain Produce Inc. differ from those of the reporting entity. The suppliers of McCain Produce Inc. would be particular to its own categorizations and sectors that apply to it, and as such, would differ from those of the reporting entity.



Canada sells products almost exclusively into the market in Canada, and to certain affiliates of McCain outside of Canada. In FY24, McCain Foods Canada directly employed over 3,000 people in Canada and engaged thousands more indirectly through its logistics and supply chain.

Canada Procurement³



Over 135
potato growers



Over 600
indirect suppliers

Other ingredients, raw materials,
packaging and finished goods were
sourced from:



Over 45
suppliers

Over 6
countries



Diagram 1 - McCain Foods Canada procurement

In FY24, McCain Foods Canada's largest category of spend was on agricultural products and, specifically, potatoes that are primarily procured from over 135 contracted farmers in Canada. Other raw materials, including ingredients (such as frying oils and batters) were sourced from over 45 suppliers primarily located in Canada and the USA.

Additionally, all finished goods that McCain Foods Canada does not manufacture itself are sourced from Canada or from McCain's affiliate in the USA. Finally, McCain Foods Canada engaged more than 600 indirect suppliers, with the top 100 indirect suppliers representing 90% of indirect procurement spend.

These indirect suppliers are primarily located in Canada and the USA and most notably include freight and warehousing service providers, equipment suppliers and other operational and professional service providers.

³ McCain differentiates procurement based on direct and indirect goods. Direct procurement involves the purchase of goods, materials, and services directly associated with the production of products (e.g., raw potatoes, oils, batters, spices and packaging), whereas indirect procurement refers to the purchase of materials, services, and maintenance required to operate the business (e.g., manufacturing equipment, maintenance services, and consultancy services).



The following diagram provides an overview of McCain's operations and supply chain, including the operations and supply chain of McCain Foods Canada.

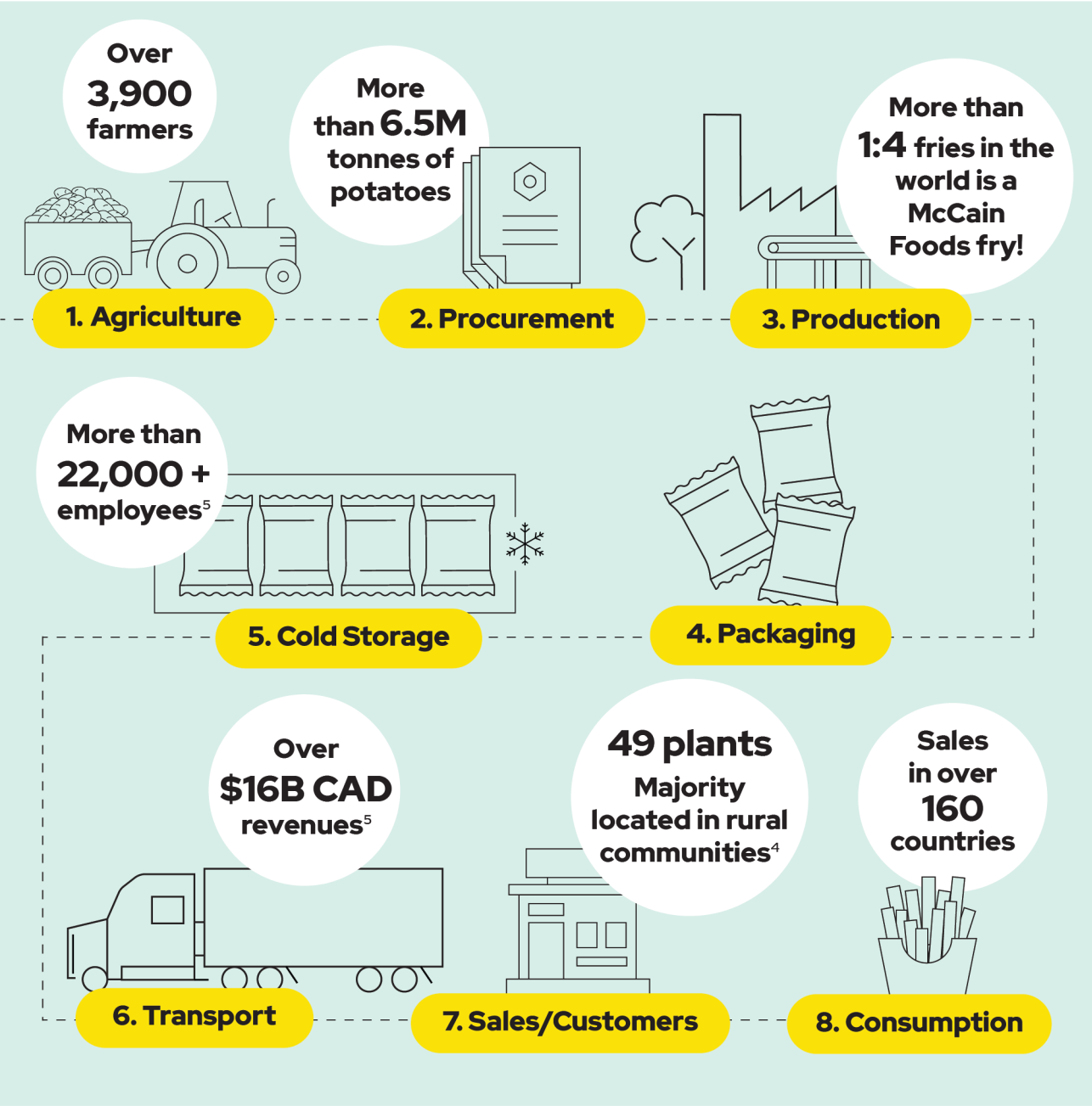


Diagram 2 - McCain supply chain

⁴ Plants information reflected as of December 2024.

⁵ Revenue and employees includes Day & Ross and acquisitions that McCain has completed in the last 24 months.





Governance.

McCain believes that strong governance is essential to support its work to address modern slavery and respect human rights.

Board of Directors.

McCain's board of directors (the "Board") is currently composed of 10 members, including McCain's President & Chief Executive Officer, highly experienced independent and outside directors, and McCain family members. The experience and expertise of the Board includes specialist knowledge of sustainability in the agriculture and food industries.

Canada Modern Slavery Committee.

The Group has established a Modern Slavery Committee (the "Committee") composed of leaders from relevant internal functions including Compliance, Legal, Human Resources, Procurement, Supply Chain, Agriculture and Sustainability. The Committee is accountable for the annual preparation of this report. Beyond the report, Committee members are committed to, as applicable to their specific function, carrying out the following:

- Monitoring reporting channels for any incidents of human rights violations and driving action to remediate any incidents if identified; and
- Continuously considering, and implementing or supporting the implementation of, methods to reduce risks of forced labour and child labour in the operations and supply chains of the Group.

Key areas of focus in FY24.

In FY24, McCain Foods Canada largely focused on continued planning and implementation to further enhance its foundational work for addressing modern slavery and respecting human rights within its operations and supply chain. Key initiatives for planning and implementation were identified based on input from key stakeholders including peers, customers, suppliers and regulators.

Globally, McCain began the pilot of a third-party risk assessment tool, Sedex, which supports McCain in understanding the overall inherent risk in the supply chain, based on procurement category and country, as well as supplier-specific risks. The pilot took place in the Continental Europe region, but is intended to be expanded globally. The tool's Sedex Members Ethical Trade Audit ("SMETA") is a widely used ethical audit format and covers four pillars including labour standards, health and safety, environment, and business ethics. Using Sedex allows McCain to increase the level of due diligence performed on potential vendors and suppliers, increasing oversight of its supply chain and permitting McCain to better assess risk.

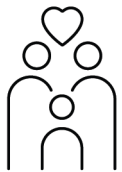


Risks of modern slavery practices in our operations and supply chain.

As a family-owned business, McCain has always operated according to its values: Family, Authentic, Trusted and Quality.

McCain understands that there is an inherent risk of exposure to the threat of modern slavery in food and agricultural supply chains. The diversity and scale of McCain's supply network

means that these threats are relevant to McCain's business around the world, and that McCain has an important responsibility to be focused on respecting human rights and addressing risks of modern slavery in the industry.



**Be part of
our family**



**Be a trusted
partner**



**Be your
authentic self**



**Be committed
to quality**

Diagram 3 - McCain values

For FY24, we identified that the majority of the Group's supply chain includes direct and indirect suppliers primarily operating in Canada and the USA, countries which are considered to have overall lower risk scores based on the Global Slavery Index.⁶ However, we acknowledge that the agricultural sector in particular poses a higher risk of modern slavery, including within Canada and the USA, requiring us to be vigilant with assessing and addressing risks.

Actions we take to assess and address risks.

1. McCain policies.

Globally, McCain believes that strong internal policies and systems are an important aspect of helping to manage and mitigate against the risk of modern slavery in its operations and supply chain.

McCain has historically had a set of policies that are regularly reviewed to, among other things, help mitigate against human rights violations. These include McCain's Code of Conduct and Supplier Code of Conduct. These policies and other programs - such as McCain's global sustainability strategy and commitments - aim to help employees and suppliers understand their responsibilities related to managing social, ethical, and environmental issues in a responsible manner consistent with McCain's values. All employees and suppliers are made aware of the expectation that they will familiarize themselves with - and comply with - applicable policies.

⁶ <https://www.walkfree.org/global-slavery-index/>



McCain's Code of Conduct sets out the company's expectations of its employees with regards to interactions with and treatment of all its stakeholders. The policy specifically addresses several elements that help reduce risks of forced labour and child labour within the Group's operations, including provisions directly addressing human rights and modern slavery, a respectful workplace, and non-retaliation. The Code of Conduct also provides details on McCain's complaints mechanism, which allows employees to raise concerns or complaints related to forced labour or child labour. Further to the comprehensive review of its Code of Conduct in FY23, McCain made some additional revisions to the Code of Conduct in FY24 to increase clarity of these expectations.

The same level of diligence in regard to respecting human rights is expected from McCain's suppliers. McCain's Supplier Code of Conduct governs the actions of its suppliers, drawing upon international standards (International Labour Organization and United Nations Guiding Principles on Business and Human Rights) and best practices in human rights and sustainability. The Supplier Code of Conduct is founded upon McCain's values and applicable laws around the world, and sets stringent standards of ethical conduct for the Group's suppliers; this includes clear prohibitions against forced labour and child labour. McCain may require that suppliers demonstrate compliance with the Supplier Code of Conduct and is entitled to confirm supplier compliance.

The Code of Conduct and Supplier Code of Conduct are overseen by a cross-functional group of McCain senior executives. The policies are monitored regularly and updated as necessary to help ensure that they are adequately addressing modern slavery issues.

2. Risk mapping and due diligence.

McCain Foods Canada carries out a number of actions to assess and address the risks of modern slavery throughout our operations and supply chain. McCain Foods Canada continues to evaluate and look to improve its processes by incorporating tailored practices designed to determine and mitigate risks of modern slavery in its own operations and supply chain. McCain Foods Canada intends to use the Sedex tool in the future to help identify and manage modern slavery risks within its Canadian operations and supply chain. The Group remains committed to implementing such tailored practices based on gaps identified to date, including by:

- continuing assessment and updating of documentation to ensure modern slavery risk mitigation components are incorporated, as appropriate, and gaps are addressed;
- maintaining attention on its direct supply chain to identify and address any high-risk categories; and
- augmenting training of its workforce and encouragement of reporting of risks and incidents.



3. Employee awareness and training.

McCain Foods Canada actively supports its employee's awareness and engagement regarding modern slavery by making resources available to its employees as well as through formal training. Globally, McCain produces a sustainability report each year, serving as one forum available for employees to learn about its approach and progress relating to respecting human rights and addressing key risks. In FY25, McCain released its FY24 sustainability report which reiterates McCain's expectation that the highest ethical standards are upheld throughout its operations and supply chain and further describes its actions and initiatives to support this expectation, including its zero-tolerance approach for corruption or human rights abuses.

McCain Foods Canada provides specific supplemental training on the Supplier Code of Conduct to employees and suppliers engaged in significant capital projects, including information about identifying, mitigating and reporting modern slavery.

4. Compliance with employment and labour laws.

McCain Foods Canada engages in best practices in its recruiting and hiring activities to ensure that all employees are appropriately engaged and on-boarded in accordance with applicable laws, including minimum wage requirements, age-related employment laws to help prevent the use of child labour, and laws ensuring adequate and fair pay for workers' time. Additionally, McCain Foods Canada consistently takes significant actions to ensure the health and safety of employees and applicable third parties.

5. Working with organizations.

McCain Foods Canada has continued a dialogue with a number of key suppliers and customers regarding the manner in which parties can collectively address and reduce the risk of modern slavery. Moreover, with respect to modern slavery risks in the food and agriculture industry specifically, McCain Foods Canada continues to explore the possibility of working with other organizations/NGOs to obtain access to authoritative materials, information and guidance on best practices.

6. Managing supplier contracts.

McCain Foods Canada maintains standard procurement terms and conditions for transactional matters and negotiated service agreements for ongoing relationships which outline expectations for suppliers to help manage modern slavery risks. If a supplier is found to be in breach of the terms stipulated in their contract, including those relating to compliance with the McCain Supplier Code of Conduct, we are able to take corrective action and suspend or terminate the contract with that supplier.

Additionally, McCain Foods Canada has built strong relationships with its potato farmers – our largest source of procurement. McCain Foods Canada has regular contact with potato





farmers, providing McCain Foods Canada with close visibility to their operations. The strength of McCain Foods Canada's relationships with its potato farmers also positions it well to implement contractual terms and audit rights that specifically address concerns of forced labour or child labour in its farmers' respective operations and supply chains.

We take any breach of McCain's Supplier Code of Conduct – or any other breach involving a risk to human rights – seriously. If a breach is identified we address it promptly with the ultimate goal of reducing or removing the risk altogether (for example, potentially removing a supplier from our supply chain).

7. Reporting concerns.

Pursuant to McCain's Code of Conduct and Supplier Code of Conduct, the Group's employees and suppliers have a duty to report any identified or suspected occurrences of modern slavery or human rights violations. Employees may make a report to their manager or local or global Human Resources representative or the Global Legal and Compliance team. For employees or third-party stakeholders who wish to make an anonymous complaint to an external service, McCain retains an independent external service provider which is authorized to receive whistleblowing reports in relation to its global business (contact details are available in the Code of Conduct and Supplier Code of Conduct). Anonymous complaints can be made through email, online or a third-party call centre and all reports received by the external service provider are reported to McCain's Global Legal & Compliance team, and are investigated as required.

As at the date of this report, no reports or complaints have been received in respect of actual or suspected modern slavery occurrences in Canada or otherwise in respect of the Group's operations or supply chain.

Further actions we will take to assess and address risks.

To strengthen our position in addressing risks of modern slavery and respecting human rights, McCain Foods Canada is committed to continuous assessment of our operations and supply chain to identify new or developing areas of risk in our business and implement key initiatives to mitigate existing and new risks.

1. Policy development.

In 2025, McCain plans to adopt a Global Human Rights Policy which will contain details of McCain's overall global commitment to respecting human rights and will outline the minimum standards we expect within McCain's own operations and supply chain. It will also detail new governance mechanisms which will be used to further embed respect for human rights into McCain's operations, including those of McCain Foods Canada. As a global policy, this policy will be applicable to the Group.



2. Further understanding of human rights risks across McCain's own operations and supply.

To enable McCain to continue to strengthen its human rights program, McCain plans to carry out an assessment of potential human rights risks across its own operations and supply chain. This will enable McCain to prioritize key initiatives to manage human rights risk within McCain operations and supply chain. The assessment is planned to be carried out globally and will include McCain Foods Canada.

3. Own operations training.

McCain Foods Canada plans to carry out an assessment to identify priority stakeholders within the organization who should receive tailored modern slavery training. Following this assessment, McCain Foods Canada plans to develop and implement tailored training as necessary. Such training may focus on skills for identifying the existence of modern slavery and encourage reporting of any risks or occurrences.

4. Supplier human rights risk assessment.

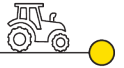
Within the supply chain, McCain Foods Canada plans to manage modern slavery risks by conducting a supplier human rights risk assessment prior to engagement. As noted on page 4, in FY24, McCain carried out a pilot within McCain's Continental Europe region to use Sedex to assess suppliers' human rights risk. Going forward, McCain plans to leverage the learnings from the pilot to implement the Sedex assessment process to McCain Foods Canada.

5. Audits.

To help assess potential human rights risks within McCain Foods Canada's own operations, relevant McCain Foods Canada facilities plan to be registered as members of Sedex and are planning to carry out a human rights self-assessment through Sedex's Self-Assessment Questionnaire (SAQ). As needed, facilities are planning to carry out periodic third-party human rights audits using the SMETA framework. These procedures will help enable McCain Foods Canada to identify opportunities of continuous improvement to help address the risk of modern slavery within its own operations.

How we assess the effectiveness of actions we take to address modern slavery risks.

One key mechanism for assessing the effectiveness of McCain Foods Canada's modern slavery risks is through stakeholder engagement. Engaging with stakeholders helps McCain Foods Canada to assess the risk of modern slavery in its own operations and supply chain, and understand the mechanisms being implemented or used to help mitigate the risk. McCain Foods Canada currently engages with its stakeholders on an informal, but ongoing,



basis through a variety of channels, tailored to the needs of each group. These channels include, among others, one-on-one meetings with potato farmers and other suppliers, as well as monitoring of incidents reported through McCain's complaints mechanisms.

As outlined in the 'Further actions we will take to address risks' section above, McCain Foods Canada plans to implement additional monitoring mechanisms including facility self-assessments and SMETA audits, as well as supplier risk assessments. As McCain Foods Canada continues to build up its modern slavery framework, tracking and assessment of additional key performance indicators may be considered.

Approval and attestation.

This joint report of McCain Foods Limited and its affiliate, McCain Produce Inc., was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the board of directors of McCain Foods Limited.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest I have reviewed the information contained in this report for the entity or entities listed above. Based on my knowledge and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects, for the purposes of the Act, for the reporting year listed above.

I make the above attestation in my capacity as a director of the board of directors of McCain Foods Limited for and on behalf of the board of McCain Foods Limited. I have the authority to bind McCain Foods Limited.

A handwritten signature in blue ink, appearing to read 'TK' followed by a long horizontal stroke.

Max Koeune

Director, McCain Foods Limited

Date: May 28, 2025