

Our Commitment to Preventing Forced and Child Labour

In Reference To:

- Fighting Against Forced Labour and Child Labour in Supply Chains Act, 2023
- The California Transparency in Supply Chains Act, 2015

Introduction

At Vitalus Nutrition, our mission is to “Unlock the Nutritional Value of Milk” and produce high-quality ingredients that deliver the maximum nutritional value to benefit society. Our mission is anchored in a strong commitment to our entire supply chain, encompassing our suppliers, workforce, customers, community, and the environment. The result of this is to uphold the highest standards of social responsibility, regulatory compliance, and the safeguarding of human rights are fundamental to our business practices and supply chain governance.

Our values are built upon three pillars – *integrity* in how we conduct business, *care* for all stakeholders, and *expertise* in our operational processes and their wider implications:

Integrity: We do the right thing all the time, every time.

- We conduct business with ethics and transparency grounded in our core values.
- We use these principles as the foundation for our Food Safety and Quality Systems.
- We build strong relationships with our customers and suppliers to achieve transparency in the supply chain.
- We care about how our materials are sourced and how we get our ingredients to our customers.

Care: Success is building long-lasting relationships with each other and our customers.

- We believe that our team prospers in an environment where they feel safe, recognized, and challenged.
- We live our values by promoting diversity of thought, strength, and ability.

Expertise: We are experts in our field and we are inspired to learn and grow.

- We work to minimize the environmental footprint of our operations through continuous improvement.
- We are always looking for new methods to efficiently manage our resources, energy, waste, and by-products.

Vitalus Nutrition stands firmly against forced and child labor; therefore, such practices are not aligned to our values, and we do not tolerate them within our organization or among our suppliers and subcontractors. In compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”), we transparently disclose the measures undertaken during Fiscal Year 2023 to mitigate the risks of forced and child labor in our operations and supply chain. This report pertains to Vitalus Nutrition Inc. for the stated fiscal period.

Steps taken to prevent and reduce risks of forced labour and child labour

We ensure that every employee is free to belong to and to participate in activities of any association, society, organization, club or group without censure or disciplinary action by Vitalus Nutrition subject only to limitation that such association activities does not interfere with their work responsibilities, duties, or Code of Conduct requirements. We do not tolerate any form of modern slavery, forced labour or child labour in our operations or supply chain. We expect our business partners and suppliers to uphold these same principles within their operations and adhere to applicable human rights and employment standards laws.

In 2023, Vitalus has taken the following steps to prevent and reduce the risk that forced labour or child labour is used within our own operations and within our supply chain.

- Review of our Code of Business Conduct with updates communicated to team members.
- Communication to all suppliers on our expectations of them with regards to our Code of Business Conduct.
- Ongoing code of conduct training for all staff including organizational values.
- Implementing policies and procedures to prevent forced labour and child labour; validating age of employment, ID checking, overtime tracking, workplace respect guidelines, weekly reviews of health and safety.

Structure, activities and supply chain

Structure

Vitalus Nutrition operates two plants in Canada employing 210 people in total. Both plants process raw milk into specialty dairy ingredients.

Activities and Supply Chain

Operationally Vitalus is focused on milk processing. Our end products are sold for further use in B2B markets globally and in retail in Canada. Our supply chain primarily involves milk supply from Canada along with other goods and services purchased both in Canada and overseas. Our business relationships with our suppliers are based on our core values of Integrity, Care, and Expertise. We expect the highest standards from both our suppliers and ourselves with fair sourcing processes in place.

Policies and due diligence processes in relation to forced labour and child labour

Code of Business Conduct and Culture

Our Values of Integrity, Care, and Expertise along with our Code of Business Conduct set expectations for our behaviours.

Supplier Code of Conduct

Our Supplier Code of Conduct outlines the expectations of our suppliers and each supplier is expected to sign off on this.

- Vitalus Nutrition's major supplier (75% of spend) are the Provincial Milk Marketing Boards who are regulated by the Canadian government.
- Our suppliers are obligated to uphold the human rights of workers and to treat them with dignity and respect in accordance with recognized international labour standards, in addition to the Provincial requirements of each plant.
- This applies to all workers, including temporary, migrant, student, contract, direct employees and any other type of workers.
- We expect our suppliers to make the following commitments in their labour practices by having controls in place that demonstrate:
 - Respect for human rights globally.
 - Clear communication channels with their employees with no retribution for speaking up.
 - Promotion of a workplace that is respectful of individuals, their integrity and their dignity
 - Policies within their workplaces that prohibit violence, discrimination, and harassment, including sexual harassment.
 - Ensuring that all employees, including contract workers, should work at their own will and not withhold employees' original government-issued identification and travel documents.
 - Not be involved in human trafficking or use any form of slave, forced, bonded, indentured, or prison labour.
 - That they treat people equally and fairly, based on the principles of non-discrimination.
 - Employment decisions including hiring, placement, promotion, development, training, and compensation are based on the person's qualifications, experience, performance, skills, and potential.
 - No employees, including contract workers, should be required to pay any fees to obtain or retain their employment. Fees and costs associated with recruitment and employment should be paid by the Supplier.
 - Ensures that their employees' contracts are clear, in a language understood by them and that they are aware of the terms and conditions of their work.
- Vitalus Nutrition launched in FY2023 a sign off process from all suppliers to agree to standards on child labour and human rights.

Additional Policies and Frameworks

- Recruitment Practices – Equal Opportunity Employment; Compensation Practices; Working Conditions – Hours of Work, Time-off (Sick & Paid Vacation Leave); Respectful Workplace Conduct Policy – Discrimination, Bullying & Harassment, Sexual Harassment, Workplace Violence, Reporting & Investigation, Corrective Action; Healthcare Practices (Health & Dental Benefits, Employee Assistance, Long-Term Disability, Worksafe Compensation Coverage); Substance & Workplace Impairment; Business Code of Conduct – Off Duty Conduct, Conflict of Interest, Fraud & Dishonest Practices, Anti-Bribery & Corruption, Gifts & Gratuities, Child Labour Remediation; Privacy Laws & Legislation.
- Health and safety framework which supports its social compliance efforts.
- Our policies meet or exceed applicable local and national laws where we operate, they are grounded in

our values and ethical standards, and informed by recommended international principles, such as the United Nations' Guiding Principles on Business and Human Rights and International Labour Organization Conventions.

Risk of forced labour or child labour being used and the steps we have taken to assess and manage that risk

Vitalus understands that some parts of our supply chain present a risk of forced labour or child labour. The ways we identify and manage this risk include:

- Applying our Code of Business Conduct and Supplier Code of Conduct
- Enforcing our purchasing, human resources and occupational health and safety policies
- Engaging with our team members, suppliers, customers and other stakeholders to identify risk
- Completing reviews of supplier operations and practices as part of our supplier assessment program prior to supplier selection
- Undertaking external audits from SMETA and Ecovadis to identify risk both within our operations and our supply chain
- Working together with industry groups such as DPAC, WDC, and IDF to improve overall ESG performance within the Canadian dairy industry

Any measures taken to remediate any forced labour or child labour

We have not identified instances of forced labour or child labour internally and within our supply chain.

Remediation of loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains

We have not identified instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

Training provided to employees on forced labour and child labour

Upon being hired, all employees participate in online Respectful Workplace training, which includes our values, our Code of Business Conduct and our Employee Handbook (our practices) and how they all tie together. We then conduct annual Code of Business Conduct refresher training the first quarter of a new fiscal period. Employees must, complete, achieve an 80% exam rate and sign-off that they understand what is expected of them as an employee of the Company.

Conclusion

Vitalus is committed to preventing forced labour and child labour from taking place in our businesses and in our supply chains, and we will continue to review our policies, procedures and practices periodically to determine any potential enhancements.

We continue to live by our core values of Integrity, Care, and Expertise whilst training in child labour and human rights is an ongoing activity in the company.

Approval and Attestation

This report was approved by our Board of Directors on May 27th, 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.

Phil Vanderpol

Phil Vanderpol
President & CEO, Vitalus Nutrition Inc.
May 27th, 2024