

Big Red Holdings Ltd.

Forced Labour and Child Labour in Supply Chains Company
Assessment



Table of Contents

Executive Summary	2
Background	2
Structure	3
Activities.....	3
Supply Chain	3
Policies and Due Diligence	3
Risk Identification and Management.....	5
Remediation Forced and Child Labour and Vulnerable Family Income Loss	6
Awareness Training	6
Self-Assessment Process and Requirements	6
Conclusion and Key Takeaways	Error! Bookmark not defined.
Attestation.....	8



Executive Summary

Forced labour can be found in every country and every sector. The International Labour Organization estimates that there are approximately 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy. Forced labour and child labour risks occur primarily through the global supply chains of businesses. There is a risk that goods imported into and distributed in Canada were produced with forced labour or child labour. Entities and government institutions doing business in Canada have a responsibility to ensure that exploitative practices are addressed and eradicated from their supply chains.

Since 2024, Big Red Holdings Ltd. ("Big Red") have made significant strides in complying with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act")*. Big Red implemented a Child and Forced Labor Zero Tolerance Policy applicable to all employees, supplies and third-party contractors to reinforce our unwavering commitment to maintain a safe, ethical and responsible working environment. Big Red also sent out supplier assessment forms with mandatory modern slavery questions to suppliers to identify and assess possible child and forced labour risks in our supply chain. Additionally, we engaged the services of a professional services firm to facilitate the enhancement of employee awareness regarding the requirements of the Act. These actions reflect our commitment to updating policies, managing our supply chain diligently, raising employee awareness, and ensuring our full compliance with the Act.

Background

The measures introduced through the Act, aim to increase industry awareness and transparency and drive businesses to improve practices. There are eight mandatory reporting areas that must be investigated and reported on which include:

- The steps the entity has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.
- Its structure, activities and supply chains.
- Its policies and due diligence processes in relation to forced labour and child labour.
- The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.
- Any measures taken to remediate any forced labour or child labour.
- Any measures taken to remediate the 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.
- The training provided to employees on forced labour and child labour.
- How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.



Structure

Big Red operates as a private corporation headquartered in Ontario. We are a comprehensive food service and grocery provider, exclusively serving the Canadian market. The financial reporting period for Big Red is from August 1, 2023, to July 31, 2024. This document represents the first version of our report.

This report encompasses both Big Red and 1729787 Ontario Limited. Our sales are confined to domestic markets, with distribution limited to the province of Ontario.

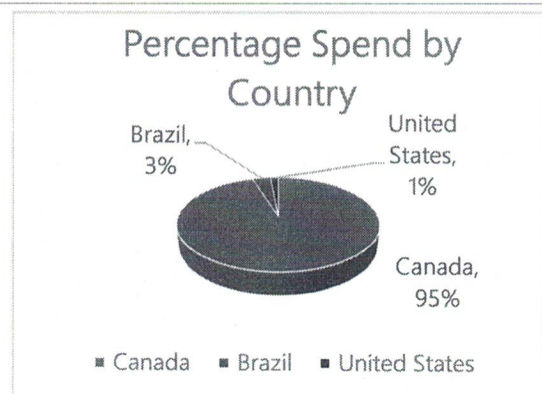
Big Red complies with the Bill S-211 reporting requirements, having met two out of the three thresholds related to revenue and assets.

Activities

As a full-service food service and grocery establishment, Big Red operates as a multi-dimensional food processing and distributor centre. We participate in wholesale, retail, and foodservice sectors, and provide a range of services. Big Red procures inventory for direct resale at multiple locations and operates solely within South-Central Ontario. Once products have been ordered, they are shipped to our warehouse space where they are processed and distributed to our retail locations or directly to customers in Ontario.

Supply Chain

The majority of Big Red's supplier spend is attributed to Canada, and the remaining supplier spend is attributed to Brazil and the United States. In the relevant time period, Big Red had a total of 269 suppliers from Canada, with 7 suppliers from the United States and 1 supplier from Brazil. The pie chart demonstrates Big Red's break down of spend at a high level.



Policies and Due Diligence

Big Red has the following policies and due diligence procedures in place to mitigate the risk of child labour and forced labour within internal activities and its supply chain:

Policies

Child and Forced Labor Zero Tolerance Policy

Big Red have taken extra steps in demonstrating unwavering commitment to maintaining a safe, ethical, and responsible working environment for all employees and suppliers by introducing the Child and



Forced Labor Zero Tolerance Policy this year. Big Red is committed to a strict zero-tolerance towards the use of child labor and forced labor in any of our operations or supply chains. Employees are encouraged to report all potential violations of this policy to ensure timely intervention and resolution. Through this policy, Big Red strives to protect the rights of individuals within our workplace and throughout our supply chain.

Workplace Violence and Harassment Prevention Policy

The policy aims to foster a safe and secure work environment free of violence. Employees are encouraged to report any instances of workplace violence to ensure timely intervention and resolution. The policy communicates a zero-tolerance stance towards workplace violence, affirming the commitment to employee safety. Through these policies, the organization prioritizes the well-being and security of its employees, fostering a culture of trust and respect.

Health and Safety Policy

This policy reflects Big Red's dedication to prioritizing employee well-being and safety by providing a safe and healthy work environment. Big Red highlights the safety of its workforce by providing employees with information, training, and competent supervision in their specific work tasks to protect their health and safety. These measures demonstrate the organization's unwavering devotion to maintaining a secure working environment for its employees.

Big Red Employee Handbook & Training Programs also highlight health and safety practices that employees are expected to sign off on and abide by. Employees are also prohibited from exceeding maximum workday hours.

Due Diligence

Government Inspected Suppliers

As part of our due diligence process, we prioritize suppliers that have undergone government inspections to validate their compliance with provincial and federal regulations. These regular checks ensure that our suppliers meet the necessary standards and adhere to legal requirements, providing added assurance of ethical sourcing and quality assurance in our supply chain.

Supplier Questionnaires

Most of Big Red's supply chain is sourced from Canada and we are required to follow international and Canadian laws regarding the procurement of materials. While Big Red does not have prescribed due diligence processes for smaller vendors, we have assessed the inherent risk associated with procuring from them as low. We have longstanding relationships with our suppliers, and trust that they adhere to the provincial and federal regulations, including the Act.

However, as part of our commitment to prevent child or forced labour within our supply chain, Big Red requested that suppliers complete a questionnaire. In 2024, the questionnaire was sent to suppliers to confirm that they do not engage in child and or forced labour. Big Red has received responses and will continue to collect the remaining responses. Suppliers that have responded to the questionnaire have



indicated that they have not identified any instances or unmitigated risks of forced labour or child labour within their business activities, operations, or supply chains.

Risk Identification and Management

A risk assessment of Big Red's supply chain from the dimensions of country of origin and type of good has been performed for our material direct suppliers. For the purposes of this report, material suppliers are those who account for at least 1% or more of Big Red's total procurement spend during the 2024 fiscal year.

This risk assessment used two separate indices to measure the inherent risk of child and/or forced labour related to goods and countries: Walk Free's *Global Slavery Index* and the US Department of Labour's *List of Goods Produced by Child Labour or Forced Labour*.

Countries of Operations and Risk

Big Red conducted a risk assessment on the countries where we have operations and found that there were low inherent risks of forced labour or child labour in Canada. The inherent risk associated with entities operating within Canada are low but continued due diligence is required.

Countries of Suppliers and Risk

Big Red conducted a risk assessment on the countries of origin for our suppliers and found that there were low inherent risks of forced labour or child labour in Canada and the United States, and extreme inherent risks of forced and child labour in Brazil. To mitigate these risks, Big Red requires the supplier to be approved by Canadian inspection agencies, who perform on site inspections at the sites. This does not mean that no evidence of forced labour or child labour was found to support this risk analysis but that there is an inherent risk and continued due diligence is required.



Type of Goods Procured and Risk

Big Red found that 1 goods category, i.e., food, may carry a risk of child labour or forced labour specifically related to baked goods, meats and poultry. However, most food products are purchased by Big Red from countries with low inherent risk, with only 3.5% of the food purchases being from Brazil. This does not mean that evidence of forced labour was found to support this risk analysis but that there is an increased inherent risk within this procurement area which necessitates closer scrutiny to ensure those risks do not flow through to the goods procured. By procuring food products from countries with low inherent risk of forced labour and child labour, and by purchasing from suppliers that are regulated by Canadian government agencies, the overall inherent risk of goods procured is lowered.

Remediation Forced and Child Labour and Vulnerable Family Income Loss

Big Red is committed to identifying human rights incidents and violations that occur within our operations and communities. As there were no incidents related to forced or child labour reported to or noted within Big Red, there has not been any need for the entities to report, correct or remediate any incidents of forced or child labour. Big Red recognizes the significant impact forced and child labour can have on individuals and their families and thus will actively seek to strengthen our processes to reduce the risk of forced labour and child labour within our supply chain.

Awareness Training

Big Red has engaged the services of a professional services firm to train a core team on the topic of child labour and forced labour to ensure they are aware of the requirements related to Bill S-211 compliance. This training covers the purpose and requirements of Bill S-211, which entities it applies to, how to identify signs of forced and child labour, and proactive strategies to prevent such practices throughout the supply chain. Recognizing the importance of setting the tone at the top, Big Red has included two key management personnel in this training. These leaders will drive compliance efforts to prevent child labour and forced labour within Big Red and its supply chain. Big Red recognizes the opportunity to enhance employee training relevant to this Act with the intention to roll out additional training, ensuring that all relevant staff members are aware of the requirements and processes related to Bill S-211 compliance.

Additionally, during the onboarding of new employees, there is a requirement that they review the Employee Handbook to ensure employees understand Big Red's standards and expectations.

Self-Assessment Process and Requirements

As a consolidated entity, we are committed to continuously enhancing our self-assessment processes. This commitment involves a thorough evaluation of our supply chain practices to identify areas for improvement and ensure that forced and child labour are not being utilized. As part of these self-assessment processes, Big Red is making significant improvements:



Internal Activities

- **Policy Review:** Big Red is dedicated to ongoing policy reviews and updates to ensure they remain relevant and accurate in accordance with current operating conditions and the Act.
- **Child and Forced Labour Training:** Training on child and forced labour has been provided to key management personnel, and plans are in place to extend this training to all employees.
- **Incident Management Reporting:** Big Red mandates the reporting of all workplace incidents. For each reported incident, an action plan is developed to resolve the issue promptly.

Supplier Activities

- **Supplier Questionnaires:** Big Red collects detailed questionnaire responses from all suppliers regarding their risks and processes related to child and forced labour. These responses are used to assess the impact of the Act on the supply chain and to evaluate the level of risk among vendors.
- **Company Assessment:** Big Red has publicly shared a “Forced Labour and Child Labour in Supply Chains Company Assessment” on the Big Red Market webpage.

Conclusion

Big Red has made significant strides in improving its internal processes and policies to better comply with the Act. Through enhanced policies, employee training and supplier questionnaires, the company has strengthened its commitment to ethical sourcing and workplace practices. The introduction of the modern slavery questionnaire for new and existing suppliers, alongside rigorous follow-ups, exemplifies the proactive approach to mitigating risks associated with child and forced labour.

Moreover, the continuous training provided to employees demonstrate an ongoing dedication to employee awareness and adherence to high standards. These efforts reflect the company's unwavering commitment to not only meeting the requirements of the Act but also leading by example in ethical business conduct.

Looking forward, Big Red remains steadfast in its mission to further refine and enhance its processes. By maintaining transparency, fostering accountability, and prioritizing ethical practices. Big Red will continue to work towards making substantial improvements, ensuring compliance and promoting a responsible supply chain for the future.



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 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.

<u>Daniel Timmins</u>	<u>[Signature]</u>
Full Name	Signature
<u>Owner</u>	<u>April 8, 2025</u>
Title	Date

I have the authority to bind *Big Red Holdings Ltd.*, and this report covers financial year *July 31, 2024*, and applies to *Big Red Holdings Ltd.* and all entities considered reporting entities in terms of the Act and any controlling subsidiaries of *Big Red Holdings Ltd.* if they apply.