



Modern Slavery Report 2024

This Modern Slavery Report (the "Report") addresses the period from January 1, 2024 to December 31, 2024 and has been prepared in compliance with Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* (Canada) (the "Act").

This initial Report is made on behalf of **Pattison Food Group ("PFG")**, including its wholly owned subsidiaries, **Pattison Food Group Ltd.**, **Everything Wine Inc.**, **Pure Pharmacies General Partnership**, **Imperial Distributors Canada Inc.**, **Sun Rich Foods Canada Inc.** and **Monte Cristo Bakery Ltd.**, and is a joint report.

I. INTRODUCTION

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As a leading business in the grocery industry, PFG recognizes the important role we have in ensuring the supply chains that support our operations and products adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. This Report sets out the steps we have taken during the 2024 fiscal year to prevent and reduce the risk of forced labour or child labour used at any step in the production of goods in Canada or elsewhere by PFG or of goods imported into Canada by PFG.

II. CORPORATE OVERVIEW AND SUPPLY CHAINS

Established in 2021, PFG is a Jim Pattison business with roots back to a single store in New Westminster, BC, in 1915. This single store has since grown into an organization that includes some of the most well-known retail grocery stores throughout Western Canada, with locations serving communities of all sizes and corners of the provinces of BC, Alberta, Saskatchewan, Manitoba and the Yukon. Since the company was founded, the world has experienced incredible change and has become more interconnected than ever. Our first Overwaitea store had a mere fraction of the number and variety of products that can now be found in any typical grocery store, and this proliferation of products has yielded deeply complex and far-reaching supply chains.

PFG has always sourced local products first wherever possible, as part of our commitment to Canadians and Canadian producers. Our stores are proud to sell more than 2,500 local products made by over 2,000 local farmers and producers. However, there are many products that do not have their origins in Canada. As always, we expect that our suppliers and partners will act with integrity and comply with all local laws and international agreements at every step of the supply chain. The fact that issues such as forced labour and child labour exist and may be part of the production of goods that make their way to Canadians means that we, like every company in Canada, must move beyond these assumptions.

PFG encompasses many entities that supply food, pharmaceutical products, general merchandise, and consumer staples to millions of Canadians. These include the following:

- Pattison Food Group Ltd.;
- Everything Wine Inc.;
- Pure Pharmacies General Partnership;
- Imperial Distributors Canada Inc.;
- Sun Rich Foods Canada Inc.; and
- Monte Cristo Bakery Ltd.

PFG's office is located at 19855 92A Ave, Langley BC, V1M3B6.

For the purposes of this report, these entities are treated similarly as they often procure and sell the same categories and types of goods. For example, one of our produce wholesalers (VanWhole Produce), one of our fresh-cut produce companies (Sun Rich), and many of our retail stores may procure very similar or the same fruits and vegetables and have a similar or the same supply chain. Pharmaceutical products will also share many of the same brands, origins, and

category offerings as one another, whether they are available at a distributor (Imperial Distributors Canada Inc.) or in our retail pharmacies (Save-On-Foods). Other services and resources are also shared among entities, including, but not limited to, administrative and personnel services.

The PFG entities listed above have a total of 30,000 employees all of which are in Canada. We have comprehensive recruitment oversight and employment practices that ensure our Canadian employees, working in all areas from retail locations to food manufacturers, are legally entitled to work in Canada and are of appropriate legal age for their role, working hours, and category of employment pursuant to the Employment Standards Act. All required source deductions are collected and remitted to the CRA.

Our companies fall into the categories of retail grocery stores, food wholesalers, pharmacies and pharmaceutical distribution, and food manufacturers (Monte Cristo Bakery, Sun Rich Foods). The majority of PFG employees work in our retail stores or the operations to support them, with a relatively small number in the wholesalers, food manufacturers, and distributors.

While it is not feasible to exhaustively list all the products that PFG procures and sells, their origins, and the supply chains that accompany them, it's helpful to consider a typical grocery store and the assortment of products available there: everything from fresh produce to pies, frozen vegetables to paper towels, and tens of thousands of other products that vary from well-known international consumer brands to artisanal products from local businesses. PFG is the brand owner for several consumer brands that are sold in our stores and some of which are sold wholesale, including, but not limited to, Western Family, Only Goodness and Value Priced. There are also some private brands exclusive to specific retail banners, such as QF at Quality Foods and Earth's Choice at Choices, among others. PFG's private brand products are produced for us by various suppliers and are not directly manufactured by PFG.

III. POLICIES AND DUE DILIGENCE PROCESSES

Like many food and consumer product companies, our supply chain is complex, with product origins varying by brand, supplier, and even seasonal factors. Staples such as coffee and oranges may come from different countries depending on sourcing conditions, making visibility essential to maintaining integrity and accountability.

In 2024, we formally published and distributed our Environmental, Social, and Governance (ESG) Responsibility Standards and Procedures, within our ESG Terms and Conditions, outlining our expectations for suppliers. The ESG Responsibility Standards and Procedures outline expectations on working conditions in accordance with all applicable laws and ILO conventions, among other stipulations that also apply to environmental and animal welfare topics. The ESG Terms and Conditions outline avenues of redress should a supplier be found in contravention of any standards, including but not limited to terminating the business relationship if appropriate. Building on this foundation of explicitly stated and agreed-upon conditions, we launched the next phase of our responsible procurement strategy in 2024.

In addition to requiring all suppliers to formally commit to our ESG Responsibility Standards and Procedures, we began to collect supplier policy and product-specific information in 2024. This initial phase focused on high-volume private brand and unbranded products, in our Pattison Food Group Ltd. centralized procurement function.

Understanding this information is a first step in assessing any risks for forced labour and child labor, providing insight into suppliers' sourcing practices, their policies and any due diligence practices, and specific product origins. Collecting this greater amount of supply chain data will enable us to assess potential risks at both the product and supplier levels, strengthening our ability to make informed procurement decisions.

In addition to tracking the 'product of' countries, we require our suppliers to identify the three most used ingredients in each product and their origins. We also record instances where products have multiple or seasonal sourcing locations, allowing us to better understand our supply chain for products of variable origin.

Despite challenges such as supply chain complexity, shifting supplier relationships, and varying product origins, our commitment to enhancing transparency and accountability within our supply chain remains strong. By implementing these tracking mechanisms, we are at the initial stages of mapping our supply chain and reinforcing our standards across it.

IV. RISK ASSESSMENT AND MANAGEMENT

Though we sell a variety of consumer goods in our retail locations, our food business presents the highest risk of forced labour or child labour based on current understanding and industry practices. We recognize that food supply chains can include instances of forced labour or child labour, with certain regions carrying a higher likelihood of these risks.

To strengthen visibility into our supply chain, we have implemented a system to track and monitor supply chain risks in our products by analyzing the locations where they are produced and the origin of the ingredients used. Additionally, we collect information on our suppliers' policies, including, but not limited to, whether they have a supply chain policy that includes prohibiting child labour and forced labour, and whether this policy is enforced across all of their suppliers and vendors. As previously discussed, this gathering and mapping is in its initial stages, though the steps to evaluate what information is needed and mechanisms to gather and track it have been developed and executed.

This system allows us to systematically gather data, identify supply chain risks, and prioritize where more insight may be needed. The risk indicators are based on Walk Free's *Global Slavery Index*¹ and World Vision's *Risky Countries for Imports*.²

The agricultural sector has been cited as having the highest prevalence of child labour, with commodities such as coffee, fish, cane sugar, tomatoes/tomato products, and cocoa being of particular concern for Canadian imports (World Vision, p. 5). As of 2019, the top five origin countries for 'risky' imports to Canada were Mexico, Brazil, China, Colombia, and Vietnam (World Vision, p. 6), with specific commodities associated with each of these regions. Much of this risk exists at the commodity production level, making visibility and traceability critical to addressing

¹ Walk Free. (2023). *Global Slavery Index*. <https://www.walkfree.org/global-slavery-index/>

² World Vision Canada. (2023). *Child labour & risky goods report*. <https://www.worldvision.ca/WorldVisionCanada/media/NCFS/Reports/WVC-FY23-Q1-Child-Labour-Risky-Goods-Report-2023.pdf>

potential labour concerns in our supply chains.

V. MODERN SLAVERY REMEDIATION MEASURES

PFG has a formalized process in place to delist suppliers who violate our ESG Terms & Conditions. In 2024, an advocacy group alerted PFG to a suspected instance of forced labour linked to a frozen seafood item sold by a smaller subsidiary.

Upon receiving this information, the banner's stores immediately removed the affected brand from sale and delisted the supplier. During this process, we discovered the supplier itself was unaware of the issue, as the product had passed through multiple brokers before reaching our supply chain. This case underscores the significant challenges of achieving full visibility across all tiers of the supply chain.

VI. LOSS OF INCOME – REMEDIATION MEASURES

We are in the early stages of developing formalized processes and policies to address forced and child labour within the supply chains of the products we procure. While we have begun implementing systems to improve supply chain tracking and visibility, we do not have comprehensive data on the full extent of these risks or metrics to assess the effectiveness of our efforts.

As a result, we have not established specific measures to remediate potential income loss for vulnerable families impacted by our efforts to eliminate forced or child labour from our supply chains.

VII. TRAINING

In 2024, we formalized our training program to educate employees on the potential risks of forced labour and child labour within supply chains. This program also highlights our policies, procedures, and best practices, ensuring a shared understanding of our values, expectations, and the role team members play in mitigating human rights risks in our supply chain. The training also focuses on human rights topics more generally, laws and international conventions on labour, and potential situations where human rights may be impacted.

The standardized training modules intend to enable those in procurement or supplier relationships to have educated and meaningful conversations about supply chain policies and due diligence and ultimately evaluate suppliers against best practices.

Near the end of 2024, we made this training program mandatory for our Pattison Food Group Ltd. centralized procurement and supplier relationship management team members. In addition to these courses being mandatory for these team members at all levels, we encourage any team member who would like to complete the training on demand in our learning management system.

VIII. ASSESSING EFFECTIVENESS

Given the complexities of the global food supply chain—where products and ingredients can change ownership multiple times before reaching our stores—comprehensive traceability solutions and standards are critical for ensuring responsible sourcing.

In 2024, we initiated the integration of standardized evaluation systems and processes to improve supply chain transparency. As previously discussed, our information gathering and risk assessment program enables us to understand the origin of final products, as well as the origin of the top three ingredients used in each product. Additionally, we have taken the extra step of identifying products with multiple ingredient sources. This system will enable us over time to better identify potential risks, understand where risk mitigation might be needed, and to draw on this information for decision-making. As we are still in the initial stages of supply chain mapping and risk assessment through these practices, we do not yet have effectiveness metrics.

Recognizing that industry-wide collaboration is essential for progress, we continue to engage in industry-driven initiatives to develop robust traceability solutions. We also work closely with our associations and leverage best practices to strengthen our policies and ensure continuous improvement in our approach to ethical sourcing.

IX. APPROVAL AND ATTESTATION

This Report was approved pursuant to paragraph 4(b)(i) of the Act and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at www.pattisonfoodgroup.com.

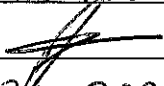
In accordance with the requirements of the Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in this Report for JFG. Based on our knowledge, and having exercised reasonable diligence, we attest that the information in this Report is true, accurate and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

This Report is approved by the following governing body members:

Printed Name: Jamie Nelson

Title: President

Company: Pattison Food Group

Signature: 

Date: May 30, 2025