



FIGHT MODERN SLAVERY

2023 REPORT May 31, 2024

Introduction

About

Canadian legislation on modern slavery, [*Law to combat forced labor and child labor in supply chains*](#) ("Act"), came into force on January 1, 2024. The Act requires specified entities to disclose details regarding their efforts to reduce risks related to forced labor or child labor (collectively referred to as "slavery modern") within their direct operations and supply chains. This 2023 Anti-Modern Slavery Report (the "Report") has been prepared by Maison Russet Inc ("Maison Russet" or "the Company") in accordance with the reporting obligations as defined in the Act.

This Report describes Maison Russet's operations and supply chains. The report also describes the measures taken to prevent and mitigate risks related to modern slavery in its operations and supply chains for the reporting period from 1^{er} April 2023 to March 31, 2024, and identifies the activities that the Company plans to implement to address the risks related to modern slavery in the short term.

Measures taken to prevent and reduce the risks of forced labor and child labor

On July 27, 2023, Maison Russet began an independent assessment by the Ageco Group, (*AGÉCO Group is a leader in the agri-food economy and corporate responsibility sectors. At the forefront for 20 years, we help organizations navigate a constantly changing environment by reconciling performance, quality, and social acceptability.*) to produce a report on environmental, social and governance ("ESG") factors and offer avenues for improvement for the years to come. One of the high priority objectives was:

PILLAR	AMBITION	OBJECTIVES	FEAS. LEVEL
Ensure responsible supply chains	Ensure a social supply manager chain for our products and packaging	Checkpoints regarding OHS, respect for human rights and ethics are included in our supplier questionnaires and audits, based on our internal risk analysis	HAS

To follow up on the Ageco Group's recommendation, Maison Russet has created and implemented a code of conduct for our suppliers as of February 2024 to meet the objective mentioned above. **(See appendix 1)**. Since then, all new contracts awarded with our suppliers incorporate this code of conduct and commit them to respect it. In the

years to come, Maison Russet is committed to continuing to follow avenues to improve our ESG score.

In addition, by signing an agreement with our new co-packer in Egypt, we demanded a clause in the contract which obliges them to follow the recommendations of the Ageco Group balance sheet mentioned above. The "S" portion of the ESG states that human rights must be protected.

Our legal team has begun reviewing existing contracts with our long-time co-packers to add a clause to protect workers.

We also carry out visits to the operating sites of our sweet potato suppliers. The supply chain director as well as the raw material buyer visited 16 of the 20 sweet potato farms in 2023 to tour the facilities as well as negotiate new contracts.

Structure, activities and supply chains

Structure and organization

Maison Russet is a private manufacturing company registered in Quebec that works in the field of food processing.

For our last fiscal year (ending March 31, 2024), our activities can be categorized into two sections:

- Processing raw sweet potatoes into frozen sweet potato fries
- Distribution of processed sweet potato products to our co-packers

Our processing process includes: Peeling, slicing, steam blanching, breading, cooking in oil and freezing at -20 degrees Celsius.

The vast majority of our activities take place at our factory in Huntingdon. We also have joint venture agreements in the United States as well as co-packers in Honduras, Peru and Egypt.

Maison Russet transformation supply chain:

Our supply chain is based on personalized recipes and packaging for each of our customers.

Each recipe contains three ingredients:

- Conventional or organic sweet potatoes
- Breading (75% white potato starch)
- A vegetable oil

For packaging, the product is packed in poly bags, put into cardboard boxes and labeled according to customer's specification.

We have around twenty farmers concentrated mainly in North Carolina who must read our supplier code of conduct as well as sign the contract.

Of our total raw material purchasing expenses, 67% comes from the United States and the other 33% comes from Canadian suppliers. This allows us to limit our risks of forced labor and child labor because the two countries in question have a very low number of reported cases.

For packaging, all of our suppliers are Canadian, we have a bag supplier who sources from Spain.

Supply chain Maison Russet co-packer:

For our co-packers in Honduras, Peru and Egypt, the purchase and resale of their products in the form of distribution to the Maison Russet customer represented less than 4% of our total turnover for our last fiscal year.

The same approach is followed for our joint venture agreements in the United States as well as our co-packers, the recipes and packaging are customer specific.

In the last fiscal year, we also purchased several automation equipment for our processing plants in Quebec, 90% from the United States with the other 10% from Canada and England.

Due diligence policies and processes regarding forced labor and child labor

Maison Russet does not have an internal policy or process specific to forced labor and child labor.

Our human resources team complies with the laws and standards of the provinces and states in which we operate. For example, we ensure that we respect the standards established in Quebec by the Labor Code, the Labor Standards Act, as well as the new *Law on the supervision of child labor* which was adopted by the National Assembly of Quebec on 1^{er} June 2023.

As mentioned above, Maison Russet adopted a code of conduct for all our suppliers in February 2024. Since then, the code of conduct has been an integral part of all new contractual relationships with our suppliers. The latter must contractually commit to respecting the work-related standards established in the code.

Measures taken to assess the risk of forced or child labor

Maison Russet did not have a formal risk assessment process in place during the 2023-2024 financial year to identify risks related to modern slavery in its operations and supply chains. The visits to our suppliers that were carried out informally assessed the working conditions on the operational sites.

With the report prepared by the Ageco Group, the objectives linked to working conditions in this report, as well as the adoption of a code of conduct for our suppliers, Maison Russet is working to formalize and standardize its evaluation and evaluation process. risk control during the period 2024-2025.

Parts of its operations and supply chains that involve a risk of use of forced labor or child labor

For its processing operations, Maison Russet visits its potato suppliers. During our visits to our suppliers, we took a tour of each facility. We have not observed any cases of non-compliance with the law on combating forced labor and child labor in supply chains.

Maison Russet recognizes that the greatest risk would be with its co-packers due to their location. However, as mentioned above, our co-packers represented less than 4% of our turnover for the last fiscal year.

Measures to address any use of forced or child labor and loss of income

As of the date of this report, Maison Russet has not identified any instances or accusations of forced labor or child labor, nor any cases of vulnerable families experiencing loss of income within its workforce or supply chain. 'supply. Therefore, no corrective action was deemed necessary.

In the event that Maison Russet identifies that it has caused or contributed to causing forced labor or child labor, or loss of income, Maison Russet will take appropriate action

necessary to cooperate with affected parties to develop appropriate remedial measures.

Training given to employees on forced labor and child labor:

During the period covered by this report, no specific training on the risks of modern slavery was provided to Maison Russet employees. We are currently looking to see what training is available. The Company is considering the possibility of developing training on the risks of modern slavery.

Evaluation of the effectiveness of our measures and our next steps

Russet House supports the objective of the Act adopted by Canada and is committed to ensuring continuous improvement in all aspects of its operations and to putting in place measures to prevent modern slavery in all operations and supply chains. supply.

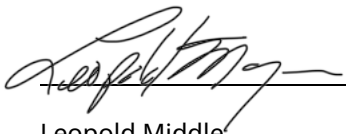
For example, we will use our frequent visits to our suppliers to continue to observe working conditions in our suppliers' operations and their investments in its facilities to ensure decent working conditions in line with modern standards. We will also confirm their compliance with their commitments under the Maison Russet Supplier Code of Conduct.

As this is our first report on modern slavery, it is too early to assess and report on the effectiveness of the modern slavery measures that Maison Russet plans to implement this year. In future reports, we intend to identify indicators that can be monitored from year to year, adjusting them as necessary to assess their effectiveness.

Certificate

In accordance with the requirements of the Act, and in particular section 11 thereof, I certify that I have reviewed the information contained in the report for the entity or entities listed above. Taking into account my knowledge and having exercised reasonable diligence, I certify that the information contained in the report is true, accurate and complete in all respects material to the application of the Act, for the reporting year indicated above.

I have the power to bind Maison Russet inc.



Leopold Middle

Chairman of the Board of Directors

May 31, 2024

Supplier Code of Conduct – Maison Russet

At Maison Russet, we care about the quality and safety of our food products. Our suppliers must understand and comply with the quality standards, policies, specifications and procedures applicable to the products or services they provide. Maison Russet also expects our primary suppliers to be good corporate citizens by following good production practices, complying with all laws and regulations, and reporting any quality issues that may affect the quality of our products as soon as possible. .

Child Labor

Maison Russet requires its suppliers to avoid child labor. A child is defined as anyone under the age of 16. However, if local rules establish a minimum age between 14 and 16 years, this minimum age will be respected, particularly in the agricultural sector where this is common practice. Maison Russet values the full physical and mental development of children and strives to eradicate all forms of child abuse.

Forced and Compulsory Labor

Maison Russet does not accept suppliers who use forced or compulsory labor. Employees should not work under threat of penalties or sanctions. All work must be done voluntarily by employees. Additionally, employees must have the freedom to leave the workplace after their shift, keep their identity documents and work permits with them, and leave their employment after giving reasonable notice.

Human Trafficking

Suppliers must not participate in or profit from human trafficking. This includes actions of recruiting, moving, transferring, harboring or receiving people, using force or other methods of pressure, kidnapping, deception, lying, or abusing power or a situation of weakness. It is strictly forbidden to give or receive money or favors to obtain the agreement of a person having authority over another person with the aim of exploiting them.

Discrimination in Employment

Maison Russet values the principles of Diversity, Equality and Inclusion (DEI) and requires its suppliers to avoid discriminating against their employees based on any of the following factors: age (within the limits permitted by law), ancestry, color, race, citizenship, marital, marital or family status (including single status), ethnic or national origin, place of origin, gender identity, gender expression, language, disability, political beliefs, criminal record (only in employment), faith or religious belief, sex (including pregnancy and breastfeeding), sexual orientation, social condition or any other grounds of discrimination

legally prohibited in the hiring process and in all aspects of professional life.

Compliance with Obligations in Labor Relations

Suppliers must establish hiring and termination requirements consistent with relevant national or state laws. Employees should be able to consult documents explaining these conditions in the local language or in the language they use.

Training, Health and Safety

Supplier is responsible for providing comprehensive operational and safety training to all of its employees and contractors who work with manufacturing equipment. The supplier must ensure a healthy, clean and safe working environment, and take all necessary measures to prevent work-related accidents, illnesses and injuries. If accommodation is provided by the provider, it must be sanitary, clean and safe. The supplier is required to have well-defined occupational health and safety procedures, with responsibility for these procedures assigned to a manager.

Working hours

Regarding working hours, suppliers are required to comply with national laws, industry standards or international standards, favoring those that offer the best protection for health, safety and well-being employees. A standard work week must comply with the laws of the state or province where the supplier operates.

Salaries and Benefits

For a standard work week, wages and benefits paid to employees must at least meet the legal minimum wage, industry standards, or the terms of a collective bargaining agreement, if one exists. Employees must receive their salary regularly and be provided with a pay slip. Suppliers are not permitted to withhold wages as a disciplinary sanction without first notifying employees.

Inspections

During normal working hours, representatives and customers of Maison Russet Inc. are authorized to inspect the facilities where the product is processed. This inspection may cover all aspects of the supplier's product harvesting, washing and sorting methods, as well as quality control and safety procedures. Any information consulted or observed by Maison Russet during these inspections must be considered confidential.

Noncompliance

In the event of non-compliance by a supplier with the Code of Conduct, Maison Russet reserves the right to require an in-depth analysis and a corrective action plan. In cases of serious non-compliance, Maison Russet may consider re-evaluating its commercial relationship with the supplier.

Appendix 2

[Bill number 19 - Assented to \(2023, chapter 11\) \(gouv.qc.ca\)](#)