



Report on Forced Labour and Child Labour in Supply Chains

Fiscal Year 2024

1. ABOUT THIS REPORT

This report relates to the financial year ending February 29, 2024. It is published by C&E Seafood Company Inc. (the “**Company**”) and its relevant subsidiaries in compliance with Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”).

References in this report to “Champlain Seafood”, “Company”, “we”, “our” and similar terms are to C&E Seafood Company Inc. and its subsidiaries generally, to one or more of them, or to those who work for them. The Company subsidiaries included in scope of this report are: Captain Dans Inc., Riverside Lobster International Inc., Cape Bald Packers Limited, 12909839 Canada Inc., Pecheries Cheticamp Fisheries (2016) Ltd., Petit de Grat Packers Limited, Boston Lobster Canada Inc., and Boston Wholesale Lobster Canada Inc.

This report was approved by the Board of Directors of C&E Seafood Company Inc. on April 26, 2024.

2. OUR COMMITMENT

As a leader in the seafood industry, Champlain Seafood feels a strong sense of responsibility as an organisation for setting high standards in responsible industry practices. Thus, we are committed to respecting human rights in everything we do and we have a zero-tolerance approach to forced labour and child labour. We actively seek to minimise the impact of our activities and operations, while supporting and promoting responsible practices at every stage of our supply chain.

For us, creating a sustainable tomorrow means supporting a workplace culture and people who consistently do the right things.

3. PREVENTING AND REDUCING RISKS OF FORCED LABOUR AND CHILD LABOUR

This report highlights the key actions of the Company within last financial year to prevent and reduce the risk of forced labour or child labour in its business and supply chain.

As stated in this report, we have conducted an internal assessment of risks of forced labour and child labour in our organization’s activities and supply chains during the reporting period. We have

also gathered information on worker recruitment and maintained internal controls to ensure that all workers are recruited voluntarily to prevent and reduce human rights risks.

4. ABOUT US & OUR SUPPLY CHAIN

Champlain Seafood comprises a diverse team of seafood processors, operating across a network of 13 facilities established in coastal communities in Canada and the US. With strong seafood experience, spanning multiple generations, our organization is committed to delivering high quality lobster products, snow crab, and live lobster to discerning consumers.

Our core business revolves around the primary processing of snow crab and lobster, acquired directly from harvesters in the provinces of New Brunswick, Nova Scotia and Prince Edward Island. Most of these products are then processed into frozen packages in our various facilities before being sent to our cold storage facility for sale. Around 90% of our sales are to clients located in the United States.

5. POLICIES AND DUE DILIGENCE PROCESSES

We continue to strengthen our processes to reduce risks related to forced and child labour and although we have not yet implemented formal due diligence processes in our supply chains, we have stated embedding responsible business conduct into policies and management systems. Namely, our employee handbook for salaried employees outlines the importance of a positive and safe work environment and compliance with requirements regarding health and safety.

In line with our commitment to ethical employment practices, we prioritize the well-being of temporary foreign workers who come to Canada to work for the Company.

During the last fiscal year, we participated in the Social Members Ethical Trade (SMET) Audit which was conducted at our largest plant, Cape Bald Packers. This audit was a requirement from specific clients to all their suppliers. In response to the recommendations made in the context of the SMET audit, we implemented changes to Cape Bald Packers' policies applicable to our hourly employees to, among other things:

- Include a statement about employees' right to be treated fairly in the workplace free from discrimination in accordance with the Canadian Human Rights Act.
- Mention that freedom of association at our plant guarantees the right of employees to meaningfully associate in the pursuit of collective workplace goals, which includes the right to engage in collective bargaining.
- Clarify that we strictly prohibit the employment of individuals below the age of 18 and provide for robust identification procedures to be followed both by the employer and the employees.

The Company is currently assessing how the SMET audit recommendations can be effectively applied throughout the organization.

6. RISK ASSESSMENT AND REMEDIATION MEASURES

We believe that the risk of forced and child labour within our supply chain is limited, given that we procure snow crab and lobster from harvesters in Canada. We however acknowledge that instances of human rights abuses have occurred in the fishing sector globally and as such, we recognize that we have a responsibility to continue raising awareness and promoting best practices across our value chain.

We also recognize that our own activities, which are seasonal in nature and include the hiring of temporary foreign workers may give rise to higher risks.

In order to remediate these risks, we hire temporary foreign workers through the Labour Market Impact Assessment (LMIA) with Service Canada for six of the Company subsidiaries. We regularly submit to audits by Service Canada and are in compliance with their program requirements.

During the last financial year, we completed an internal assessment of risks of forced labour and child labour in our organization's activities and supply chains. Although this assessment was done informally as part of our human resources risk assessment exercise, we concluded that our human resources and payroll practices carried a very low risk of not being compliant with regulatory requirements and applicable employment standards.

7. ACTING ON IDENTIFIED RISKS & IMPACTS

As we continue to deepen our understanding of human rights risks in our business and supply chain, we remain committed to improving our practices to help prevent and reduce the risk of forced labour or child labour in our business and supply chain.

In the last financial year, we have not been made aware of specific instances of forced labour or child labour and as such, no measures have been taken during the reporting period to remediate forced labour or child labour or loss of income in our activities and supply chains.

8. TRAINING AND CAPABILITY BUILDING

To ensure a high level of understanding of the risks of forced labour and child labour in our supply chains and our business, we provide annual training and orientation sessions to our temporary migrant workers to inform them on their rights. We also provide ongoing training to supervisors and managers on good leadership practices.

Following the SMET audit recommendations, we have started exploring avenues such as incorporating these recommendations throughout the organisation by providing employees' annual training and orientation sessions on forced and child labour and including human rights considerations into all employee handbook policies. Our aim is to adopt robust policies and practices and ensure that they are clearly communicated to all employees, reinforcing our commitment to responsible business conduct and compliance with ethical standards.


9. ASSESSING THE EFFECTIVENESS OF OUR APPROACH

Ensuring that forced labour and child labour practices are not taking place in our business and supply chains is and will always be a work in progress. We assess our effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chains by regularly reviewing and auditing the organization's policies and procedures related to forced labour and child labour.

This report was approved by the Board of Directors of C&E Seafood Company Inc. on April 26, 2024 pursuant to paragraph 11 (4)(b)(ii) of the Act and constitutes our report for the financial year ending February 29, 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 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 indicated above.

I have the authority to bind C&E Seafood Company Inc.

DocuSigned by:

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Full name: Jean-Stephane Yansouni

Title: Director

Date: April 26, 2024