



NUTRI GROUP INC.

2023 REPORT ON FORCED AND CHILD LABOUR

MAY 2024

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I. INTRODUCTION

This report covers the financial year ending September 30, 2023. It is published by Nutri Group Inc. and its affiliated companies in compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) in force in Canada.

References in this report to “Nutri Group,” “Company,” “we,” “us,” “our,” and similar terms refer to Nutri Group Inc. and its affiliated companies in general, to one or more of them, or to the people who work for them. The Company affiliates included in the scope of this report are: Nutri-Œuf Inc., Nutri-Œuf St-Hyacinthe Inc., Les Œufs Ovales Inc., Countryside Farms Ltd, Ontario Pride Eggs Inc., Supreme Egg Products Inc., and Maritime Prime Eggs Inc.

II. PREVENTING AND REDUCING THE RISKS OF FORCED LABOUR AND CHILD LABOUR

At Nutri Group, respecting our workers and looking out for their well-being, protecting the environment, and embracing sustainable development are all core values that are central to our mission. As a responsible company, we have no tolerance for forced or child labour within our organization or supply chain.

The steps taken over the past financial year to prevent and reduce the risk that forced, or child labour is used in our activities and supply chains focused on identifying risks and continuing to apply established best practices:

- We conducted a mapping exercise covering both our business activities and supply chains to improve our supplier visibility and detect any potential signs of forced or child labour.
- We closely tracked the origin of all eggs used in our activities to gain a detailed and ongoing understanding of our supply chain.
- We continued to apply our policies on corporate social responsibility and business ethics.
- We systematically collected the necessary information when recruiting workers.

This report describes these measures in greater detail. It also provides an overview of some of the initiatives we plan to deploy to fight against forced and child labour while ensuring that any new measures remain proportionate to the nature of our business and the limited risks involved.

III. OUR BUSINESS ACTIVITIES AND SUPPLY CHAINS

Nutri Group is recognized as being Canada's only large-scale poultry entity owned by local egg farmers and as one of the country's leading egg graders and processors. Thanks to the decision of our visionary farmer shareholders to pool their efforts and knowledge of the poultry industry, we've developed a business model that is unlike any other in the egg industry and allows farmers to offer their customers fresh, local eggs in numerous regions across Canada.

Every year, we produce, grade, process, and market over 2.4 billion regular, free-range, organic, specialty, and processed eggs. We market eggs and egg products according to the highest standards for quality, innovation, and respect.

Nutri Group operates separate business units in Quebec, Ontario, Nova Scotia, Manitoba, and Saskatchewan and employs some 500 people, the majority of whom work in production.

Our activities include egg grading and processing. Grading activities include cleaning, candling, weighing, grading, and packing eggs. Processing activities include the blending of small and medium-sized eggs for sale as ingredients in the food industry.

3.1. Our Supply Chain

We're committed to the highest standards of respect and integrity in the conduct of our activities and manage our supply chain effectively to ensure our sourcing process is as fair and equitable as possible. We also identify, assess, and monitor areas of our supply chain that may present a risk of forced or child labour.

As per the requirements of Egg Farmers of Canada and Global Affairs Canada, which impose quotas on egg imports into Canada, virtually all the eggs used in our activities are from Canadian farmers.

The eggs used in our activities come almost entirely from farms in Canada, with a small proportion coming from farms in the United States. As our business partners' poultry operations are highly automated and their production levels are usually stable throughout the year, their employees generally don't perform intensive physical labour.

We hire foreign workers for set periods of time. We ensure that the rights of these workers under Canadian federal and provincial legislation are upheld. The foreign workers we employ are housed by Nutri Group and, as such, must agree in writing to a set of rules of conduct designed to govern collective well-being in the accommodation provided.

It is imperative for us that each of our workers and those of our business partners enjoy the respect and integrity that every person deserves, which is why we actively promote the well-being of our workers.

Although our egg imports from the U.S. are minor, we choose to work with large producers who are well-established in the U.S. poultry industry, are certified by the U.S. Department of Agriculture, and have a good reputation and a long-standing business relationship with us. We generally make sure we have constant visibility on the origins of products imported from the United States by documenting and tracing the origin of the eggs we import.

When sourcing packaging and containers, we do business with suppliers who have manufacturing facilities in Canada. The chemicals used in our activities to ensure compliance with egg safety standards are sourced from a single supplier, who is also located in Canada. The machinery and heavy equipment used by Nutri Group for its operations come from three suppliers, located in Germany, Italy, and the Netherlands. The spare parts for said machinery and equipment are imported from the United States and Europe.

IV. POLICIES AND DUE DILIGENCE PROCESSES

The Company's commitment to protecting human rights is rooted in a firm belief in doing the right thing. Although we are currently working to integrate responsible conduct into our policies and management systems, our internal policies already reflect our commitment to human rights, human values, and rigorous compliance with poultry industry standards.

4.1 Our Corporate Social Responsibility Policy

Our Corporate Social Responsibility Policy includes a commitment to promoting business relationships with partners who share our vision of corporate social responsibility and demonstrate sound management of environmental and social issues.

The policy also underscores Nutri Group's commitment to offering competitive working conditions, respecting human rights, maintaining sound governance and ethical practices, promoting sound management practices, and fostering the professional development and social success of our employees.

4.2 Our Code of Ethics

Our Code of Ethics and Business Conduct (the "Code of Ethics") aims to establish the standards that Nutri Group is committed to upholding in its dealings with its employees, customers, suppliers, and commercial business partners, as well as Nutri Group's expectations of them. The Code of Ethics presents the Company's fundamental values, starting with integrity, respect, and transparency in business relationships, both with customers and with business partners and suppliers. Under the Code of Ethics, the Company and its employees must respect the laws and regulations of each province in which they operate.

The Code of Ethics states that Nutri Group reserves the right to terminate or not renew any contract with a business partner who fails to comply with the Code.

The whistle-blowing policy included in our Code of Ethics is available to anyone who becomes aware of a breach of the Code's provisions. Under this policy, we undertake to treat all reports promptly and confidentially and not retaliate against anyone who reports a breach in good faith.

As part of its commitment to maintaining a working environment based on trust and respect, Nutri Group has also adopted a policy regarding physical and psychological violence that focuses on awareness, prevention, and protection. In addition, Nutri Group intends to amend its Code of Ethics in the near future to specifically address forced and child labour.

V. RISK ASSESSMENT AND MANAGEMENT

During the past financial year, we conducted a mapping exercise covering both our business activities and supply chains to improve our knowledge of our suppliers, detect any potential indicators of forced labour and child labour, and take the appropriate measures to prevent and put an end to them as necessary. As part of those efforts, we tracked the origin of all eggs used in our activities closely, which helped increase our visibility on our supply chain.

Although we are still in the preliminary stages of our risk identification process, Nutri Group considers that the risk of forced and child labour in its activities and those of its direct suppliers is relatively low, given that all our raw material purchases come from Canada and the United States and that our production equipment is sourced from Europe (Germany, Italy, and the Netherlands). We are, however, aware that the agri-food industry in which we operate may present a certain risk of forced and child labour. That is why we must remain vigilant.

No cases of forced or child labour were identified in our activities or supply chain in the past financial year. We therefore haven't had to take any steps to remedy a case of forced or child labour. Also, to date, no loss of income for vulnerable families has been reported as a result of measures taken to eliminate the use of forced or child labour in our activities and supply chains.

Should any situation of forced or child labour be brought to our attention, we will immediately take appropriate remedial measures to put an end to it and prevent such situations in the future.

VI. TRAINING

We haven't yet provided our staff with training on issues specifically related to forced labour and child labour. However, all our staff receive training on the Company's policies during their onboarding sessions and whenever there are major updates. Our policies reflect our values and commitments, particularly with regard to human rights, as well as the behaviour our employees are expected to adopt in all activities related to the performance of their duties.

We plan to provide the employees involved in procurement with training on forced labour and child labour in the future.

VII. ASSESSING THE EFFECTIVENESS OF OUR APPROACH

As part of our efforts to constantly improve our processes and practices, we intend to conduct a reassessment of the risks of forced and child labour in our activities and supply chain and will continue to review the effectiveness of our policies to ensure they are fit for purpose, all on an annual basis.

To date, however, we have not taken any specific measures to assess the effectiveness of our actions in preventing and reducing the risks of forced labour and child labour in our activities and supply chain.

VIII. APPROVAL AND ATTESTATION

This report was approved by the Board of Directors of Nutri Group Inc. on May 27, 2024, in accordance with subparagraph 11(4)(b)(ii) of the Act and constitutes our Group's report for the financial year ending September 30, 2023.

In accordance with the requirements of the Act, specifically section 11, I certify that I have examined the information contained in the report for the entities listed in the first section of this report. To the best of my knowledge and having exercised due diligence, I confirm that the information contained 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 power to bind Nutri Group Inc.

Claudia Désilets
Chairman of the Board