

2024

Colabor Group Inc. Report on the Fight Against Forced Labour and Child Labour in Supply Chains



About this report

The sole and only reporting entity referred to in this report is Colabor Group Inc. ("**Colabor**" or the "**Corporation**") and relates to the fiscal year ending December 28, 2024 ("**Reference Period**"). In accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*¹ (the "**Act**"), the report outlines the measures taken by Colabor during the Reference Period to prevent and reduce the risk that forced labour and child labour is used in supply chains.

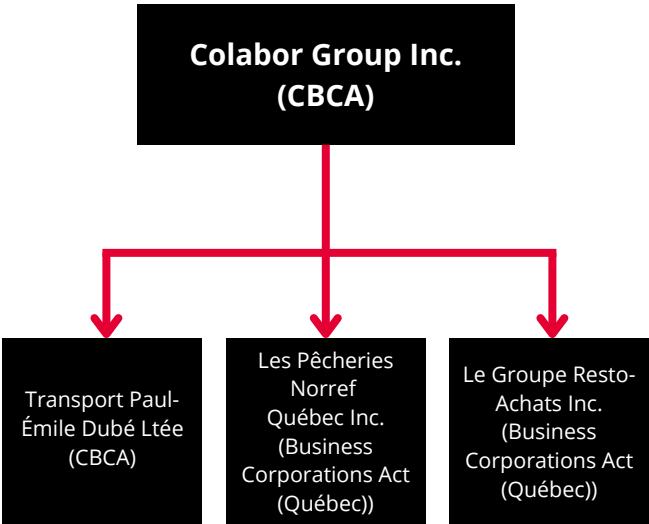
¹ *Fighting Against Forced Labour and Child Labour in Supply Chains Act, S.C. 2023, c. 9*

Structure, Activities and Supply Chain

Legal and Organizational Structure

Colabor is a corporation amalgamated under section 185 of the *Canada Business Corporations Act (R.S.C. (1985), c. C-44)* and its head office is located at 1601, René-Descartes Street, Suite 103, Saint-Bruno-de-Montarville, Québec, Canada, J3V 0A6. The shares of the Corporation are listed on the Toronto Stock Exchange under the symbol GCL.

The following diagram illustrates the corporate structure of Colabor’s operating entities as at December 28, 2024. Each of these entities is wholly-owned by Colabor.



As at December 28, 2024, Colabor had approximately 747 salaried employee, including 667 full-time employees. Internal teams dedicated to centralized negotiations with suppliers and to supply chain management, with approximately twenty-five (25) full-time employees, plan, negotiate, organize, manage and coordinate Colabor’s supply operations.



Colabor is also a shareholder member of a Canada-wide purchasing group called ITWAL Ltd., which joined Balpex Inc. on January 1, 2022, giving Colabor access to an expanded supply network.

Activities

Colabor is a wholesaler and distributor of food and non-food products serving the foodservice market, specifically, hotels, restaurants and institutions (“HRI”) and the retail market. In addition to being recognized for its proximity and reliability, Colabor carries out its activities through two operating segments: distribution of food products (distribution segment) and sales of general food-related products to distributors (wholesale segment).

Distribution Segment

Colabor Food Distributor is a major distributor of the foodservice and retail market customers in several regions of Québec; including part of the North Coast and the Lower North Shore, and New Brunswick. Colabor Food Distributor employs approximately 370 people and distributes over 10,000 food and non-food products from its warehouses located in Lévis, Rimouski and Saint-Bruno-de-Montarville. This division's clients consist primarily of foodservice operators, specialty food stores, institutional accounts such as healthcare institutions, schools and universities, certain other retail customers, in all reaching approximately 5,000 customers.

Colabor Food Distributor offers a complete range of products including frozen products, dry staples, dairy products, meat, fish and seafood, fruits and vegetables, and disposable and sanitation products.

Colabor is committed to continuous improvement in its processes and, to this end, holds the "Safe Quality Food" (SQF) certification for its distribution and warehousing operations; a rigorous, globally recognized food safety management program, accredited and compliant with the *Global Food Safety Initiative* (GFSI). This certification requires diligent and assiduous supply chain management and enables Colabor to confirm to its customers that

products are handled and distributed in compliance with the strictest standards worldwide. In light of this, Colabor places utmost importance on the traceability of its products and reserves the right to audit its suppliers at its discretion.

Colabor, through its Lauzon Meats Division, also prepares and processes various meats, including high quality products for the provinces of Québec and Ontario. Lauzon Meats operates from a plant located in Montréal and holds a *Hazard Analysis Critical Control Point* (HACCP) certification as well as a federal license allowing it to distribute its products nationally. This division employs approximately 50 employees.



Wholesale Segment

The wholesale segment activities employ approximately 107 employees and operates from the Saint-Bruno-de-Montarville distribution center. Sales of the Wholesale segment consist of food, food-related and non-food products that Colabor purchases and supplies to wholesale distributors that, in turn, distribute these products to over 25,000 customers operating in the retail or foodservice market segments in Québec and the Atlantic provinces. Its primary customer base includes wholesale distributors, integrated retail chains and food exporters operating in Québec, Ontario and the Atlantic provinces.

Supply Chain

Brand name products are purchased directly from the manufacturer or supplier, through representatives of the manufacturer or supplier or food brokers. MENU™ private label products are purchased from producers, manufacturers or packers who are licensed by Colabor. With a few exceptions, Colabor procures from over 600 manufacturers and suppliers, all located in Canada. Although Colabor promotes local procurement and actively contributes to Quebec's food autonomy by increasing its offer of local products to the HRI sector, including through its partnership with Maturin², certain goods are imported from outside Canada. During the Reference Period, direct imports represented less than 1% of the products purchased by Colabor.

² Maturin is an online sales platform that offers food from nearly 600 local farms and food processors in Québec.



Policies, Governance and Due Diligence Process in Relation to Forced Labour and Child Labour

Code of Ethics

Colabor maintains and vigorously enforces its Code of Ethics, which applies to all employees of the Corporation and its subsidiaries, members of the Board of Directors, and to all partners having a business relationship with Colabor, including any supplier, consultant or other service provider of Colabor. The code requires, among other things, that each subject person comply with applicable laws, rules and regulations and Colabor's policies and procedures. Colabor's Code of Ethics also ensures a workplace where each employee is treated with respect, fairness, ethics and dignity. The Code of Ethics is systematically communicated to all new Colabor employees and directors, who must confirm that they have read it. Periodically, human resources require all employees to review the Corporation's Code of Ethics and other key policies. All members of the Board of Directors of the Corporation also attest annually having read and understood the Code of Ethics. Compliance with the Code of Ethics is mandatory, regardless of their position, role or workplace, and contravening the Code of Ethics may

have serious consequences for the person, ranging from disciplinary measures to dismissal, depending on the seriousness of the situation.

The Code of Ethics is updated annually, and during the 2024 fiscal year, amendments were made to include provisions related to forced labour and child labour. The Code of Ethics expressly acknowledges that the use of forced labour or child labour is strictly prohibited in any form in any of Colabor's operational spheres, including its supply chain and with its suppliers.



Ethics Whistleblower Line

Committed to promote ethical behavior, Colabor has retained an independent external firm to provide an anonymous platform for reporting unethical behaviour or any misconduct that contravenes its Code of Ethics. This line can be used by anyone (employee, business partner or third party) who wishes to report a situation. The service is available at all times through the web at www.connexionsclearview.com or by telephone at 1-888-878-9020. Any reports are taken seriously and systematically trigger an internal investigation. Reported concerns, breaches or complaints are treated with the highest level of confidentiality and without reprisal for the whistleblower.



Supplier Policy

In addition to compliance with the Code of Ethics, Colabor requires each supplier to comply with its Supplier Policy, which includes all provisions, specifications and requirements to be complied with. This policy has been sent to all Colabor suppliers, including MENU™ private label manufacturers. Among the many obligations, the policy provides that the

supplier must comply at all times with all applicable laws, regulations and policies, both at the manufacturing level and in the work environment.

ESG

The Corporation is committed to being a responsible member of the communities in which it operates. To this end, Colabor continues to actively pursue its efforts to establish its comprehensive strategy for environmental, social and governance risk management ("**ESG**"). In line with the commitments made during the last reference period, Colabor's management established an internal steering committee that reports quarterly to the Corporate Governance Committee in order to monitor various issues, implement specific initiatives and objectives, and ensure that the Corporation meets the relevant applicable ESG standards.

In light of the above, Colabor also engaged the services of a division of Tata Consulting Services, to conduct a materiality assessment. This assessment aimed to identify and prioritize risks and opportunities related to its ESG performance, corporate responsibility, and environmental management. The assessment's findings highlighted several concrete opportunities that the Corporation intends to pursue during the 2025 and 2026 fiscal years to enhance its accountability and performance in ESG risk management.

Assessment of the risks of forced labour or child labour being used in its supply chains and measures taken to prevent and mitigate such risks

Although the process of identifying the risks of forced labour or child labour being used in supply chains is an ongoing evolution, the latest analysis is encouraging and do not point to any high risk. Prior to the Reference Period, the management team had identified and begun work on a number of important initiatives that will see the light of day in fiscal years 2025 and 2026. These include:

Supplier Code of Conduct

In order to complement the provisions of Colabor's Code of Ethics, which already imposes certain restrictions on suppliers, Colabor intends to finalize, adopt and impose a Code of conduct specifically for its suppliers in the 2025 fiscal year. The Code will include fundamental ethical principles and will aim to ensure that the suppliers comply at all times with the laws, standards, regulations and policies applicable to their activities and adopt responsible ethical behaviour aligned with Colabor's mission, vision and values, while sharing Colabor's commitment to integrity and social responsibility.

Specifically, the Code will explicitly prohibit suppliers from engaging in forced labour or child labour and will reaffirm Colabor's right to audit and visit any facility to ensure compliance with the Supplier Code of Conduct. Depending on the severity, any non-compliance not remedied in a timely manner may result in the termination of all contractual connections with the Corporation.

Reinforcing Contractual Provisions

During the Reference Period, Colabor also reviewed the contracts used by Colabor with its suppliers to document the terms and conditions applicable to procurement and to clarify the supplier's obligation to comply with Colabor's Code of Ethics as well as the applicable laws, and by extension, with the Act.

Measures taken to remedy any use of forced labour or child labour

During the Reference Period, no cases of forced labour or child labour were identified or reported. Any allegations, disclosures or discoveries of forced labour or work involving children in supply chains will be taken very seriously by Colabor, which will ensure that an investigation is conducted as soon as possible. In such a case and due to the critical nature of the stakes involved, Colabor will apply any appropriate corrective measure to remediate the identified risk or to any failure to comply with and adhere to the Act.



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 the activities

During the Reference Period, Colabor was not aware of any loss of income to the most vulnerable families due to the application of measures to eliminate the use of forced labour or child labour. However, any allegations, disclosures or discoveries of such loss of income will be taken very seriously by Colabor, which will ensure that an investigation is conducted as soon as possible. In such a case and due to the critical nature of the stakes involved, Colabor will apply any appropriate corrective measure to remediate the situation or to any failure to comply with and adhere to the Act.

Training for employees on forced labour and child labour

During the Reference Period, Colabor continued to make sure to keep itself abreast of the latest legislative developments that may impact its operations. Colabor remains fully committed to raising awareness among all relevant parties and preventing any violations of the Act. In this regard, Colabor is committed to continue awareness efforts on the risks related to forced labour and child labour by training and informing its key procurement employees on all relevant information related to the new provisions integrated into its Code of Ethics, its Supplier Code of Conduct, and the standard clauses that should be included in commercial contracts.

Governance and assessment of the effectiveness of efforts to prevent the use of forced labour or child labour in business and supply chains

The Board of Directors of Colabor, assisted by its various committees (as further described below), periodically reviews the material risks related to the Corporation and its activities and oversees the measures, systems and controls in place to manage and monitor risks and opportunities, including forced labour and child labour. Colabor's management, for its part, is continuing its risk analysis and implementation of measures to fight against forced labour and child labour. In light of this, the Corporation will proactively continue to

adjust its processes and controls and measure the effectiveness of its efforts.

Corporate Governance Committee

The Corporate Governance Committee is responsible for the ethic, compliance and corporate governance of Colabor. As part of its mandate, the Committee reviews the compliance of Colabor, its directors and executive officers with the applicable legal and regulatory provisions concerning corporate governance, and



periodically reports to the Audit Committee on the major issues, risks and opportunities, including those arising from the application of the provisions of the Act and the deployment of the ESG strategy within the Company. The Committee is also responsible for putting in place the necessary policies and procedures to report, among other things, cases of misconduct or breaches of Colabor's Code of Ethics. During the Reference Period, the Committee notably reviewed the governance principles and guidelines, as well as the provisions of the Corporation's Code of Ethics and made recommendations to the Board of Directors to include express provisions addressing forced labour, child labour and clear references to the Act (please refer to Section 3 above for more information on the subject). The Corporate Governance Committee also addresses at each of its meetings the latest developments in ESG matters, including topics such as forced labour or child labour in supply chains.

Audit Committee

The Audit Committee periodically reviews with management and in close collaboration with the Corporate Governance Committee, the key environmental, social and governance (ESG) issues relevant to Colabor, and oversees the associated risks and opportunities, all with a view to their impact on financial reporting.

Human Resources Committee

The Human Resources Committee is responsible for ensuring that policies and practices are in place to facilitate, among other things, the development of corporate social responsibility. The Committee issues recommendations to the Board of Directors on policies relating to social responsibility issues such as equal opportunity employment, diversity, health and safety, and the environment. The Committee reviews these policies on an annual basis and is responsible for monitoring management's adherence to these policies.



Approval and Attestation

This report covering the Reference Period has been approved by the Board of Directors of Colabor Group Inc. in accordance with section 11(4)(a) of the Act.

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 listed above. Based on my knowledge, and after exercising reasonable due 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 above-mentioned reporting year.

Warren J. White

Chair of the Board of Directors

Date : March 31, 2025

I have the authority to bind Colabor Group Inc.

Louis Frenette

President and Chief Executive Officer

Date: March 31, 2025

I have the authority to bind Colabor Group Inc.