

FE INGREDIENTS INC.

2025 Annual Report on Forced Labour and Child Labour in Supply Chains

1. Steps the Entity Has Taken During Its Previous Financial Year:

FE Ingredients Inc. continued building and scaling the business for sustainable growth, which included relocating to a larger, more efficient warehouse facility. While our core supply chain and sourcing activities remain unchanged, we have advanced our efforts to mitigate the risks of forced and child labour.

Key actions taken this year:

- Risk Assessment Initiated: We began a risk assessment across our supply chain to better understand potential exposure to forced or child labour.
- Policy Implementation: We finalized and launched a formal policy prohibiting forced and child labour in our supply chain.
- Due Diligence Framework: We developed and began executing due diligence processes to identify, mitigate, and prevent risks.
- Supplier Engagement: We initiated outreach to key suppliers to ensure they have their own policies in place, requesting statements of compliance and initiating review of their anti-slavery commitments.

2. Organizational Structure, Activities and Supply Chains:

FE Ingredients Inc. operates within the industrial and food manufacturing sectors in Canada, distributing a wide range of bakery ingredients. Our new, centralized warehouse in Vaughan, Ontario supports continued growth and operational efficiency.

We source primarily from Canadian and U.S.-based suppliers. Most products are manufactured domestically or imported by reputable Canadian subsidiaries of global firms. Our organizational structure remains the same, with dedicated departments for operations, sales & marketing, finance, and fractional support for HR and IT.

3. Policies and Due Diligence Processes:

FE Ingredients Inc. has implemented a formal policy prohibiting forced and child labour, supported by:

- Employment screening (eligibility, SIN, driver's license, age verification)
- Supplier onboarding processes that include ethical sourcing reviews
- Ongoing development of due diligence procedures aligned with S-211 expectations

4. Risk Areas and Assessment:

We have identified our sugar supply chain as the area with the greatest potential exposure. While our suppliers operate in North America with robust oversight, we are increasing our

monitoring and engagement.

Actions:

- Supplier declarations of compliance
- Review of anti-slavery statements
- Dialogue with key partners
- Ongoing risk assessments and escalation protocols for concerns

5. Remediation Actions:

No cases of forced or child labour have been identified. If discovered, we are prepared to take immediate corrective action, including supplier termination.

6. Measures Related to Vulnerable Families:

No remediation actions were necessary in this area, as no such impacts were identified.

7. Employee Training:

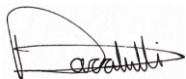
Managers continue to apply standardized screening processes during hiring. Further internal training modules are being explored as part of ongoing program development.

8. Effectiveness Assessment:

We have not identified any cases of forced or child labour. We are committed to continuous improvement and are establishing performance measures for tracking supply chain risk and supplier compliance going forward.

Attestation:

I, Dave Iacobelli, CEO of FE Ingredients Inc., attest that I have reviewed this report and, based on reasonable diligence, confirm that it is accurate and complete for the purposes of the Act.



Dave Iacobelli
CEO – FE Ingredients Inc.
May 31, 2025

“I have the authority to bind FE Ingredients Inc.”