

FE INGREDIENTS INC. 2026 Annual Report on Forced Labour and Child Labour in Supply Chains (FY25 Reporting Period – Sept. 1st, 2024, to August 31st, 2025)

1. Steps the Entity Has Taken During Its Previous Financial Year: FE Ingredients Inc. continued building and scaling the business for sustainable growth, including operating from a centralized warehouse facility in Vaughan, Ontario. While our core supply chain and sourcing activities remain largely unchanged and concentrated within North America, we continued to advance our efforts to mitigate the risks of forced and child labour in a practical and risk-based manner.

Key actions taken during FY25:

Risk Assessment Initiated and Completed (Phase 1): We conducted an initial qualitative risk assessment across our supply chain categories, identifying sugar and certain imported specialty products as having relatively higher inherent risk due to upstream global sourcing, while the majority of our portfolio remains low risk due to domestic or North American sourcing.

Policy Implementation: We finalized and implemented a formal policy prohibiting forced and child labour within our supply chain and internal operations.

Due Diligence Execution (Initial Phase): We began executing a structured, risk-based due diligence approach focused on key suppliers representing most of our spending.

Supplier Engagement: We engaged our largest suppliers (representing approximately 75–85% of total spends) to confirm the existence of policies and practices addressing forced labour and child labour, including review of publicly available statements and direct confirmations where applicable.

2. Organizational Structure, Activities and Supply Chains: FE Ingredients Inc. operates within the industrial food ingredient distribution sector in Canada, supplying bakery ingredients to commercial customers. Our operations are based in Vaughan, Ontario.

Our supply chain is highly concentrated in North America, with approximately 95–98% of products sourced from Canadian and U.S.-based suppliers. The majority of products are milled, refined, or processed domestically by established manufacturers operating within regulated environments.

A limited portion of our product portfolio includes imported or indirectly sourced inputs, which may carry incremental upstream risk. These categories are incorporated into our risk assessment and supplier engagement processes.

Our organizational structure includes leadership across operations, sales, and finance, with cross-functional alignment supporting supply chain oversight and compliance activities.

3. Policies and Due Diligence Processes: FE Ingredients Inc. has implemented a formal policy prohibiting forced and child labour. Our due diligence approach is structured and risk-based, and includes:
 - Supplier onboarding considerations that include ethical sourcing expectations
 - Periodic review of key suppliers' public disclosures and policies
 - Targeted supplier engagement focused on higher-risk categories
 - Internal escalation protocols in the event of identified concerns

While our program remains in an early stage of maturity, we have established a foundation for ongoing monitoring and continuous improvement.

4. Risk Areas and Assessment: Through our assessment, we have identified the following risk segmentation:
 - Low Risk: Products sourced and processed entirely within Canada and the United States (majority of flour and domestically refined products)
 - Medium Risk: Sugar supply chain due to potential upstream exposure to global cane sourcing
 - Medium Risk: Select imported or specialty ingredients where full upstream traceability may be limited

Although our direct suppliers operate within North America and are subject to regulatory oversight, we recognize that certain upstream inputs may originate from higher-risk regions.

Actions taken during FY25: - Engagement with key suppliers (e.g., major sugar and flour partners) regarding their policies and practices - Review of publicly available anti-slavery and human rights statements - Initial documentation of supplier compliance confirmations - Ongoing monitoring of higher-risk categories

5. Remediation Actions: No instances of forced labour or child labour were identified within our operations or supply chain during the reporting period. In the event that an issue is identified, FE Ingredients Inc. is prepared to take appropriate corrective action, including supplier engagement, remediation planning, or disengagement where necessary.
6. Measures Related to Vulnerable Families: No situations were identified that required remediation related to impacts on vulnerable families.
7. Employee Training: During FY25, awareness of forced labour and child labour risks was introduced at a management level, with particular focus on procurement and supply chain considerations. Formal training programs are planned for future implementation as part of continued program development.

8. Effectiveness Assessment: As part of our initial program development, we began tracking basic indicators of program effectiveness, including:

- Percentage of supplier spend covered by engagement activities (~75–85%)
- Number of key suppliers reviewed
- Confirmation of supplier policies where available

No instances of forced or child labour were identified. We will continue to expand our monitoring, supplier coverage, and performance tracking over time.

Attestation:

I, David Hanna, President 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.



President – FE Ingredients Inc. May 31, 2026

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