



# Canterbury

COFFEE

## Report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)

Financial Year June 1, 2023 – May 31, 2024

### 1. Introduction

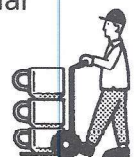
This report is prepared by Canterbury Coffee Corporation (“**Canterbury**” or “**we**”) and Nine Eleven Investments Ltd. (“**Nine Eleven**” and together with Canterbury, the “**Canterbury Group**”) pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) which came into force in Canada on January 1, 2024. Pursuant to the Act, businesses that are subject to the Act are required to report annually on the steps taken to prevent or reduce the risk of forced labour or child labour within their operations and their supply chain. This is the Canterbury Group’s first report and relates to the financial year ended May 31, 2024.

### 2. Steps taken to prevent forced labour or child labour in production

The Canterbury Group acknowledges that the use of forced labour and child labour in the supply chain is a serious issue and a significant global challenge that requires attention, action and collaboration among supply chain participants. Our organization is committed to advancing corporate social responsibility and adopting processes that identify, assess and mitigate the risks of forced labour and child labour in our supply chain to reduce and prevent these such acts.

This was the first financial year of the Canterbury Group under the Act. As Nine Eleven is an investment holding company that does not have employees and does not have production or importation operations, there are no risks of forced labour or child labour associated with the direct operations of Nine Eleven. Canterbury is the operating entity in the Canterbury Group that produces goods in Canada and imports goods into Canada. Therefore, items 3 to 9 in this report, primarily describes Canterbury’s operations and risks.

Although Canterbury did not have specific formal processes in place in this financial year, we verified that we do not have any risk of forced labour or child labour in the domestic operations of Canterbury.





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With respect to the Canterbury supply chain, Canterbury conducted, on an ad hoc basis, due diligence of certain key suppliers to assess the risk of forced labour or child labour further down in the supply chain. For green coffee, a key import item, we source certified and conventional green coffees from international locations primarily through green coffee brokers and traders. The majority of our green coffee broker/traders have standards and codes in place to ensure traceability and transparency to prevent or mitigate forced labour and child labour. Canterbury also works closely with organizations such as Fairtrade Canada (<https://fairtrade.ca/standards/>) and Rainforest Alliance (<https://www.rainforest-alliance.org/issues/human-rights/>) whose main purpose is to promote sustainability, environmental conservation, and fair treatment of workers within the coffee industry, and whose certification process reduces the risks of forced labour and child labour.

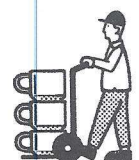
Canterbury has started to develop more robust processes and initiatives to identify, prevent and reduce the risks of forced labour and child labour and promote transparency and collaboration in our supply chain to address these critical human rights concerns, and we will adopt and implement them in the coming year.

### 3. Structure, activities, and supply chains

The Canterbury Group is privately owned. Nine Eleven is a British Columbia company that is an investment holding company with no material operations and no employees, and does not produce goods in Canada or import goods into Canada. Nine Eleven is the controlling shareholder of Canterbury.

Canterbury is a manufacturer and distributor of coffee in Canada and is recognized in the coffee industry for its dedication to quality. Established in 1981, Canterbury is a British Columbia company headquartered in Burnaby, BC, with two roasteries, one located in Richmond, British Columbia, and one in Oakville, Ontario, and distribution and service branches located in Victoria, Vernon and Prince George, British Columbia and Calgary, Alberta.

Canterbury has approximately 130 employees and its operations encompass the entire coffee production process as well as warehousing and distribution of coffee and non-coffee products. Our operations require a diverse group of experienced personnel and professionals, including green coffee buyers, roasters, quality







control specialists, machine operators, maintenance technicians, logistics personnel, sales, marketing, administrative staff, finance professionals and management.

Canterbury's supply chain is complex and contains a diverse network of suppliers spanning Canada, the United States, South America, Asia and Africa. Our supply chain can be generally divided into four areas:

- a. Green coffee
- b. Non-coffee raw materials, such as packaging, film and valves;
- c. Non-coffee consumables, such as syrups, and sugars beverage powders; and
- d. Non-coffee non-consumables, such as coffee brewing equipment and parts, drink pumps and cleaning supplies.

All of Canterbury's coffee is roasted and processed in Canada. Canterbury imports green coffee and has relationships with brokers and traders for green coffee procurement. In general, we do not source coffee ourselves directly from growers and do not have direct relationships with other participants in the supply chain.

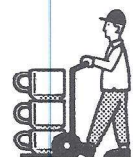
For the other supply chains listed above, we source required items both locally and internationally.

#### **4. Policies and due diligence processes regarding forced labour and child labour**

For domestic operations Canterbury only hires individuals over the age of 18 and only on a voluntary basis. Canterbury has a Code of Conduct which is being supplemented to include a "zero tolerance policy" for forced labour and child labour both in our production operations and in our supply chain.

For its supply chain, Canterbury is in the process of developing a Supplier Code of Conduct to help ensure that suppliers meet the same standards as Canterbury, promoting ethical behavior throughout the supply chain, mitigating risks and demonstrating Canterbury's commitment to corporate social responsibility – this Supplier Code of Conduct will include provisions that relate to preventing and reducing the risk of forced labour and child labour in goods sourced from those suppliers.

Canterbury is also in the process of developing a more formal due diligence program to review our suppliers and their relevant supply chains. We intend to start with key suppliers in our coffee supply chain where we will introduce





our Supplier Code of Conduct and confirm supplier diligence initiatives to prevent and reduce the risks of forced labour and child labour. We will also review our contractual agreements with such suppliers and, as those contracts are amended or renewed, introduce appropriate clauses to prohibit or otherwise reduce the risk of the use of forced labour or child labour in goods supplied to us and to provide us with transparency of supplier mitigation initiatives in this regard.

## 5. Identification and management of risks in business and supply chains

Canterbury has identified no risk of forced labour and child labour in our domestic operations related to the manufacture and supply of coffee and non-coffee products because we do not hire individuals under the age of 18 and all employment is voluntary. However, there may be some risk in our coffee supply chain and we are still reviewing our supply chain to determine the risk level.

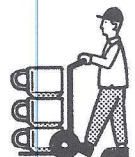
Given the nature of the coffee supply chain and the source locations, Canterbury relies on brokers and traders for our procurement. The majority of our green coffee broker/traders have standards and codes in place to mitigate and prevent forced labour and child labour within their supply chains and to provide some traceability and transparency over such chain, and we have historically relied on their diligence efforts.

Canterbury also sources coffee certified by organizations such as Fairtrade Canada (<https://fairtrade.ca/standards/>) and Rainforest Alliance (<https://www.rainforest-alliance.org/issues/human-rights/>). These organizations certify that coffee we purchase from their source partners meets standards to ensure the prevention and reduction of child labour and forced labour, and they collaborate with those sources partners to reduce risks that contribute to child labour and forced labour.

Canterbury intends to review more comprehensively our brokers and traders to determine risk levels. We will also review our non-coffee raw materials, non-coffee consumables and non-coffee non-consumables supply chains to identify risks in those areas.

As part of our identification and management of risks in our supply chain, Canterbury intends to undertake the following steps:

- map out our supply chain in more detail, starting with green coffee supply



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- develop and adopt a Supplier Code of Conduct that includes provisions aimed at preventing forced labour and child labour and mitigating associated risks.
- develop a due diligence program for reviewing suppliers and reviewing and supplementing supplier contracts to prohibit the use of forced labour and child labour and mitigate against such risks, outline consequences for non-compliance and establish a means of assessing compliance.

We will also continue to engage with our certified partners and other industry associations, NGOs, and other stakeholders to share best practices and collaborate on addressing risks of forced labour and child labour in the supply chain.

### **6. Measures taken to remediate forced labour or child labour**

Canterbury did not identify any incidences of forced labour or child labour in our activities or supply chain therefore we did need to take remediation measures.

### **7. Measures taken to remediate income loss for vulnerable families**

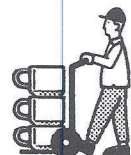
As Canterbury did not take any remediation measures as indicated in section 6 above, there was no known income loss for vulnerable families.

### **8. Employee training on forced labour and child labour**

Canterbury does not yet have specific training programs established regarding the risks of forced labour and child labour. However, all new employees receive training on the Canterbury's Code of Conduct that will include a "zero-tolerance policy" regarding forced labour and child labour (once that Code is supplemented). Employees that have specific responsibility for suppliers or are involved in procurement, will receive additional training on how to identify and report internally on indicia of forced labour and child labour within the supply chain. The training will be developed as we better identify and understand areas of risk.

Canterbury will continue to foster a culture of ethical sourcing and corporate social responsibility throughout the organization and supply chain, consistent with our corporate values.

### **9. Assessment of effectiveness in preventing forced labour and child labour**





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As Canterbury is still in the early stages of due diligence and pre-implementation of new procedures to reduce the risk of forced labour and child labour, we are not yet in a position to assess such proposed measures.

Assessment of the effectiveness of new policies and procedures will be undertaken in future and the method for assessment will be developed as part of those policies and procedures.

The Canterbury is committed to continuously improving our business practices to prevent and reduce the risk of forced labour and child labour in our supply chain.

## 10. Approval and Attestation

This report was approved pursuant to Section 11(4)(b)(i) of the Act by the sole director of each of Canterbury Coffee Corporation and Nine Eleven Investments Ltd.

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 listed above.

Murray G. Dunlop  
Chairman, Canterbury Coffee Corporation  
May 31, 2024

I have the authority to bind Canterbury Coffee Corporation.

Murray G. Dunlop  
President, Nine Eleven Investments Ltd.  
May 31, 2024

I have the authority to bind Nine Eleven Investments Ltd.

