



CANADA'S MODERN SLAVERY ACT FORCED LABOUR IN CANADIAN SUPPLY CHAINS 2023 ANNUAL REPORT

PURPOSE

This annual report for the 2023 financial reporting year has been created by Jem D International Partners LP, doing business as Red Sun Farms ("Red Sun Farms") for the sole purpose of meeting its obligations and reporting requirements for entities pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the "Act").

OUR COMMITMENT

Red Sun Farms is committed to preventing and reducing the risk that forced labour or child labour is used at any step in its production of goods in Canada.

CATEGORIZATION, SECTOR, AND INDUSTRY

Red Sun Farms is an Ontario based partnership, headquartered in Kingsville, Ontario, Canada. Originally created in 2003, the partnership was formed so that two existing Canadian corporations, J-D Marketing (Leamington) Inc. and Golden Jem Produce Inc., each family-owned produce companies with decades of experience in the industry, could carry on business together under one entity. A third partner, Red Sun Farms Canada Inc. whose principals represent the partnership's largest supplier, was added to the ownership group in 2012.

Red Sun Farms endeavors to close the gap between growers, retailers, and consumers by providing a year-round greenhouse program with distribution centers and state-of-the-art growing facilities and is one of the largest fully integrated high-tech greenhouse companies in North America.

STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Our farms and affiliated network grow and supply fresh produce including tomatoes, cucumbers, and peppers to customers primarily across Canada and the United States. Red Sun Farms sources produce from suppliers primarily located in North America.

POLICIES AND DUE DILIGENCE PROCESSES

Red Sun Farms maintains several policies and processes which affirm its commitment to abiding by applicable forced labour and child labour laws, including:

- (a) Performing social compliance audits ("SMETA") administered by partner farms in Mexico that make-up the majority of Red Sun Farms supply each year. The SMETA audit is designed to help protect workers from unsafe conditions, overwork, discrimination, low pay, and forced labour.



- (b) Ensuring during onboarding that Mexican growers have AMHPAC licences. AMHPAC has taken steps to address these issues and promote responsible labor practices among its members. This includes promoting compliance with labour laws and regulations, as well as international labour standards such as those set out by the International Labour Organization (“ILO”). AMHPAC has also worked with its members to raise awareness about the importance of respecting labour rights, including the prohibition of child labor and forced labor.
- (c) Ensuring that all relevant regulatory requirements in Canada are followed within the organization, including compliance with the *Employment Standards Act* (Ontario), *Criminal Code of Canada*, and all international labour standards.

FORCED LABOUR AND CHILD LABOUR RISKS

Red Sun Farms has started the process of identifying risks of forced labour and child labour through its policies, processes, and procedures. It is aware that there may be higher risks associated with certain regions, goods, and industries.

REMEDATION MEASURES

Red Sun Farms has not identified any forced labour or child labour in its activities or supply chains. As such, it has not undertaken any remediation measures.

REMEDATION OF LOSS OF INCOME

Red Sun Farms has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains. As such, it has not undertaken any remediation measures for loss of income.

TRAINING PROVIDED TO EMPLOYEES

In the 2023 reporting year, Red Sun Farms did not provide training to its employees specific to forced labour or child labour. Moving forward, it will be assessing what related training may be appropriate.

ASSESSING EFFECTIVENESS

Red Sun Farms does not currently have specific policies and procedures in place to assess its effectiveness in reducing and/or eliminating the risk of child labour and/or forced labour in its activities and supply chain. Moving forward, it will be assessing what related policies and procedures may be appropriate. However, as outlined above, the policies and procedures that are currently in place do reduce the risk that child labour and/or forced labour is present in Red Sun Farms’ activities and supply chain.



