

# ABOVE FOOD™

## ABOVE FOOD CORP FORCED LABOUR & CHILD LABOUR REPORT 2023

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## 1. Introduction

Above Food Corp. (“Above” or the “Company”) is an ingredient company dedicated to regenerative agriculture and sustainable food technologies with operations across Canada, the United States, and Mexico. Above promotes human rights and responsible business practices. We recognize that risks of forced labour and child labour (also referred to as modern slavery) exist and acknowledge that understanding and managing these risks requires a collaborative approach with our suppliers, our workforce and other external stakeholders. This report (the “Report”) outlines Above’s governance processes, existing measures, and progress made in the 2023 fiscal year to prevent and mitigate the risks of modern slavery across our business and the supply chain we utilize.

## 2. Reporting Context

Above is an Alberta incorporated entity subject to the legal requirements in section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”). This Report is made pursuant to the Act and was approved by the board of directors of Above (the “Board”) on February 13, 2024. For purposes of the Act, the reporting entities covered in this Report include functions, major projects, and assets that have been wholly-owned and/or operated by Above from January 1st to December 31st, 2023. Above also holds interests in joint venture assets not operated by Above. Non-operated assets are not included in the scope of this Report. The terms “Above”, “we”, “our”, and “the Company” refer to Above and extend to all the entities listed in this Report. This Report is a joint report filed by Above on behalf of itself and the following sixteen (16) Above subsidiaries:

Above Food Brands Inc.; Above Food Ingredients Corp (USA); Above Food Ingredients Inc.; Above Food USA Corp.; Above Regenerative Agriculture Corp. (formerly Above Ventures Inc.); Atlantic Natural Foods LLC; Discovery Earth Sciences Inc.; Discovery Regenerative AgroScience Corp. (USA); Discovery Seed Labs Ltd.; Farmer Direct Organic Foods Ltd.; Northern Quinoa Production Corporation; OATelité Manufacturing Corp.; Purely Canada Foods Corp.; Purely Canada Lands Corp.; Purely Canada Kindersley Ingredients Inc.; and Wood & Water Food Inc. dba Culcherd.

## 3. Our Structure, Activities and Supply Chain

Above is the sole parent company of the entities covered in this Report and is headquartered in Regina, Saskatchewan. Above is a regenerative food ingredient company that produces over 120 product formulations and consumer products that are sold in approximately 29 countries. Above’s business is separated into two distinct business divisions, leveraging a combination of proprietary cereal grain, pulse and oil seed sourcing methods, proprietary processing methods, and a broad network of over 300 Business to Business (“B2B”) customer relationships, and an additional 35,000 retail points of distribution with leading grocery retailers within our Business to Business to Consumer Business (“B2B2C”).

Above’s Seed-to-Fork platform includes participation in creating and supplying proprietary seed genetics, as well as producing and distributing food ingredients and consumer products, and allows for unique synergies that are not typically found in one place in the food industry.

Above's Seed-To-Fork platform is made up of two business divisions containing three distinct product lines of commodities, ingredients, and CPG, including:

- a) **Disruptive Agriculture & Rudimentary Ingredients** — The disruptive agriculture and rudimentary ingredient division is focused on boutique commodity origination, merchandising and distribution, which is differentiated through Above's exclusive, perpetual, royalty-free license of IP Elite™ Identity Preserved protocols for grain cultivating and handling, which enables greater levels of supply transparency and traceability than what is typically found in the food industry ("**Disruptive Ag & Rudimentary Ingredients**"). This division leverages two owned and one leased large-scale grain and ingredient terminal assets in Saskatchewan, Canada, and includes a total of 179 siloes for advanced grain separation, and a fleet of 105 owned and 200 leased, captive rail cars. The Disruptive Ag & Rudimentary Ingredients division merchandises 13 feed stocks across cereal grains, pulses and oil seeds, for which it possesses patented genetics for four distinct germ plasms.

In addition, the Disruptive Ag & Rudimentary Ingredients division also leverages a captive capability in advance seed testing and soil testing within its branded agriculture technology platform called Discovery Earth Sciences, which provides value-add service to primary production partners (large scale farm producers).

These Disruptive Ag & Rudimentary Ingredients products are distributed to 300 B2B customers, across 29 countries under the brands Purely Canada Foods Corp. ("**PCFC**") and Above Food. This division also has a focus on ingredient formulating, processing, and distribution. Specifically, it contains a number of ingredient products, which have approximately 260 customers in 29 countries, Above distributes five distinct product platforms, including: (i) a Gluten Free Oat platform, (ii) a Quinoa platform, (iii) a Pet platform, (iv) a Pea and Chickpea platform, and (v) a platform focused on custom blends of pulses, and pulses and cereal grains.

The ingredient processing portion of this division contains two inter-related segments: (a) Rudimentary Ingredient Processing and (b) Intermediate Ingredient Processing, each of which address different parts of the customer value chain and solve different functional and business needs, which are reflected in the gross margin profile of these segments. In total, we have six manufacturing platforms located within three ingredient facilities.

- b) **Consumer Package Goods** — Above's consumer packaged goods division is focused on private label and branded consumer product manufacturing and distribution ("**CPG**"). This division transforms ingredients from the Disruptive Ag & Rudimentary Ingredients division into consumer products that are sold in approximately 35,000 retail points of distribution, across 29 countries.

The CPG division consists of two segments: (a) Private Label Manufacturing and (b) Owned Branded Products and includes approximately 120 stock keeping units ("**SKUs**"). The Owned Branded Products segment is further subdivided into sub-segments that relate to the retail category into which they are sold and merchandised, including, among others, our "Eat Up!" branded gluten-free flours and gluten-free oats and "Plant Based Bakery: Eat Up!" branded baking mixes.

In addition, the CPG division offers “Shelf Stable Simple Meals,” a business segment offered by Atlantic Natural Foods LLC and marketed under the Loma Linda, Tuno, and Neat brands.

Additionally, the CPG division offers industrial and food service products, based on existing branded formulations for select quick-serve restaurant customers, and non-traditional food service channels such as hospitals, correctional facilities, and corporate cafeterias.

Above has centralized corporate and administrative functions that provide governance, financing, procurement and other support to all Above’s core businesses, as well as to the affiliates and subsidiaries covered by this Report.

## **4. Our Policies and Due Diligence Processes**

### **Governance and Responsibilities**

Above’s Board is accountable for Above’s strategic objectives, including sustainability matters, as well as overseeing the effectiveness of Above’s risk management systems and internal controls. Our process ensures that the Board is informed of the interrelationship between the business environment and its associated risks and is intended to facilitate and stimulate discussion of our key business risks. The Company implements a risk management system to aggregate and monitor material risks. The system is designed to help the Company identify and assess risks that could significantly affect Above’s strategic objectives. When an emerging risk is identified, the Board examines its implications and formulates its findings, and assigns duties to the responsible parties for governance and execution.

## **5. Policies and Standards**

Above’s Code of Conduct (“**Code**”) and its Forced and Child Labour Policy (“**Policy**”), reinforces the Company’s requirements and expectations for conducting business and expected behaviours, and the Policy includes a statement on Above’s commitment to human rights. Above’s Policy reiterates our position against the use of forced labour and child labour and contributes to ensuring that no forced or child labour is used in our supply chain. As part of our commitment to human rights, we stand firmly against the use of forced labour and child labour in our operations and across our supply chain. The Policy applies to all employees, directors, officers, and contingent workforce contractors of Above and its wholly owned subsidiaries and/or operated entities in all countries where Above conducts business. It is reviewed annually and approved by the Board. The Policy outlines the expectations on reporting violations, it provides a framework for asking questions and it highlights resources in place to report concerns. At Above, we report (and encourage the reporting of) actual or potential non-compliances with our policies or our legal requirements, including those in relation to forced labour and child labour, so they may be addressed appropriately. Personnel are required to report any actual or suspected violation of the law or Policy, including those in the context of forced labour and child labour, and all health, safety and environment related hazards, potential hazards or incidents, of which they become aware. We take every report seriously and provide immunity from disciplinary action for good faith reporting of incidents and issues. Personnel have several avenues to report an issue depending on the nature of the incident. All reports, if and when received, are to be assigned to the appropriate internal

resource, investigated and a response is to be provided to the individual who submitted the complaint. Additional information related to Above's due diligence processes is provided below in the discussion of our actions to address modern slavery risks.

## 6. Forced and Child Labour Risks

### Understanding Our Risk Exposure

Above's greatest risk exposure to forced labour and child labour is through suppliers, and the primary sources of these risks come from procuring goods in higher-risk geographies and sectors. We recognize the potential risks of forced labour and child labour in our extended supply chain and the complexity and challenges in operationalizing modern slavery compliance. Above established a cross-functional team involving various external potential stakeholders and acquisition third parties in 2023 to examine our supply chain for high-risk activities and suppliers for forced labour and child labour risks. While we have internal processes to ensure compliance with the Act, this is the first iteration of our analysis and reporting to comply with the new annual reporting requirements imposed by the Act. As part of this analysis, a risk review of our supply chain activities was conducted to identify the geographical regions, industries, and suppliers with high-risk exposures to forced labour and child labour and assess the effectiveness of any controls in place.<sup>1</sup> Because our supply chain function is centralized, the review applies to all the entities listed in this Report. The following activities were part of the review:

- Established a core team consisting of internal stakeholders within supply chain to align internal activities and further enhance due diligence and risk management activities related to key sustainability issues, such as human rights;
- Ongoing mapping of our supply chain with suppliers who have directly contracted with the Company for our higher-risk suppliers;
- Initiated a review of internal policies for preventing forced labour and child labour in the supply chain, procurement policies, supplier due diligence, onboarding, and compliance processes;
- Reviewed internal educational training, processes for reporting suspicious or actual violations, and supply chain contract templates for language that prohibits forced labour and child labour;
- Analysis of Above and affiliates customs import data from the Canadian Border Services Agency;
- Initiated ongoing improvements to internal supply chain processes, policies, and training;
- Based on the review of our supply chain activities, we outsource to third parties certain supply-chain functions, including growing our seeds and processing our harvest., and these were identified as presenting the highest forced labour and child labour risk exposure to Above. While the information above represents the current known risks of modern slavery for Above, it characterizes the findings from our initial supply chain review at a particular time. More work is underway internally to monitor supplier activities efficiently and

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<sup>1</sup> *High-risk countries are based on data from the Global Slavery Index at walkfree.org. High-risk goods are based on the 2022 List of Goods Produced by Child Labor or Forced Labor, U.S. Department of Labour, Bureau of International Affairs*

effectively with respect to modern slavery, and high-risk categories and countries may change in the future as we learn more.

## **7. Actions Taken to Prevent Forced and Child Labour Risks**

### **Supplier Registration And Risk Classification**

Above utilizes a risk-based model to manage modern slavery risks in our supply chain. We leverage various processes to screen and monitor suppliers and our global supply chain for human rights risks, including forced labour and child labour. These processes and actions apply to all the entities listed in this Report. In accordance with our process, suppliers that are providing materials and services for our projects and operations must register and onboard through our supplier qualifications and governance team within our supply chain, which conducts risk screening and monitoring in conjunction with the corporate compliance department.

## **8. Remediation Measures**

When identifying the risks of forced labour or child labour in the Company's activities and supply chain, Above primarily focuses on understanding the operations and supply chain of our suppliers for our higher-risk suppliers. Since Above's processes and tools did not yield any evidence of forced labour or child labour, we did not implement any remediation measures in the 2023 fiscal year.

## **9. Training and Awareness**

Every member of the Above team, including those working for all the entities listed in this Report, is expected to read, understand and comply with the principles and requirements set out in the Code and this Policy, to reinforce expectations and awareness of human rights topics. The Corporation is currently considering the need for a training program, the extend of the training, the required groups or levels of employees to receive training, the content of the training, including whether it covers forced labour, child labour or both, how to develop the training, internally or by an external organization, modes of assessment of such training. Currently no employees have received training.

## **10. Assessing Our Effectiveness**

Above is committed to developing a resilient and transparent supply chain where the human rights of every worker involved are respected. To date, no actions have been taken to assess the Company's effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chains, but with newly implemented tools and questionnaires, we will be able to effectively manage our suppliers on critical forced labour and child labour issues to ensure human rights are not violated within our supply chain. Currently, the Company performs an annual policy review with input from various participants across the Company. We intend to investigate and track all internal and external reports. We also intend to perform risk-based assurance activities on a regular basis, which can range from external independent audits to internal supply chain-focused assurances. While Above believes in the efficacy of our measures to prevent and mitigate forced labour and child labour within our operations and supply chain, we will strive to maintain

and continually improve our sustainable and transparent supply chain, and work to maintain a robust understanding of our complex global supply chain networks. These activities include assessing contractual terms and working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including tracking relevant performance indicators.

### Longer Term

Identifying and eliminating forced labour and child labour in the global supply chain is a complex social, economic, and governance issue that can only be resolved through partnership and collaboration across industry, suppliers, governments, and non-profit organizations. Collaboration is one of our core values and our supply chain partners are crucial to developing collective solutions. This requires us to deepen relationships with our supply chain partners, strengthen our contractual language and to work together to build new levels of transparency throughout all tiers of our supply chain and build joint solutions to deliver value across multiple dimensions. As a part of ongoing enhancements, we will strive to continue to identify emerging risks. The Company also intends to continue developing and implementing additional due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and child labour in our activities and supply chain.

## 11. Report Approval And Attestation

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 or entities listed above, in accordance with the Policy, and more specifically subparagraph d(ii)(B). 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.

Signed May 14, 2024.

*Signed "Lionel Kambeitz"*

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**LIONEL KAMBEITZ,  
PRESIDENT**

*Signed "Tyler West"*

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**TYLER WEST,  
DIRECTOR**

*Signed "Wayne Bernakevitch"*

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**WAYNE BERNAKEVITCH,  
CHAIRMAN**