



Nature's Touch Frozen Foods Inc.

Annual Report Pursuant to the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Modern Slavery Statement")

Fiscal Year 2025

Modern Slavery Statement

Introductory Statement

At Pavdim Holdings Inc., 9461-5119 Québec Inc., NTFF Holdings Inc., Nature's Touch Frozen Foods (West) Inc., and Nature's Touch Frozen Foods Inc. (collectively, "**Nature's Touch**" or the "**Reporting Entities**"), we are committed to upholding human rights, fair working conditions and environmental protection. We endeavour to always operate responsibly within the community. We also expect our business partners and suppliers (as well as their contractors, agents, subcontractors, sub-agents and labour agencies) to uphold these same principles within their operations and adhere to applicable human rights and employment standards laws. Nature's Touch aims to provide its customers with amazing tasting frozen fruit and vegetable products that are not only safe to eat from a food safety perspective, but that have been grown, harvested, processed, and transported using ethical and sustainable methods.

This is Nature's Touch's third modern slavery statement pursuant to *Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act* (S.C. 2023, c. 9). We acknowledge that stamping out modern slavery and human trafficking risks is a process that will take time. Our reporting outlines the measures we have in place and the efforts we have commenced to assess and address risks of modern slavery and human trafficking in our business and supply chain.

Nature's Touch's Structure and Activities

Nature's Touch is in the frozen organic and conventional fruit and vegetable industry. The Reporting Entities consist of three (3) controlling holding companies and two (2) operating entities operating in Canada, as more fully described below.

Pavdim Holdings Inc. ("**Pavdim**") is a Quebec holding company continued under the *Business Corporations Act* (Quebec) that does not have any employees or operations. It is the ultimate parent company controlling the other Reporting Entities. Pavdim's ultimate beneficial owner and controlling shareholder is John Tentomas, President and CEO.

9461-5119 Québec Inc. ("**Beltoc**") is a Quebec holding company continued under the *Business Corporations Act* (Quebec) that does not have any employees or operations. It is controlled by Pavdim and the sole shareholder of NTFF (described below).

NTFF Holdings Inc. ("**NTFF**") is a Quebec holding company continued under the *Business Corporations Act* (Quebec) that does not have any employees or operations. It is controlled by Beltoc and the sole shareholder of NT Foods West (described below).

Nature's Touch Frozen Foods Inc. ("**NT Foods East**") is a Quebec company continued under the *Business Corporations Act* (Quebec) and controlled by Pavdim. NT Foods East is a processor and re-packer of frozen fruit and vegetable products. NT Foods East develops, manufactures, and markets private label and national brand products. Product sales are carried out by NT Foods East's sales team and food brokers. NT Foods East is active in the retail market segment where it makes sales to food retailers and wholesalers such as supermarket chains, independent grocers, superstores, and warehouse clubs

located in Canada and in APAC. It also packages finished retail products for its US affiliate who sells to retail customers located in the United States. NT Foods East operates a facility in Montreal, Quebec and operates through approximately 150 full time non-unionized employees.

Nature's Touch Frozen Foods (West) Inc. ("**NT Foods West**") is a British Columbia company continued under the *Business Corporations Act* (British Columbia). NT Foods West is a processor of fresh to frozen fruit, which fresh fruit it purchases mostly from local growers in British Columbia. NT Foods West's business consists of selling bulk frozen fruit to NT Foods East, an affiliate of NT Foods West and to its US affiliate. It also packages finished retail products for its US affiliate who sells to retail customers located in the United States, and for NT Foods East who sells to retail customers located in Canada and in APAC. NT Foods West operates a plant located in Abbotsford, British Columbia and operates through approximately 124 full time employees, 105 of which are unionized, and approximately 100 local seasonal unionized employees.

Nature's Touch's Supply Chain

Nature's Touch's supply chain is mainly composed of suppliers of food ingredients, and of containers and packaging materials used throughout its two facilities, namely its facility located in Montreal, Quebec, and Abbotsford, British Columbia.

- **Food ingredients:** Food ingredients, which consist mainly of fresh fruits, and individual quick frozen ("IQF") fruit and vegetable products, are purchased directly or through brokers on the international and North American markets. In 2025, fruit and vegetable products were sourced from 20 countries: Argentina, Belgium, Brazil, Canada, Chile, China, Costa Rica, Ecuador, Egypt, Greece, Guatemala, Mexico, Morocco, Nicaragua, Peru, Poland, Serbia, Turkey, the United States, and Vietnam.
- **Packaging materials:** Nature's Touch procures wood pallets, cardboard boxes, and flexible plastic to support its packaging needs. Packaging materials are sourced from Canada, the United States, Mexico and China.

Policies and Due Diligence Processes Related to Forced Labour and Child Labour

The following are policies and due diligence processes that Nature's Touch has put in place to prevent and mitigate risks relating to the use of forced labour and child labour in its supply chain and operations. They apply to all employees of NT Foods East and NT Foods West. These policies and processes demonstrate Nature's Touch's commitment to sustainable business practices and to protecting human rights, both within our operations and throughout our supply chain.

- **Employee Code of Conduct:** Nature's Touch Employee Code of Conduct reflects the company's core values of transparency, empowerment, diversity, and mutuality. The Code governs conduct by employees, and conduct between employees and customers, competitors, and the business providers, including suppliers, who assist Nature's Touch every day.
- **Employee Handbook:** The Employee Handbook reflects our commitment to operate in accordance with the Ethical Trade Initiative's ("ETI") Base Code. The ETI Base Code is an internationally recognized labour standard based on the conventions of the International Labour

Organization. Two principles of the ETI Base Code are that employment is freely chosen, and that child labour shall not be used.

- **Supplier Code of Conduct:** Nature's Touch supplier relationships are guided by our Supplier Code of Conduct. It applies to both domestic and foreign processors and growers that supply goods and services to Nature's Touch. It affirms our expectation of suppliers to operate in accordance with the ETI Base Code.
- **Nature's Touch Global Human Rights Policy:** Our Global Human Rights Policy outlines the core standards & expectations we have established for our employees, direct suppliers, indirect suppliers, and business partners in the area of human rights. The Policy is embedded into our Employee Code of Conduct and our Supplier Code of Conduct. The Policy is applicable to all Nature's Touch employees, direct suppliers, and stakeholders within our value chain.
- **SMETA 4-Pillar Audits:** Nature's Touch has SMETA 4-Pillar audits conducted every year at NT Foods East's and NT Foods West's plants. SMETA 4-Pillar audits are a comprehensive auditing standard that assesses labour standards, health & safety measures, environmental management and business ethics. The measurement criteria for SMETA 4-Pillar audits is based on the ETI Base Code, as well as relevant local laws and regulations. These audits are used to identify risks, and to enable continuous improvement of our health and safety program, labour standards, environmental management, and business ethics.
- **Sedex Program & Audit Requirements for Suppliers:** Nature's Touch also requires all packaging and IQF suppliers to have a SMETA 4-Pillar audit conducted a minimum of every two years at each site supplying product to Nature's Touch. As described later in this report, Nature's Touch is using the Sedex program with its suppliers to conduct human rights due diligence to manage labour-related risks in its supply chain.
- **Ethical Concerns Log:** Nature's Touch utilizes an online form called the "Ethical Concerns Log", that any employee can use to submit concerns related to ethical conduct, employment standards, health and safety, or environmental management. Concerns submitted through the Log are reviewed regularly and addressed by Nature's Touch's internal stakeholders. Submissions may be anonymous. Reported concerns are investigated promptly and impartially. Once all relevant information is gathered appropriate action is taken based on the investigation findings.

Risk of Forced Labour or Child Labour Being Used and the Steps We Have Taken to Assess and Manage that Risk

Nature's Touch Operations

All Nature's Touch employees are hired in accordance with, at a minimum, the applicable laws, and regulations of the applicable jurisdictions. Nature's Touch verifies that all individuals have the right to work where they are hired. Nature's Touch human resources teams employ the following practices to ensure that forced labour and child labour are not occurring within our operations:

- No persons under the age of 18 are hired at Nature's Touch. Identity documents are reviewed during recruitment to ensure this is enforced.
- No employees at Nature's Touch are required to pay for a job.
- All employees have the freedom to join a trade union or other similar association. Employees at NT Foods West's plant in Abbotsford are part of a trade union.

- All employees have the right to leave their job upon providing reasonable notice.
- All permanent plant employees receive training on the ETI Base Code. We are working towards expanding training for all employees.
- All Nature's Touch plants undergo a SMETA 4-Pillar audit every year to verify operations are following the ETI Base Code.

Based on external research, we are aware of the heightened risks of using third party labour providers for the hiring of temporary labour. Nature's Touch has employed the following processes and practices to minimize this risk:

- Third party labour providers used by Nature's Touch are also included within the scope of a SMETA audit.
- Temporary employees can access the Ethical Concerns Log to submit concerns regarding Nature's Touch or their employment agency.

Nature's Touch Supply Chain

Nature's Touch uses the Sedex platform with IQF and packaging suppliers as its primary instrument for conducting human right due diligence within its supply chain. Specifically, Sedex is used for key suppliers:

- **Supply Chain Mapping:** Information about suppliers, worksites, operations, and workers in Nature's Touch's supply chain is gathered and mapped.
- **Assessing Supply Chain Risks:** Assessing supply chain risks based on location, industry, and site-specific information. Suppliers are then ranked based on their risk level.
- **Auditing Suppliers:** SMETA 4-Pillar audits are conducted at key suppliers' sites by accredited third party firms. Nature's Touch key suppliers are required to undergo a SMETA 4-Pillar audit a minimum of every two years.
- **Driving Supply Chain Improvements:** Suppliers upload corrective actions and evidence for any non-compliances identified during the audit. All audited suppliers are expected to have corrective actions verified within the prescribed timeframe.
- **Monitoring and Reporting on Supply Chain Performance:** Sedex dashboards are used to monitor and report on progress from suppliers.

One of the risks in our supply chain is our indirect suppliers at the grower level, whom Nature's Touch does not have a direct relationship with. We use the Sedex platform to understand this risk, but these suppliers are not required to be audited.

Remediation measures

Over the course of the reporting period, we have not identified any instances of modern slavery or human trafficking in our business or supply chains, therefore, we have not been required to take measures to remediate forced labour, child labour or loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour.

Training Provided to Employees on Forced Labour and Child Labour

All employees at Nature's Touch have access to our Global Human Rights Policy, Employee Handbook, and Employee Code of Conduct, which detail our commitment to respecting human rights. Additionally,

all permanent plant employees receive training on the ETI Base Code, which covers the identification and prevention of forced labour and child labour.

Assessing Effectiveness of Ensuring Forced Labour and Child Labour are not being used in its Business and Supply Chains

Nature's Touch uses the SMETA 4-Pillar audits conducted at all of its plants as one of its tools for assessing the effectiveness of its risk management policies, practices, and processes. Additionally, Nature's Touch's Employee Handbook and Code of Conduct are reviewed on a regular basis. Our Ethical Concerns Log is monitored to ensure reports from workers are being addressed in a timely manner. Nature's Touch's key performance indicators related to SMETA 4-Pillar audits for our suppliers are reported to Nature's Touch Senior Leadership Team. The Procurement and Sustainability teams engage with suppliers on an ongoing basis to ensure corrective actions from audits are being taken. Apart from this, Nature's Touch is engaging with its Procurement teams and suppliers on these policies and processes on an ongoing basis.

Approval and Attestation

This statement is made in accordance with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act and constitutes the Reporting Entities' joint modern slavery statement for the financial year commencing on January 1, 2025 and ending on December 31, 2025.

This statement was approved by the Board of Directors of Pavdim on behalf of all Reporting Entities pursuant to subparagraph 11(4)(b)(ii) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act on May 28, 2026.