



Clover Leaf Seafoods Corp.



Introduction and Background

Clover Leaf Seafoods Corp., Clover Leaf Seafoods Holdings Corp., and Connors Bros Marine Corp. are happy to share our second annual Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. We welcome the increased focus on advancing human rights by many governments, including the Canadian government, and we recognize the importance of establishing robust mechanisms to help ensure that labour rights are protected in the seafood and fishing industries.

Clover Leaf Seafoods Holdings Corp. (“CLSHC”), a British Columbia corporation, is a holding company that owns both Clover Leaf Seafoods Corp. (“CLSC”), a British Columbia corporation, and Connors Bros Marine Corp. (“Connors”), a British Columbia corporation. As used throughout, Clover Leaf shall refer collectively to both operating companies.

CLSC’s headquarters are in Markham, Ontario and it has a sales office in Saint John, New Brunswick and a sardine processing factory in Blacks Harbour, New Brunswick. CLSC has 58 employees in Markham, 12 employees in Saint John and 282 employees in Blacks Harbour (the number of employees in Blacks Harbour increases by approximately 10 employees during the peak processing season). Connors has 38 employees located in Blacks Harbour, New Brunswick. CLSCH is a holding company with no employees and its headquarters are located in Ontario.

CLSC is a leading marketer of canned seafood in Canada and international markets, selling shelf-stable, refrigerated, and frozen products primarily under the Clover Leaf and Brunswick brands in Canada and internationally primarily under the Brunswick and Bumble Bee brands. Products include tuna, salmon, oysters, mussels, clams, shrimp, crab, surimi and sardines. CLSC owns a sardine processing facility in New Brunswick that manufactures product for Canada and for export to international markets.

Connors owns sardine fishing vessels that supply the New Brunswick factory. The remainder of our products are produced by third-party packers outside Canada. The primary processing locations (outside of Canada) for products sold in Canada are Thailand, the United States, Poland and Morocco, with specialty products (clams, oysters, crab, mussels, and shrimp) also sourced from Indonesia, Vietnam, South Korea and China. For products sold outside of Canada, our processing locations (outside of Canada) include the United States, Thailand, Philippines, Poland, South Korea, Chile, and Trinidad.

Relevant Policies and Training

Clover Leaf addresses forced and child labour in its internal *Code of Conduct* and also in its external facing *Supplier Code of Conduct*¹, both of which were in place prior to and during the entire reporting period (the Supplier Code of Conduct linked below is substantially similar to the version in effect during 2024). Our *Supplier Code of Conduct* prohibits the use of child and forced labour in our suppliers' supply chains, and we require all suppliers to acknowledge their compliance with the code (or, on occasion, their own code if it meets all the same requirements).

In addition, each new direct supplier of finished goods, raw materials, and/or ingredients receives a questionnaire that addresses worker health and safety as well as other social standards related to recruitment and employment. Enclosed within the questionnaire is a link to Clover Leaf's *Supplier Code of Conduct*. The supplier then checks a box acknowledging reading and abiding by the *Supplier Code of Conduct*². Each new supplier's information is also submitted to a third-party service provider who assesses risk at the time of onboarding by utilizing a third-party due diligence program that includes screenings, reports, and continuous monitoring. It screens vendors against a large risk intelligence database, including regulatory lists, media publications, and adverse media profiles. The system also employs automated risk scoring processes and analyzes data from various sources to support holistic risk management. This service continues to monitor the supplier after on-boarding and alerts us to any new findings associated with the suppliers. If a supplier fails to comply with the *Supplier Code of Conduct*, it is required to implement corrective action. If it is unable or unwilling to demonstrate compliance in a timely manner through immediate corrective action, Clover Leaf may terminate its agreements with the supplier. Any resumption of business following termination requires corrective actions by the supplier and the completion of an audit that satisfies Clover Leaf that the supplier complies with any applicable laws and regulations as well as the *Supplier Code of Conduct*.

Clover Leaf also has a policy addressing child labour and appropriate remediation, and a *Report a Concern* policy that requires employees to report activity that violates law, regulations, policy or Clover Leaf's internal *Code of Conduct*. The internal *Code of Conduct* also addresses forced and child labour and requires employees to report any suspicion of any activity impacting human rights. The *Report a Concern* policy provides several methods of reporting including an independent third-party provider where the reporting may be anonymous, providing assurance against retaliation.

Clover Leaf has a training program for all salaried employees that covers key components of our *Code of Conduct* including identifying and preventing forced and child labour. Specifically, the topics of our 2024 training courses were "Best Practices for Addressing Human Rights Violations" and "Combating Modern Slavery." The online training was developed externally by Skillsoft, a third-party training vendor. The course was mandatory for all salaried Clover Leaf employees, which encompasses all employees making contracting or purchasing decisions. The course assessed enrollees' knowledge as it progressed. Enrollees were required to complete the training and attendance were recorded.

¹ [Clover-Leaf-Seafoods-Corporation-Supplier-Code-of-Conduct-EN-ver-MAR12-2024.pdf \(cloverleaf.ca\)](#)

² In certain limited cases where a supplier is unwilling or unable to complete this online process, they are required to sign Clover Leaf's Continuing Product Guarantee which states that product or ingredient that they are supplying will be manufactured in a facility that complies with Clover Leaf's *Supplier Code of Conduct*.

One way that we assess our effectiveness in preventing the use of forced labour and child labour in our business and supply chains is through a regular review of our policies and procedures. Our *Supplier Code of Conduct* is regularly updated as we learn of new risks or best practices and as we benchmark against policies of other companies with similar risk profiles.

Assessment of Risk

Clover Leaf uses guidance from expert indices to determine areas of its supply chain with higher levels of labour risks to focus on third party social audits and corrective action plans. One part of our supply chain with elevated risk of forced labour is tuna fishing vessels. While Clover Leaf does not source its tuna directly from vessels, we understand that the vessels from which the tuna is sourced carry a risk of forced labour due to the inherent nature of distant water fishing. In addition, overseas processing facilities are likely to have the highest risk of forced or child labour.

Clover Leaf mitigates these risks through policies, training and diligence discussed above. In addition, Clover Leaf's sister company, Bumble Bee, is an active member in the Seafood Task Force ("STF"), which is a leading trade association of seafood companies working together to improve labour practices in key supply chains such as tuna. As a leading member of the STF, Bumble Bee supports the development of STF codes of conduct and vessel audit protocols.

Traceability

Clover Leaf and Bumble Bee have implemented a robust traceability system that ensures full transparency across the fish supply chain, down to the vessel level. This level of transparency plays a crucial role in identifying potential social and labor risks with precision and enables a prompt response of corrective actions if necessary.

Processing Facilities

All Tier 1 land-based suppliers and owned facilities producing goods for Clover Leaf are required to undergo regular SMETA 4-pillar social audits. These audits evaluate suppliers' operations against rigorous ethical and sustainability standards. The frequency of audits is determined by the Sedex-assigned Combined Risk Score, which is calculated using data from various sources, including country-level environmental and social risk indicators. Suppliers with elevated risk scores are required to perform audits more frequently (e.g. annually). All-in-scope facilities must address any non-compliances identified in the audit within the specified timeframe.

While CLSC does employ foreign temporary workers at its sardine factory in Blacks Harbour, New Brunswick, we believe that this carries a minimal risk for forced and child labour because we adhere to all the requirements of the government's Temporary Foreign Workers (TFW) program and the *Employment Standards Act*, SNB 1982, c E-7.2 as applicable. The program requires an employer application process, strict regulations around recruitment, position, wages, guaranteed hours of work, housing, health benefits coverage, and legal adherence to all applicable employment laws and government audits. Fines are issued for non-compliance.

Remediation

In the event that we learn of any credible evidence of forced or child labour with respect to a manufacturing facility or vessel from which we source, we will no longer accept products from the supplier or fish from that vessel unless and until the identified issues are remediated. In addition, Clover Leaf (typically through Bumble Bee) will attempt to work with that facility to provide necessary assistance to remediate the identified issues.

In 2024, some vessels in Clover Leaf's supply were included in NGO reports with allegations of forced labor. Upon learning of these allegations, we promptly notified our supplier to put those vessels on an exclusion list and will not source from them for Clover Leaf, unless and until satisfactory corrective actions have been taken. Due to not having a direct purchasing relationship with the implicated vessels, Clover Leaf does not have access to the information that would allow it to remediate any related loss of income. Clover Leaf's sister company, Bumble Bee, actively engages in the Responsible Recruitment and Workers' Voice working groups within the Seafood Task Force, working collaboratively to enhance workers' rights throughout the recruitment process and onboard tuna vessels.

Signatures

This report was approved by the Board of Directors of each of Clover Leaf Seafoods Holding Corp., Clover Leaf Seafoods Corp., and Connors Bros. Marine Corp. on May 16, 2025.

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. 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.

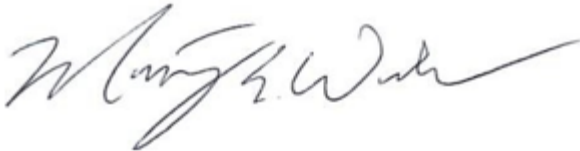
I have the authority to bind Clover Leaf Seafoods Holding Corp., and Clover Leaf Seafoods Corp.

A handwritten signature in black ink, appearing to read 'Andrew Choe', with a long horizontal stroke extending to the right.

Andrew Choe, Chief Executive Officer, Clover Leaf Seafoods Holding Corp., and Clover Leaf Seafoods Corp.; Director, Clover Leaf Seafoods Holding Corp., Connors Bros. Marine Corp., and Clover Leaf Seafoods Corp.

Date: May 20, 2025

I have the authority to bind Connors Bros. Marine Corp.

A handwritten signature in black ink, appearing to read 'Matt Walsh', with a long horizontal stroke extending to the right.

Matt Walsh, President, Connors Bros. Marine Corp.

Date: May 20, 2025