



Forced Labour & Child Labour

Joint Statement

SEPTEMBER 30, 2023

VAMCORP Holdings Ltd

Authored by: Brent Fleming



Scope

The Fighting Against Forced Labor and Child Labor in Supply Chains Act Due Diligence Report presents a comprehensive evaluation of the importation process of green coffee beans provided by multinational corporations. The primary objective of this assessment is to guarantee that these imported goods align with ethical and responsible business standards, uphold fundamental human rights, and mitigate adverse environmental consequences.

This meticulous analysis scrutinizes various facets of the supply chain involved in sourcing green coffee beans, encompassing the production, transportation, and distribution stages. It delves into the practices of multinational companies to ensure compliance with international labor laws and standards, particularly concerning the prohibition of forced labor and child labor.

Furthermore, the report examines the broader socioeconomic implications of the coffee supply chain, emphasizing the importance of fostering fair trade practices and promoting equitable working conditions for all stakeholders involved. It seeks to identify any potential instances of exploitation or violation of labor rights, aiming to rectify such issues through targeted interventions and policy recommendations.

In addition to labor-related concerns, the report also addresses environmental considerations associated with coffee production. It assesses the environmental footprint of the supply chain, including factors such as deforestation, pesticide use, and water consumption, with the goal of promoting sustainable practices and minimizing ecological harm.

Ultimately, this due diligence report serves as a critical tool for stakeholders, including government agencies, corporations, and advocacy groups, in fostering transparency, accountability, and ethical conduct within the global coffee industry. By shedding light on the complexities of the supply chain and advocating for responsible business practices, it endeavors to create a more just and sustainable future for coffee production worldwide.

Corporate Structure

VAMCORP Holdings Ltd. ("VAMCORP") is located in Valleyfield, Quebec, Canada and is the holding company for QUSAC Decaf Inc., 4048024 Canada Inc. (DBA QUSAC Pharma) and GBH Depot Inc. All related business units provide services to the green coffee sector and related by-products.

Current Supply Chain

The major risk associated with our business sector is connected to the procurement of green coffee beans. The risk is mitigated via several routes such as more than 95% of our coffee purchases are certified which reduces exposure to bad practices at origin.

Purchases on the balance of uncertified coffee is done via multinationals with the proper structure in place to mitigate risks associated with bad actors at origins.

Regarding the current suppliers, we created a declaration of adherence for our procurement teams. We required the current suppliers to sign the below declaration and comply with the law if they wished to continue working with our organization.

Declaration on Forced Labour and Child Labour

Supplier declares that it complies with all applicable human rights and employment laws in the jurisdictions in which they work. This includes complying with the provisions of the Canadian Act – *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff*. In addition, supplier has endeavored to provide a robust means of ensuring that the subcontractors in their supply chain also comply.

Current Risk Status

Currently the risk level is low to non-existent. Measure have been in place for years to mitigate risks associated with forced and child labor as the coffee industry is very sensitive to such practices.

Ongoing Risk Mitigation

On an ongoing basis we engage stakeholders and perform desk audits with questions and collection of related documents. A summary is prepared for each supplier and the results are stored on our servers.

Temporary Foreign Workers

Our QUSAC Decaf Inc and GBH Depot Inc divisions employ temporary foreign workers from various countries. Recently, concerns have been raised regarding the treatment of these workers compared to our local employees. I want to assure everyone that we are firmly committed to ensuring equality and fairness for all members of our workforce, regardless of their nationality or employment status.

Temporary foreign workers play a crucial role in our operations, contributing valuable skills and expertise to our team. It is imperative to emphasize that they are integral members of our workforce and are entitled to the same rights, benefits, and treatment as our local employees.

Key points of interest:

Equal Treatment:

Temporary foreign workers are treated with the same level of respect, dignity, and fairness as our local employees. They are subject to the same employment policies, procedures, and standards that govern our workplace.

Compensation and Benefits:

Temporary foreign workers receive competitive compensation packages that are commensurate with their skills, experience, and the prevailing wage rates in our industry. They are entitled to the same benefits, such as health insurance, retirement plans, and paid time off, as our local employees.

Workplace Safety:

We are committed to providing a safe and supportive work environment for all employees, including temporary foreign workers. They have access to the same workplace protections, including health and safety protocols, as mandated by law.

Opportunities for Advancement:

We believe in fostering a culture of meritocracy where individuals are rewarded based on their performance, regardless of their background. Temporary foreign workers have equal opportunities for career advancement and professional development within our organization.

Compliance with Regulations:

We adhere strictly to all relevant laws, regulations, and immigration policies governing the employment of temporary foreign workers. Our practices are transparent, ethical, and in full compliance with legal requirements.

As part of our ongoing commitment to diversity, inclusion, and fairness, we continuously strive to enhance our practices and policies to ensure the well-being and equitable treatment of all employees.

Refugee Workers

Our QUSAC Decaf Inc and GBH Depot Inc divisions employ temporary foreign workers from various countries. Recently, concerns have been raised regarding the treatment of these workers compared to our local employees. I want to assure everyone that we are firmly committed to ensuring equality and fairness for all members of our workforce, regardless of their nationality or employment status.

Refugee workers play a crucial role in our operations, contributing valuable skills and expertise to our team. It is imperative to emphasize that they are integral members of our workforce and are entitled to the same rights, benefits, and treatment as our local employees.

Key points of interest:

Equal Treatment:

Refugee workers are treated with the same level of respect, dignity, and fairness as our local employees. They are subject to the same employment policies, procedures, and standards that govern our workplace.

Compensation and Benefits:

Refugee workers receive competitive compensation packages that are commensurate with their skills, experience, and the prevailing wage rates in our industry. They are entitled to the same benefits, such as health insurance, retirement plans, and paid time off, as our local employees.

Workplace Safety:

We are committed to providing a safe and supportive work environment for all employees, including Refugee workers. They have access to the same workplace protections, including health and safety protocols, as mandated by law.

Opportunities for Advancement:

We believe in fostering a culture of meritocracy where individuals are rewarded based on their performance, regardless of their background. Refugee workers have equal opportunities for career advancement and professional development within our organization.

Compliance with Regulations:

We adhere strictly to all relevant laws, regulations, and immigration policies governing the employment of Refugee workers. Our practices are transparent, ethical, and in full compliance with legal requirements.

As part of our ongoing commitment to diversity, inclusion, and fairness, we continuously strive to enhance our practices and policies to ensure the well-being and equitable treatment of all employees.

Remediation and Support

In the event that forced labor or child labor is identified within our supply chains, we will take immediate action to remedy the situation and provide support to affected individuals. This may involve working with suppliers to implement corrective measures, supporting victims in accessing appropriate assistance and remedies, and advocating for systemic changes to prevent recurrence.

Continuous Improvement

We are committed to continuously improving our efforts to combat forced labor and child labor in supply chains. This includes engaging with stakeholders, sharing best practices, and reviewing and updating our policies and procedures as needed to address emerging risks and challenges.

Non-Retaliation

VAMCORP Holding Ltd and its affiliates prohibit retaliation against any individual who reports concerns related to forced labor or child labor in good faith. We will ensure that whistleblowers are protected from adverse consequences and that their reports are promptly and thoroughly investigated.

Communication and Transparency

We will communicate our commitment to fighting forced labor and child labor in our supply chains openly and transparently, both internally and externally. This includes disclosing relevant information about our policies, practices, and performance through appropriate channels.

Governance and Accountability

VAMCORP Holding Ltd and its affiliates will establish clear accountability structures and designate responsible individuals or teams to oversee the implementation of the related policy. We will regularly review progress, assess performance, and hold ourselves and our partners accountable for upholding our commitments.

Assessing Effectiveness

To date, actions have been ongoing to assess the effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chains.

This joint report has been approved by the Board of Directors of VAMCORP pursuant to section 11, paragraph (4)(b)(ii) of the Act.

Closing Remarks

By adopting our policy, VAMCORP Holding Ltd and its affiliates reaffirm our commitment to promoting ethical labor practices, respecting human rights, and contributing to the elimination of forced labor and child labor in global supply chains.

We recognize that this is an ongoing journey that requires collective effort, and we remain dedicated to playing our part in creating a world where every individual can work with dignity and freedom from exploitation.

Conclusion

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.

Signature: <u><i>Brent Fleming</i></u>	Date: <u>May 30, 2024</u>
Employee Name: <u>Brent Fleming (President)</u>	Location: <u>Vaudreuil-Dorion</u>
I have the authority to bind VAMCORP Holdings Ltd.	