



REPORT ON FIGHTING AGAINST FORCED LABOR AND CHILD LABOR

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

1. Scope

This report has been prepared in accordance with the *Fighting Against Forced Labor and Child Labor in Supply Chains Act* (Canada) (the “Act”) and relates to Groupe Biscuits Leclerc Inc. and Biscuits Leclerc Ltd., its wholly-owned subsidiary (collectively “Leclerc,” the “Company” or “we”).

The entities mentioned above hereby report to the Minister of Public Safety and Emergency Preparedness on the measures taken during their most recent fiscal year ended September 30, 2025, to prevent and mitigate the risk of forced labor or child labor at all stages of the production of goods, in Canada or elsewhere, or during their importation into Canada.

2. Measures to Prevent and Reduce the Risks of Forced Labor and Child Labor

Respect for fundamental human rights is a core commitment across all of the company’s activities. During its 2025 fiscal year, the Company implemented the following actions to prevent and limit any risk of forced labor or child labor within its operations and supply chains:

- The subcommittee dedicated to combating forced labor and child labor met periodically throughout the year to monitor compliance with obligations under the *Act*.
- The Company continued its efforts with its suppliers to obtain confirmation of their commitment to the fundamental ethical principles set forth in its Supplier Code of Conduct, particularly regarding the voluntary nature of work and the protection of underage workers.
- Training on the Company’s Code of Conduct was provided to its employees, including a specific module addressing issues related to forced labor and child labor. Additionally, employees in certain key roles, such as procurement and human resources, underwent more in-depth awareness training;
- The Company continued to monitor the submission by suppliers using the SEDEX (*Supplier Ethical Data Exchange*) platform of their self-assessment questionnaires—covering risks related to forced labor and child labor—and their SMETA audit reports (see Section 4 for more information).

These measures are described in greater detail in this report.



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3. Structure, Activities, and Supply Chains

3.1 Structure

Founded by Francois Leclerc over 120 years ago and managed by the fifth generation of the family, Biscuits Leclerc is a Quebec-based family business that manufactures cookies, snack bars, and crackers.

The corporate group involved in food manufacturing and distribution consists of Canadian and U.S. companies, as well as a UK entity. In Canada, Biscuits Leclerc Ltd., a corporation incorporated in the province of Quebec, is wholly owned by Groupe Biscuits Leclerc Inc., a holding company also incorporated in Quebec. Groupe Biscuits Leclerc Inc. and Biscuits Leclerc Ltd. are both headquartered in St-Augustin-de-Desmaures, and Biscuits Leclerc operates five manufacturing plants in Quebec and Ontario. Three other plants are operated in the United States by U.S. entities, while the UK entity acts as a distributor.

Leclerc employs more than 1,800 people, including over 1,000 in Canada.

3.2 Vision

At Leclerc, our corporate culture is built around five core values: authenticity, respect, innovation, commitment, and enjoyment. Given the nature of our operations, which are largely factory-based, our company also makes significant efforts to provide a safe work environment for employees, particularly by emphasizing its Golden Rules of Safety. We also integrate environmental and sustainability considerations into the heart of all our decision-making processes, our values, and our DNA to provide a meaningful response to environmental challenges and make a significant impact.

We are proud to support the mission of various non-profit organizations, including those dedicated to children's well-being and others assisting populations in emerging countries, to support them in their efforts to take charge of their own development through education, social justice, and respect for human rights.

3.3 Activities and Supply Chains

Leclerc manufactures products under its own brand, which are sold through our distribution networks. We also offer full-service manufacturing for clients who sell under their own brands. A food service division is also available, particularly for supplying hospitals and other types of public institutions.

The main goods and services we use in our operations are ingredients, packaging, equipment and parts.

The ingredients used in the production of our cookies, snack bars, and crackers include flour, sugar, oats, fruit fillings, nuts, cocoa, and oils. These ingredients may come from various



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sources, and one of the analyses conducted during the period covered by this report focused on certain ingredients deemed to originate from countries at higher risk of forced labor or child labor. This information is discussed further in this report.

The packaging materials used in the manufacture of our products come primarily from Canada and the United States. The same applies to raw materials used in the manufacture of these packaging products. Some lower-volume products may come from other countries.

With regards to equipment and parts, we primarily procure industrial production equipment such as mixers, ovens, sorters, and packaging machines. This equipment is mainly manufactured in Canada, the United States, France, Germany, and the Netherlands. However, certain components of this equipment may originate, in whole or in part, from other major manufacturing countries.

For the fiscal year ended September 30, 2025, Groupe Biscuits Leclerc Inc. and its Canadian subsidiary had more than 1,500 direct suppliers.

In this report, we detail the governance, processes, and policies in place to ensure respect for human rights, including forced labor and child labor, within our supply chains for entities subject to the law.

4. Due Diligence Policies and Processes

4.1 Employee Code of Ethics

Our Code of Ethics applies to all our employees, executives, and members of the Board of Directors. It encompasses a set of principles and values reflecting Leclerc's convictions and expectations regarding employee conduct and corporate governance.

This code demonstrates our commitment to providing a work environment where all individuals are treated with respect and dignity, which promotes equal opportunity and diversity in employment, is free from discriminatory practices, and where employees conduct themselves with honesty and integrity.

The Code addresses, among other things, the practices we promote regarding work and employment, including pay, working hours, leave, minimum working age, voluntary work, diversity, and respect. It encourages staff to consider the ethical implications of their actions and establishes a mechanism for reporting any violations of the Code of Conduct.

4.2 Supplier Code of Conduct

In addition to the Code of Ethics applicable to Leclerc staff, we implemented a Supplier Code of Conduct. Indeed, we believe it is essential that all stakeholders work together to promote adherence to the principles and requirements by which we conduct business.



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This code was developed in accordance with the *OECD Due Diligence Guidance for Responsible Business Conduct*, the *Guidelines for Multinational Enterprises*, and other equivalent standards developed by international organizations promoting best governance practices.

It sets out in greater detail our environmental, social, and governance (“ESG”) expectations, including respect for human rights and labor rights as proclaimed by recognized international organizations. For example, sections address child labor and forced labor, as well as the protection of vulnerable groups. Under the principles set forth therein, no supplier may use forced labor in any form, nor employ minors in violation of fundamental human rights in a manner that would be detrimental to their development, safety, education, and freedom.

We expect our suppliers to comply with the requirements set forth herein and to require their employees and business partners to commit to upholding the same standards. The Code therefore requires suppliers to implement their own appropriate management structure to comply with applicable laws and the principles of the Code, to communicate these principles throughout their own supply chain, and to ensure that appropriate measures are taken to address forced labor or child labor, if applicable.

The Code also grants Leclerc the right to conduct audits to ensure our suppliers’ compliance with the Code’s principles, as well as the right to take various measures in the event of non-compliance, up to and including the termination of the business relationship with the supplier in question. The Code is available on our website at www.leclerc.ca.

4.3 Monitored by the Subcommittee on Combating Forced Labor and Child Labor

The ESG Subcommittee on Combating Forced Labor and Child Labor is tasked with ensuring the company’s compliance with its obligations under the Act, including:

- a) Conducting forced labor and child labor risk assessments;
- b) Recommending a risk management plan;
- c) Implementing relevant policies and processes and ensuring their enforcement;
- d) Conducting awareness-raising and training for staff members;
- e) Managing any instances of non-compliance, as necessary; and
- f) By evaluating the effectiveness of risk prevention and mitigation measures.

4.4 Supply Chain Sustainability Management Platform

We use Sedex (*Supplier Ethical Data Exchange*), a subscription-based platform, to support the management of social and ethical performance in the supply chain. This platform provides access to data associated with a supplier subscribed to the service and generates a risk score based on data collected from each of the supplier’s facilities, including the industry sector, products, and country of operation. This tool helps maintain a continuous overview of the risks of forced labor and child labor in our supply chains.



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4.5 Questionnaires and Audits

We have access to self-declaration questionnaires from our ingredient and packaging suppliers who are Sedex members. This questionnaire includes questions related to modern slavery to help us compare their practices with those prevalent in their industry and region.

We also request access to their up-to-date SMETA audit report. A “SMETA” (*Sedex Members Ethical Trade Audits*) audit is one of the most widely used social compliance audits in the world. Based on the Ethical Trading Initiative (ETI) Core Code, International Labour Organization (ILO) conventions, and local laws, SMETA audits cover key aspects of responsible business practices, including labor, human rights, worker health and safety, environmental compliance, and business ethics performance.

5. Assessment of the Risk of Forced Labor or Child Labor

The assessment and management of risks related to forced labor and child labor are part of a structured and proportionate approach focused on the level of risk exposure. This approach allows the Company to target its due diligence efforts and tailor the intensity of its interventions according to identified priorities.

5.1 Within the Company

Leclerc entities subject to the Act operate in Canada, a jurisdiction where fundamental human rights enjoy strong recognition and legal protection. The company also has well-established recruitment processes and policies ensuring compliance with applicable Canadian legal requirements, regardless of, among other things, the origin and status of workers. Consequently, the Company assesses the risk of forced labor or child labor within its own workforce as low.

Furthermore, each of Leclerc’s production facilities undergoes periodic SMETA audits, in addition to social compliance audits conducted directly by certain customers. These audits result in the issuance of a compliance report for each plant and are renewed at regular intervals.

5.2 In our supply chains

Risk assessment within the supply chain is based on an analysis that combines the nature of the goods and services purchased—namely ingredients, packaging, and equipment and parts—the country of origin of the materials, and the risk indicators associated with each territory.

During the reporting period, efforts were focused on first-tier suppliers, primarily in the “ingredients” and “packaging” categories, which account for the most significant volumes of direct purchases.



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The Company recognizes the inherent complexity of global supply chains and the heightened vulnerability of certain segments, particularly suppliers further up the supply chain, such as those involved in the production of agricultural raw materials. Assessing risks at these levels remains a challenging task due to limited visibility and control over the practices of the relevant stakeholders, potential discrepancies in ethical and social standards across countries and industries, as well as geopolitical factors that may influence working conditions. In light of these challenges, Leclerc is committed to gradually increasing transparency within its supply chain to prevent forced labor and child labor at every level.

Ingredients

The production of Leclerc products relies heavily on ingredients of agricultural origin. Among these, cocoa, sugar, and palm oil have been identified as posing a higher level of risk, given that they are sourced from countries where socio-political conditions, cultural practices, and labor market realities may differ significantly from those in Canada. The Company's action plan prioritizes suppliers of these ingredients whose risk rating is deemed high. A majority of our major cocoa and sugar suppliers are themselves subject to legal obligations regarding the fight against modern slavery under Canadian or foreign law; others have, on their own initiative, established a structured and publicly disclosed framework, demonstrating their commitment to responsible sourcing practices.

Packaging

Packaging materials used by Leclerc, as well as raw materials used in their manufacture, are primarily sourced from Canada and the United States. The risk of forced labor or child labor associated with this category is assessed as low. Lower-volume products sourced from other countries will be subject to a thorough assessment as part of a prioritization plan. Furthermore, a significant proportion of packaging material suppliers are large companies with documented policies and detailed action plans for assessing and mitigating the risks of forced labor.

Equipment and Parts

Leclerc's production equipment suppliers are primarily based in countries with a low risk of forced labor and child labor, including Canada, the United States, and several Western European countries. The analysis of equipment component sources is ongoing, and the resulting findings will be taken into account in the development of the Company's prioritization plan.

6. Remedial Measures

No instances of forced labor or child labor were detected during the fiscal year in question, either within Leclerc's operations or at any of its suppliers. Consequently, no remedial measures were required during this period. Should a non-compliance issue be identified, the



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Company commits to promptly implementing a corrective action plan tailored to the nature and severity of the situation.

7. Corrective Measures in the Event of Revenue Loss

For the reporting period, no cases of non-compliance related to forced labor or child labor were identified, either within the Company's own operations or within its supply chain. In the absence of such situations, it was not necessary to consider corrective measures aimed at mitigating the economic impact on vulnerable workers and families.

8. Training

Staff training and awareness are fundamental components of Leclerc's approach to social risk management. Thus, upon starting their positions, new employees in administrative and professional roles are required to complete mandatory online training on the Company's Code of Conduct, which is integrated into our onboarding and integration program. All current employees and staff members are subject to this same requirement, which must be renewed at least once a year.

In addition, employees in roles related to procurement, purchasing, and human resources receive more in-depth training to enhance their vigilance when selecting suppliers and throughout the business relationship with them, as well as in the context of hiring employees and labor relations.

9. Effectiveness Assessment

During the reporting period, Leclerc continued to implement concrete measures aimed at preventing and mitigating the risk of forced labor or child labor. To measure the scope and effectiveness of these initiatives, the Company relies on a set of performance indicators, including: the percentage of active suppliers on the ethical and social performance management platform; the percentage of suppliers who have formally adhered to the Supplier Code of Conduct or completed a self-declaration questionnaire; the percentage of suppliers who have undergone a social compliance audit; and the percentage of employees who have completed training dedicated to combating forced labor and child labor.

10. Approval and Certification

This report has been approved by the Board of Directors of Groupe Biscuits Leclerc Inc. as the joint report of Groupe Biscuits Leclerc Inc. and Biscuits Leclerc Ltd. for the fiscal year ended September 30, 2025, in accordance with subparagraph 11(4)(b)(i) of the Act.



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In accordance with the requirements of the Act, and in particular section 11 thereof, I certify that I have reviewed the information contained in the report for the entities listed above. To the best of my knowledge, and after exercising due diligence, I confirm that the information contained in the report is true, accurate, and complete in all material respects for the purposes of the Act, for the aforementioned reporting year.

A handwritten signature in blue ink, appearing to read 'Denis Leclerc', written over a horizontal line.

Denis Leclerc, Director and President

May 14, 2026