



Fighting Against Forced Labour and Child Labour in Supply Chains

Annual Report 2023



May 30, 2024



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1. Introduction and Background

This report constitutes the first annual report prepared by Bell Flavors & Fragrances (Canada) Co. (“**Bell**”) in compliance with the recently enacted *Fighting Against Forced Labour and Child Labour in Supply Chains Act* in Canada (the “**Act**”).¹ Bell has prepared this report to assess its governance processes, existing measures and efforts made during its 2023 financial year ended December 31, 2023, to prevent and mitigate the risk that “forced labour” or “child labour”² is used at any step of production of goods in Canada or elsewhere, or of goods imported into Canada (the “**2023 Report**”).

The 2023 Report is not a revised version of a report already submitted for the year 2023 and Bell is not subject to other reporting requirements under supply chain legislation in another jurisdiction.

The terms “Bell”, “we”, “us”, “our”, and “the Company” refer to Bell.

2. Overview of the Steps to Prevent and Reduce Risks of Forced and Child Labour in 2023

Bell is consistently making efforts and striving to upholding human rights and ethical labour practices across its operations and supply chain by working in collaboration with its suppliers, workforce and other external stakeholders.

In order to prevent and reduce the risk that forced labour or child labour is used at every stage of our production chain in Canada or elsewhere, or of goods imported into Canada by us, we have taken the following steps as of the financial year ended on December 31, 2023:

- Gathering information on worker recruitment in Canada and maintaining internal controls to ensure that all workers are recruited voluntarily;
- Developing and implementing anti-forced labour and anti-child labour statements in the code of ethics and business conduct of our employees;
- Developing and implementing anti-forced labour and anti-child labour clauses in all of our terms and conditions applicable to every purchase order; and

¹ (S.C. 2023, c. 9).

² When used in this report, the terms “forced labour” and “child labour” have the meanings assigned by section 2 of the Act.

- Developing and implementing compliance checklists in regards to child labour to our questionnaire that our suppliers need to fulfill in order to get approved by our quality team.

The next sections will provide details on the Company, its supply chain and the measures established and implemented by Bell in 2023 to prevent and reduce the risk of forced or child labour within its operations and supply chain.

3. Organization Structure and Supply Chain

a. Understanding Our Company Structure and Operations

Bell is a family-owned company incorporated under the *Companies Act* of Nova Scotia³, for which quality, reliability, and sustainability are of the highest priority. Our head office is located in the Province of Nova Scotia, Canada, and we have an operating plant in Brossard in the Province of Québec, Canada.

At Bell, we pursue activities in the chemical industry through the following five main departments:

- Flavors – Flavors in liquid, powder, spray dry, and paste forms, and our technology capabilities include flavor enhancers and modifiers, masking agents, bitterness suppressors, heating and cooling agents, salt reducers, and replacers/extenders for vanilla, cocoa, honey, and sweeteners.
- Fragrances – Fragrance creations, oil or water soluble, encapsulates, and dry blends for personal, fine, fabric, home, air, or pet care products.
- Botanical Extracts – Belltanicals® offers botanical extracts, Essential Infusions, all-natural essential oil blends, certified organic extracts, and NOP-certified organic essential oil blends for personal and home care and food grade products.
- Ingredient Specialties – Commercial quantities of raw materials for flavors and fragrances including natural chemicals, aroma specialties, aroma chemicals, and citrus concentrates.

We are a proud signatory member of the International Fragrance Association (IFRA) - International Organization of the Flavour Industry (IOFI) Sustainability Charter. The IFRA-IOFI Sustainability Charter takes a life-cycle approach to sustainability, with Focus Areas and 17 specific Commitments ranging from responsible sourcing and reducing our

³ R.S.N.S. 1989, c. 81.

environmental footprint, to employee well-being, to product safety, transparency and partnerships. Although the IFRA-IOFI Sustainability Charter Commitments are on a voluntary basis, Bell is guided by them to improve the overall sustainability of its industry.

Our Company is also a Corporate B member of Sedex, the world's largest and most recognized ethical data exchange platform and audit program. Bell's Sedex membership is an example of our commitment to running a responsible business, sourcing responsibly, and improving ethical standards and working conditions within the supply chain.

b. Mapping Our Supply Chain

Bell's operations extend globally, as its supply chain span across Canada and various regions, including, but not limited to, Germany, the United States of America, Mexico, China, Brazil and Singapore.

In addition to purchasing finished products from our affiliate in the United States of America, which we relabel and sell in Canada, we use raw materials to manufacture flavors for the food industry. We have multiple supplier sources; this ensures consistent on-time delivery of quality product. Bell sources ingredients based on the highest quality and best value available, Bell requires comprehensive documentation from suppliers and brokers to confirm product quality and compliance with food safety regulations and requirements.

Our Company purchases around 75% of the raw materials required for our activities (e.g., aroma chemicals, essential oils, commodities) from manufacturers and distributors located mainly in the United States of America. We purchase the remaining raw materials from Canadian-based companies. As we source raw materials that have been repackaged by our manufacturers and distributors, from time to time, raw materials purchased could sometimes come from different countries around the world such as, but not restricted to, Argentina, France, Poland, Vietnam, Argentina and Madagascar.

4. Policies and Due Diligence Processes

Bell has embedded responsible business conduct into policies and management systems to prevent and mitigate the risks of forced labour and child labour in its establishment and supply chain. Responsible business conduct is included in :

- Employees Code of Ethics and Business Conduct: each employee at Bell signs a Code of Conduct as part of their employment with the Company, which includes a declaration that child labour or forced labour will not be tolerated within the Company or its suppliers;

- Terms and Conditions of Purchase Order: all purchase orders we issue contain our terms and conditions, which include a specific section prohibiting the use of forced labour and a specific section prohibiting child labour; and
- Questionnaire that our suppliers need to fulfill in order to get approved by our quality team: all our suppliers are required to complete a questionnaire that includes specific questions on ethical sourcing, covering restrictions on workers under the legal minimum working age.

While the Company has not currently established other internal policies or due diligence processes specifically addressing forced labour and child labour within its establishments and for its supply chain, Bell remains open to exploring the need to implement such policies or due diligence processes in the future to further strengthen its commitment to ethical sourcing.

5. Identified Risks of Forced Labour and Child Labour

In 2023, no formal assessments of specific risks within Bell operations or supply chain have been conducted. Bell is aware that the 2022 *List of Goods Produced by Child Labor or Forced Labor* maintained by the U.S. Bureau of International Labor Affairs, lists some of the raw materials used by Bell (i.e., fruit juice concentrate and vanilla). Therefore, to the best of its present knowledge, the Company recognizes the potential risks associated with forced labour and child labour that could be associated with some of the raw materials it purchases at a later stage in its supply chain, but remains confident that the current framework decreases the potential risks.

The Company remains vigilant and responsive to emerging issues, demonstrating a commitment to continuous improvement in ethical sourcing practices.

6. Risk Assessment and Management

The Company recognizes the importance of robust risk assessment and management processes. Bell recently performed verifications on its top five suppliers to ensure that there was no child or forced labour involved in their production, specifically by asking them to provide their code of conduct or policies prohibiting forced and child labour and validating that Bell's cocoa and coffee suppliers have corporate guidelines prohibiting forced labour and child labour on their website. Bell also asks its suppliers to complete a questionnaire with specific questions on ethical sourcing, including restrictions on workers under the legal minimum working age, before they are approved by its quality team.

While no formal assessments or mechanisms specifically addressing forced labour and child labour have been conducted or put in place in 2023, we remain proactive in monitoring and addressing risks across our supply chain to uphold our values of ethical business conduct.

Bell nevertheless recognizes, as mentioned in section 5 of the 2023 Report above, the potential risks associated with forced labour and child labour in the agriculture, forestry, fishing and hunting sectors that could be associated with some of the raw materials it purchases at a later stage in its supply chain.

7. Corrective and Remedial Measures

In alignment with its values of integrity and responsibility, Bell is committed to addressing any issues that may arise in its operations or supply chain. As we have not conducted any formal assessments of specific risks of forced labour or child labour in our activities and supply chain in 2023, no corrective and remedial measures have been implemented during that year.

Thus, while specific corrective or remedial measures related to forced labour or child labour are not currently established, the Company commit to identify the need of any corrective and remedial measures and stands ready to take appropriate action should such issues be identified.

8. Impact on Vulnerable Families

Family is at the heart of our activities, and at Bell, we take the potential impacts of forced labour and child labour on vulnerable families very seriously. Although we did not identify any risks in 2023 concerning impacts on vulnerable families within our supply chain, we remain vigilant. Should such impacts be identified in the future, we are committed to acting swiftly and decisively to address them.

9. Employee Training

Bell fully understands its corporate social responsibility. While specific training programs focused on preventing or addressing forced labour and child labour are not currently offered, the Company encourages a culture of integrity and social responsibility among its workforce.

10. Evaluation of Policy Effectiveness

Bell understands the importance to have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chain. While formal mechanisms specifically related to forced labour and child labour are not currently in place, the Company remains open to feedback and continuous improvement opportunities to enhance its ethical sourcing practices.

11. Conclusion and Future Outlook

In conclusion, Bell remains committed to upholding the highest standards of ethical conduct and respect for human rights throughout its operations and supply chain. Looking ahead, we recognize that this commitment is an ongoing and evolving process, and we remain open to suggestions and constructive criticism. In order to further structure our intentions, we are currently working towards becoming a Sedex Audited Member and are convinced that this process will enable us to further regulate our processes while identifying areas of greater risk. Together, we can work to create a world where businesses thrive while respecting the fundamental rights of all individuals.


12. 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 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.

This 2023 Report is approved pursuant to subparagraph 11(4)(a) of the Act.

I hereby attest in my capacity as President & CEO of Bell for and on behalf of the Board of Directors of Bell.

I have the authority to bind Bell.


Ron Stark (May 31, 2024 07:02 CDT)

Full name: Ronald J. Stark
Title: President & CEO
Director of Bell Flavors & Fragrances
(Canada) Co.
Date: May 30, 2024