



L. H. Gray & Son

All things eggs in Canada 🍁 Since 1934.

CALENDAR YEAR 2024

FORCED LABOUR REPORT

Fighting Against Forced Labour and
Child Labour in Supply Chains

L. H. Gray & Son
All things eggs in Canada 🍁 Since 1934.



This report jointly covers the following L.H. Gray & Son Ltd. related entities:

EggSolutions EPIC Inc.

EggSolutions – Vanderpols Inc.

Global Egg Corporation

Golden Valley Foods Ltd.

Gray Ridge Eggs Inc.

L. H. Gray & Son Ltd.

Perth County Ingredients Inc.

Sparks Eggs, a division of Golden Valley Foods Ltd.



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Report Overview

Corporate social responsibility is the notion that organizations have a responsibility to do what's best for their business, people, environment, and community. Annual social responsibility reporting is essential for organizations to transparently communicate with the public, regarding their initiatives and progress.

In Canada, in 2023, social responsibility reporting became a legal requirement for organizations meeting certain thresholds. The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") outlines Canada's international commitment to contribute to the fight against forced labour and child labour; imposing reporting obligations of organizations producing goods in Canada (or elsewhere) or importing goods produced outside Canada.

Further, similar international legislation such as the UK's Modern Slavery Act 2015 and Australia's Modern Slavery Act 2018, support a global initiative in reporting mandates, and actions to address identified supply chain risks.



In our organization's commitment to provide healthy, nutritious and sustainable food for Canadians, we fully support the initiative of preventing forced labour and child labour within our operations and supply chain, contributing to global social responsibility.

This report adheres to the legislated guidelines and structure of the Act, providing transparency of the organization's Corporate Social Responsibility Program including actions taken to prevent and reduce the risk of forced and child labour, analysis of operational structure and supply chains, organizational policies and due diligence processes, risk management, remediation measures and employee training.

Fighting Against Forced Labour and Child Labour in Supply Chains Act. S.C. 2023, c.9.

Modern Slavery Act 2015. UK Public General Acts. 2015 c.30

Modern Slavery Act 2018. C2024C00747 (C02)

Company Structure

In 1934, L.H. Gray began as a family-owned business in Ridgetown, Ontario, and has since grown to become a major contributor to Canada's egg industry. Now headquartered in Strathroy, Ontario, operations span across Canada with locations in Ontario, Alberta, and British Columbia. In our commitment to social responsibility, we employee approximately 1,500 valued individuals engaged in various aspects of our business including agriculture, egg grading, and egg processing.



"Keep growing. Keep building. And operate as if you will go on forever."

- Bill Gray

Who We Are

The organization's vision and values are innovative in nature inspiring a growth mindset, where challenges become opportunities and change stimulates fresh perspectives. We strive to live our values in all that we do including social responsibility. Creative thinking and innovation have and will continue to allow us to adapt to our evolving global economy, while navigating respective risks and challenges.

With over 10 languages spoken throughout our organization, and individuals representing countries around the globe, we are proud of our diverse workforce. Our team members provide unique perspectives within our daily operations, collaborating to improve efficiencies and identify opportunities.

What We Do

L.H. Gray is a leader in the egg and egg products industry, drawing upon decades of industry experience offering a comprehensive range of brands including but not limited to Gray Ridge Egg Farms, Conestoga Farms, Farmers Finest, Sparks Eggs, Golden Valley Eggs, Global Egg, Egg Solutions, and Perth County Ingredients.

We believe that our goals in social and environmental responsibility in conjunction with the products that we offer, will provide a competitive advantage in longevity and ethical business management. We look forward to the future and the positive change that will leverage our operations.



Steps Taken to Prevent and Reduce the Risks of Forced Labour and Child Labour

L.H. Gray has developed organizational values and business practices that reflect our commitment to operating ethically and in a socially compliant manner. As a leader in the egg grading and processing industry, we recognize our responsibility to prevent and reduce the risks of forced and child labour. We expect our business partners and suppliers to exhibit the same ethical business practices.

In 2024, we observed the following practices to prevent and reduce the risk of forced labour and child labour within our operations and supply chain.

- Internal risk assessments of the potential for forced labour and/or child labour in the organization's activities and supply chains.
- Implementation monitoring for effectiveness of the organization's 2023 action plan for addressing forced labour and/or child labour.
- Regular review of our organizational Code of Conduct, policies, and procedures relating to workplace behaviour and freely chosen employment.
- Regular refresher training with our employees relating to our Code of Conduct, policies, and procedures.
- Action plan development to further support DEI (diversity, equity, inclusion) within our operations.
- Continuation of our leadership learning program.
- Development and introduction of our micro leader learning program.
- Monitoring of facility-specific occupational health and safety management systems; maintaining Certificate of Recognition (COR) at several of our facilities.
- Adherence to our vigorous recruitment and onboarding practices validating age of employment eligibility, ID verification, hours of work/rest, workplace behaviour, and occupational health and safety management system.
- Scheduling and facilitating various third-party social compliance audits throughout the organization.
- Provision of a confidential EAP (Employee Assistance Program) for all employees and members of their household.
- Annual review of our food safety program and practices; accreditations with SFCR and GFSI.
- Development and facilitation of supplier social compliance auditing.

In 2025, we have begun compiling data from supplier social compliance audits, completing risk assessments within our supply chain and developing social compliance auditing processes for other vendors beyond suppliers. In addition, we have developed supplemental social compliance training for all levels of team members and have initiated comprehensive internal audits of temporary staffing agencies utilized by the organization.

Activities and Supply Chains

Our company's operations include agriculture, food processing, and further prepared food processing facilities. We pride ourselves on supplying locally sourced, healthy eggs and egg products to Canadians. Our products are sold through retail, wholesale, and food service providers. Our suppliers provide farm fresh eggs, packaging materials, processing machinery, and other food processing related goods and services. Our suppliers are located primarily within North America.



Agriculture



Food Processing



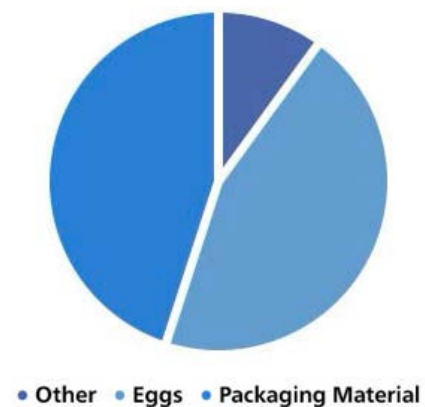
Further Prepared Food Processing

Our purchasing activities are highly concentrated. The vast majority of our purchases fall under two categories: eggs and packaging material. Municipal utilities and government agencies, subject to extensive government regulations, each contribute approximately 1%. In total, approximately 90% of our purchases are sourced from this concentrated group of vendors.

To enhance our sourcing process in 2024, we developed and implemented a comprehensive supplier social responsibility questionnaire identifying the potential risk of, and mitigation strategies regarding forced labour and child labour.

Further supporting this process in 2025, we have implemented a formal risk assessment process and scorecard for the evaluation of supplier questionnaires. We are committed to adhere to the highest level of ethical business practices and follow sourcing processes that identify and monitor areas in our supply chain where there may be a risk of forced and/or child labour.

Purchasing Activities



• Other • Eggs • Packaging Material

Policies and Due Diligence Processes

Ethical business operations are the core of our organizational mission, vision, and values. We believe that innovative and successful businesses are run with the best interests of our community, employees, customers, suppliers, and stakeholders in mind. Recognizing and respecting human rights is the responsibility of all employees and is a shared practice throughout our organization.

Code of Conduct, Respectful Workplace Behaviour Policy, Ethical Business Practice Policy

The purpose of our Code of Conduct is to leverage our organizational values and ensure an ethical workplace by providing guidance on the principles, standards, and responsibilities of conduct for all employees. We believe that it is essential for all employees to expand their understanding of the legal and social issues that arise in the work environment and communicate that understanding to others where appropriate.

All employees are expected to adhere to our Respectful Workplace Behaviour Policy defining guidelines for ethical workplace practices. This policy stipulates expectations as they relate to violence, harassment, bullying, and discrimination. Under these policies, our organization outlines our expectations and the potential adverse impacts of noncompliance on our employees, operations, and business relationships.

In addition, we clearly define prevention, reporting, and investigation procedures as well as protection from retaliation and/or reprisal against individuals acting in good faith in reporting breaches of conduct. All employees are expected to report any suspected breaches of conduct to human resources immediately. Reports are taken seriously and investigated with the utmost of confidentiality. Further, a third-party employee assistance program provides additional support for those in need. Our organization has a zero-tolerance policy for actions that violate the law or demonstrate unethical business practices, including forced labour and child labour.



Our commitment to social responsibility is further communicated through our national Ethical Business Practice Policy which was implemented across all facilities within our organization in 2024. This policy adheres to the standards set forth by the Ethical Trading Initiative (ETI) in the ETI Base Code.

Additional Policies

Complimenting the Code of Conduct, Respectful Workplace Policy and Ethical Business Practice Policy, our organization has implemented several additional human resources, food safety, and health and safety policies and procedures that speak to our commitment to ethical business practices as recommended by guiding authorities such as the Ethical Trading Initiative.



Due Diligence Processes

Maintaining processes that enforce due diligence is of the utmost importance. In keeping with this initiative, our organization has implemented comprehensive recruitment and onboarding strategies ensuring the prevention of forced and child labour. These strategies address areas including but not limited to age of employment eligibility, ID verification, hours of work/rest, proof of required credentials, workplace behaviour, and occupational health and safety.

To further enhance our due diligence processes in 2025, we have developed processes for regular internal auditing of temporary staffing agencies used by the organization as well as a vendor social responsibility questionnaire and risk assessment matrix.

Forced Labour and Child Labour Risks

In 2023 L.H. Gray began to assess our supply chain for risks of forced and child labour. While we have yet to identify any instances of forced or child labour, we recognize that there may be areas within our supply chain where these practices exist.

Our customers regularly initiate social compliance audits within our operations. Social compliance audits set out to ensure that we are protecting the health, rights and safety of our employees and contractors. We welcome these audits as an opportunity to continually improve. In 2024, we broadened the scope of our social compliance understanding to include internal assessments of all operations and expansive supplier assessments that specifically seek to prevent forced and child labour.

Should we identify instances of forced or child labour in our supply chain, we will educate our suppliers on the issues identified and where appropriate support them in resolving the issues to better align with L.H. Gray values. If we are unable to reach a satisfactory resolution to the issues identified, we are prepared to suspend and/or terminate business relationships to remain values consistent.



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A SMETA Audit is one example of the type of social compliance audits conducted.

Remediation Measures

No instances of forced or child labour have been reported or identified within our operations or supply chain.

Remediation of Loss of Income

No instances of loss of income to vulnerable families related to measures taken to eliminate the use of forced or child labour have been reported or identified within our operations or supply chain.

Training

Respectful dialogue, transparent communication and on-going growth and development are among our organizational values. We live these values by providing comprehensive on-boarding and annual learning programs for all employees. These programs include training surrounding our values, Code of Conduct, Respectful Workplace Policy and DEI (diversity, equity, inclusion) as well as other supporting policies from our human resources, food safety, and health and safety teams. Employees participate in the learning programs and acknowledge their understanding and adherence.

In addition, we provide leadership development opportunities that leverage our initiatives of being a top employer with a focus on ethical supply chain management. In 2024 we continued the facilitation of our “Leadership Learning Program” in support of leadership development, and began issuing a series of diversity, equity, and inclusion training modules for all employees.

To enhance our commitment to ethical training initiatives in 2025, the following learning opportunities will be developed and facilitated for all employees,

- Leader micro-learning series including topics such as human rights, modern slavery, due diligence, mental health, etc.
- Employee toolbox learning series including topics such as social responsibility, business ethics, environmental sustainability, etc.
- Continuation of our DEI series for all employees.



Assessing Effectiveness

To measure and track our efforts in reducing and preventing risks of forced and child labour in our activities and supply chains, we have taken the following actions:

- Implementation of robust health and safety management systems throughout our facilities with annual review processes in place.
- Annual employee surveys to track engagement and awareness and respond to employee concerns.
- Annual review of our food safety program and practices; accreditations with SFCR and GFSI.
- Regular review of our Code of Conduct, (national) Ethical Business Practice Policy and other associated policies.
- Regular formal acknowledgement of our Code of Conduct by all employees.
- Leadership training and ongoing development through our "Leadership Learning Program".
- Employee training and ongoing development through our DEI learning series.
- Robust auditing processes of existing and potential new suppliers.
- Regular auditing of our social compliance initiatives and procedures as they relate to forced and child labour.
- Partnering with an external organization to conduct an independent review of our actions through customer initiated social compliance audits where applicable.

To further enhance our assessment practices in 2025, we have begun implementation of the following actions:

- Learning and development programs for all staff members surrounding human rights, corporate social responsibility, DEI, etc.
- Enhanced auditing practices surrounding contracted staffing agencies.
- Robust auditing processes of existing and potential new vendors and contractors.
- Comprehensive risk assessments of existing and potential new suppliers surrounding forced and child labour

Conclusion

Our organizational values form the foundation of our business practices.

- They speak to our commitment to provide a respectfully inclusive and evolving environment where through respectful dialogue and transparent communication every employee's voice is heard.
- They outline our commitment to fostering a safety conscious and diverse culture that emphasizes the importance of upholding human rights principles throughout our operations. This is evident in our Code of Conduct, Respectful Workplace Policy, and Occupational Health and Safety Management Systems.
- They describe a continuous learning and improvement culture that propels us to review our policies, procedures, systems, and business practices regularly, in search of innovative opportunities for improvement.
- They illustrate an environment where sustainability through ethical resource management provides a filter for our decision-making processes.

These are the values we live by. As we move forward, we are dedicated to consistently exemplifying our values in our pursuit of the prevention of forced and child labour within our businesses and supply chain.

Approval and Attestation

Reporting year: 2024

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.



Scott Brookshaw, Executive Vice President

I have the authority to bind L.H. Gray & Son Ltd.

April 8, 2025

Date