



## 2025 Report for Forced Labour in Canadian Supply Chain

### Background

*“Forced labour can be found in every country and every sector. The International Labour Organization estimates that there are approximately 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy. Forced labour and child labour risks occur primarily through the global supply chains of businesses. There is a risk that goods imported into and distributed in Canada were produced with forced labour or child labour. Entities and government institutions doing business in Canada have a responsibility to ensure that exploitative practices are addressed and eradicated from their supply chains.*”

*The measures introduced through former Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act), aim to increase industry awareness and transparency and drive businesses to improve practices.”*

### Report

#### **(a) Structure, activities and supply chains**

Clasen Quality Chocolate, Inc. is a privately owned entity that manufactures chocolate and confectionary coatings. CQC sources ingredients and raw materials from both domestic and international suppliers.

#### **(b) Policies and due diligence processes in relation to forced labour and child labour**

CQC’s Code of Conduct prohibits forced labour, human trafficking, and child labour in our supply chain. All suppliers must acknowledge and accept the CQC Code of Conduct with each purchase order.

#### **(c) The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk**

CQC sources some commodities from countries with an increased risk of forced labour and/or child labour. These commodities and origins include cocoa from Ivory Coast, Ghana, Nigeria, and Cameroon, and palm oil from Malaysia and Indonesia.

#### **(d) Any measures taken to remediate any forced labour or child labour**

CQC actively monitors our suppliers and engages with key partners to reduce the risk of child or forced labour occurring.



To mitigate any potential risk of child labour or forced labour occurring within CQC's supply chain, CQC takes the following steps:

- 1) CQC only sources from suppliers who agree to our Code of Conduct that explicitly prohibits any form of child labour in our supply chain. The Code of Conduct prohibits forced labour, human trafficking, and child labour throughout our supply chain. Suppliers must acknowledge and accept this with each purchase order.
- 2) CQC is a member of organizations including World Cocoa Foundation (WCF) and Roundtable on Sustainable Palm Oil (RSPO) which work to eliminate child labour and forced labour in their respective sectors.
- 3) CQC sources raw material under third-party certification programs (Rainforest Alliance, RSPO, Fair Trade USA, Fairtrade International) that address child labour and forced labour through certification standards.
- 4) CQC supports Child Labour Monitoring and Remediation Systems (CLMRS) that are implemented within CQC's direct supply chain and managed by CQC's suppliers and sustainability partners. The CLMRS methodology aligns with International Cocoa Initiative (ICI) best practices for monitoring and remediation.

**(e) Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains**

CQC has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

**(f) The training provided to employees on forced labour and child labour; and**

CQC provides the necessary training to relevant employees, managers, and supply chain partners to ensure compliance with CQC's Code of Conduct, certification standards, and regulatory requirements. Human Resources employees are trained on viewing and assessing employee ID's to verify appropriate age when new employees are hired. Then those ID's are verified on the US Government E-verify system to verify authenticity. Currently in our production jobs, the minimum age requirement is 18 years of age.

**(g) How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains**

CQC partners with external organizations to conduct regular audits of CQC.

## **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 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.

**Full name:** Jack Jensen

**Title:** CFO

**Date:** May 31, 2026

**Signature:**

A handwritten signature in black ink that reads "Jack Jensen". The signature is written in a cursive style with a large initial "J" and a distinct "S" at the end.

I have the authority to bind Clasen Quality Chocolate