



*Saint Germain*  
BAKERY

# SAINT GERMAIN BAKERY

## Modern Slavery Report

For the fiscal year ended February 28, 2026

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# 1. Introduction

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This Modern Slavery Report is a joint submission for 669743 B.C. Ltd. and Saint Germain Bakery (Toronto) Ltd., along with their subsidiaries and affiliated entities (collectively referred to as "**Saint Germain Bakery**" or "**SGB**"). These entities are required to report under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, which came into effect on January 1, 2024 (the "**Act**").

This report covers the fiscal year ending **February 28, 2026** ("**Fiscal 2026**") and outlines actions taken across SGB's operations and those of its controlled subsidiaries involved in manufacturing, producing, or importing goods from outside Canada.

Throughout this report, "modern slavery" refers to both forced labour and child labour.

## 2. Steps to Prevent and Reduce the Risk of Forced Labour and Child Labour

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During Fiscal 2026, SGB continued to implement several focused initiatives to minimize the risk of forced and child labour within its operations and supply chain:

- Performed supplier risk evaluations, including new vendors linked to recently added production lines;
- Integrated labour rights provisions into all new and revised supplier agreements;
- Provided specialized training for procurement and HR teams to enhance awareness and compliance;
- Strengthened audit procedures, particularly for overseas suppliers affected by economic changes;
- Improved worker complaint channels to ensure better access and response;
- Established a structured remediation framework for potential labour issues;

- Engaged independent third-party auditors to validate compliance in higher-risk supply chain segments.

These initiatives build upon earlier efforts and demonstrate our continued commitment to responsible sourcing and compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

## 3. Structure, Activities and Supply Chains

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### 3.1. Structure and Activities

Founded in 1986 as a small bakery in Vancouver, SGB has grown into a nationwide commercial bakery with two production facilities and 16 retail locations across British Columbia and Ontario. Our product offerings include cakes, pastries, breads, buns, cookies, and mooncakes.

We operate through two main distribution channels:

- **Wholesale & Foodservice:** Supplying baked goods and desserts to airlines, hotels, and grocery retailers;
- **Branded Retail Bakeries:** Operating 16 branded bakery outlets for direct customer purchases.

Furthermore, we continue to lead in innovative cake design by offering services such as image and message printing on cakes. This enables customers to customize their cakes and turn meaningful moments into edible creations.

We are dedicated to using fresh, natural ingredients to maintain both quality and health standards. Approximately 80% of our ingredients are sourced locally in British Columbia, including seasonal fruits from nearby farms, premium chocolates, and flour from reputable suppliers. Our central kitchens are equipped with advanced automated systems that meet internationally recognized HACCP standards.

SGB currently operates two central kitchens located on company-owned properties: a 33,000 sq. ft. facility in Richmond, BC, and a 20,000 sq. ft. facility in Toronto, ON.

Modern automated equipment is utilized throughout our production lines. Our central kitchen environments are clean, safe, and HACCP-certified. Automation is applied across all stages of food production and preparation, including packaging and distribution, helping to minimize contamination risks and ensure product safety.

SGB employs more than 350 individuals across its retail and production operations.

Through our skilled workforce, responsible management, high-quality ingredients, and advanced technology, Saint Germain Bakery has received numerous awards and industry recognition. Notably, at the International Culinary Olympics held every four years in Germany, SGB participated as part of Culinary Team Canada and was awarded gold and silver medals in 2004 and 2008.

In terms of social responsibility, the Vancouver branch of Saint Germain Bakery has supported the Emergency Department at the Richmond Hospital Foundation. The company also engages in community-focused initiatives, such as donating all net proceeds from its annual charity mooncake program in partnership with Fête Chinoise. These efforts have benefited organizations including the Chinese Canadian Museum, the Toronto Symphony Orchestra, and the Fête Chinoise Cultural Foundation.

### **3.2. Supply Chains**

SGB's supply chain includes suppliers providing raw materials, semi-finished goods, and packaging materials based in Canada, Hong Kong, and China.

Our core principle in production is to uphold both quality and health. We emphasize the use of fresh, natural ingredients. For instance, we use natural flavouring sources such as vanilla from whole bean pods, fresh orange juice, and lemon granules derived from whole fruit, rather than artificial essences. Jams and jellies are made using fresh fruits. Specialty ingredients include fresh cream from Calgary, fruit wines from Quebec, seasonal produce from local farms, premium chocolates, and flour sourced from trusted suppliers. We maintain strict standards when it comes to taste and health.

Advanced automated kitchen equipment is used throughout our production processes. Our two central kitchens are well maintained, with clearly defined standard operating procedures and efficient systems in place. Automation is applied at every stage of food production and preparation, including manufacturing, packaging, and distribution at SGB’s central kitchens.

All raw materials and goods used in our production are sourced in accordance with our internal procurement and import policies, in collaboration with our supplier partners, from both local sources and an established network of international suppliers. We work with suppliers who share our commitment to quality, support employee well-being, and promote socially responsible practices across the supply chain.

## 4. Policies and Due Diligence Processes

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### 4.1. Code of Conduct

SGB is dedicated to conducting its operations in line with the highest standards of human rights and ethical practices, while complying with all applicable labour laws, regulations, and codes at both the federal and provincial levels, as well as relevant governmental requirements (the “**Code**”).

SGB aims to provide a safe and healthy workplace that supports both the personal and professional development of all employees, in accordance with the Code. While every employee shares responsibility for maintaining such an environment, managers and supervisors are expected to take a leadership role in promoting respect and accountability across the organization.

Our responsibilities include:

- Promoting open communication and collaboration among employees;
- Treating one another fairly, with dignity and respect;
- Encouraging a positive and cooperative team environment;
- Working toward a shared understanding of performance expectations and reinforcing this through ongoing communication;

- Valuing employee input and encouraging participation in decisions that impact their work and career development;
- Supporting employee growth by helping individuals achieve their personal and professional goals within SGB and beyond;
- Taking proactive steps to prevent workplace conflict and addressing any issues promptly and fairly;
- Applying all policies consistently and equitably, recognizing the importance of each role and evaluating performance based on established standards, while ensuring fair treatment for all employees;
- Acknowledging that employees may face personal challenges and responding with empathy, understanding, and support.

## **4.2. Recruitment Policy and Work Environment**

SGB fully complies with the Employment Standards Act in each province in which it operates and remains committed to enhancing the overall wellbeing of its employees. As an equal opportunity employer, SGB provides employment without discrimination based on race, ancestry, place of origin, colour, ethnic origin, language, citizenship, creed, religion, gender, sexual orientation, age, marital status, physical or mental disability, or financial status. While maintaining awareness of the importance of fair and equitable treatment, SGB aims to integrate the principles of Employment Equity into its broader human resources policies and practices to ensure that all current and prospective employees are treated fairly in all aspects of employment.

In alignment with Human Rights legislation, Employment Equity acknowledges the inherent value and dignity of every individual and ensures equal, open, and barrier-free access to employment opportunities. SGB is committed to ensuring that all recruitment and advancement processes are conducted in a fair and equitable manner.

SGB has zero tolerance for bullying, harassment, or any form of inappropriate behaviour or remarks that may cause humiliation, intimidation, or discomfort in the workplace. We are committed to maintaining a safe and healthy work environment that promotes continuous employee development, while fostering a culture grounded in integrity and accountability.

In Fiscal 2026, SGB further reinforced these commitments by communicating updated workplace policies and codes of conduct to both new and existing employees, highlighting the importance of inclusivity and employee rights in support of our modern slavery risk mitigation efforts.

### **4.3. Supply Chain**

In Fiscal 2026, SGB further enhanced its efforts to mitigate the risk of modern slavery within its supply chain. The modern slavery checklist, first introduced in Fiscal 2024, continued to be actively utilized by procurement and HR personnel, as well as other relevant teams, to support informed decision-making and increase risk awareness during supplier onboarding and contract management processes.

We worked directly with suppliers to evaluate their due diligence practices and to confirm whether appropriate policies addressing forced labour and child labour were in place. These assessments were also extended to second-tier suppliers to help ensure that all goods procured—whether directly or indirectly—originate from partners that comply with our Supplier Code of Conduct or equivalent labour standards.

The following measures have been established to further reduce the risk of modern slavery within our supply chain:

#### **a) Supplier Code of Conduct**

SGB formally introduced its Supplier Code of Conduct (“Supplier Code”) in 2024, outlining expectations for vendors regarding labour rights, transparency, and responsible supply chain practices, and continued to uphold it through fiscal year 2026. All existing suppliers were provided with the Code and were required to acknowledge their commitment to preventing forced labour and child labour.

In addition, a Supplier Questionnaire on modern slavery was distributed to evaluate supplier risk levels and identify any compliance gaps. The responses were reviewed internally, and suppliers identified as higher risk were contacted for further information, including requests for formal statements or policies specifically addressing modern slavery.

This enhanced risk assessment approach has now been fully integrated into SGB's supplier and vendor onboarding and approval processes, ensuring that modern slavery considerations are consistently included in all new evaluations.

### **b) Contractual Clauses**

SGB has incorporated clauses related to modern slavery in all updated and newly negotiated supplier contracts. These clauses obligate suppliers to actively identify and mitigate the risk of forced or child labour within their operations and supply chains, and to promptly inform SGB of any violations.

### **c) Reporting Mechanisms**

In Fiscal 2026, we continued to use an online reporting system developed in 2024 that enables employees, suppliers, and members of the public to report concerns related to modern slavery, fraudulent conduct, or breaches of our Supplier Code of Conduct.

## **5. Actions Taken in Fiscal 2026 to Prevent and Reduce Risks**

In Fiscal 2026, SGB continued to implement focused measures to prevent and mitigate the risk of forced and child labour across its operations and supply chains. These initiatives concentrated on formalizing ethical standards with suppliers, enhancing due diligence processes, and strengthening supply chain oversight. The following actions were carried out during the reporting period:

### **5.1. Supplier Code of Conduct Implementation**

SGB officially implemented its Supplier Code of Conduct for all overseas suppliers back in 2024. The Code sets out minimum standards concerning labour rights, working conditions, and the prohibition of forced and child labour. Suppliers were required to acknowledge and agree to the Code to maintain their business relationship with SGB.

## **5.2. Supplier Questionnaire Distribution**

We implemented a modern slavery self-assessment questionnaire for all new and existing suppliers. The responses offered insight into suppliers' policies, labour practices, and risk management measures. Suppliers identified as higher-risk were requested to provide additional documentation or undergo further review.

## **5.3. Contractual Safeguards**

All new and renewed supplier contracts now incorporate modern slavery clauses. These clauses obligate suppliers to actively manage risks, report any instances of forced or child labour, and acknowledge that failure to comply may result in contract termination.

## **5.4. Local Sourcing Strategy and Supply Chain Resilience**

In light of ongoing economic conditions, SGB has prioritized expanding its local sourcing initiatives. By relying more on domestic suppliers, we aim to decrease dependence on cross-border imports and enhance the stability and traceability of our supply chain.

This local sourcing approach also supports our efforts to mitigate modern slavery risks by strengthening relationships with Canadian suppliers, whose operations are subject to robust regulatory oversight. As we continue to diversify and reinforce our procurement base within Canada, we anticipate further reducing exposure to forced and child labour risks that are more common in certain international markets.

## **5.5. Risk Assessment and Audit Expansion**

In Fiscal 2026, SGB maintained and operationalized its supplier risk assessment program, following its expansion in 2025 to include vendors associated with two newly acquired production lines. We also enhanced our auditing procedures, focusing particularly on international partners operating in higher-risk regions, such as Asia. Independent third-party auditors were engaged to evaluate selected suppliers against our labour standards and Supplier Code of Conduct. These audits examined recruitment practices, subcontractor arrangements, and relevant documentation.

# 6. Risk Assessment

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Although SGB operates exclusively in Canada, some of the products we procure come from countries or industries with a higher risk of forced or child labour. Consequently, we take modern slavery risks seriously and employ a structured approach to identify, assess, and mitigate these risks throughout our supply chain.

## 6.1. Risk Mapping and External Research

We routinely reference external sources, including reports from the United Nations and international human rights organizations, to remain informed about goods and regions associated with modern slavery. This research has guided updates to our internal risk heatmap, which takes into account product type, geographic origin, and supplier history.

## 6.2. Raw Materials and Goods Procurement Risk

SGB continues to source raw materials, packaging, and semi-finished goods from suppliers in Canada, Hong Kong, and China. Based on our ongoing risk assessment, the majority of our suppliers are locally sourced and generally have established controls and compliance measures in place regarding labour practices. As a result, the overall risk level across our supply chain is considered relatively low, and no specific categories of goods have been identified as high risk at this time.

Notwithstanding this overall assessment, in Fiscal 2026 we placed particular focus on imported goods from Asia, where ongoing geopolitical and trade pressures may heighten labour-related risks. To address these potential risks, we applied our full range of due diligence measures—including supplier questionnaires, contractual clauses, and third-party audits—to suppliers in these regions.

With its expansion plans, SGB has not only continued to research and source fresh produce and packaging, but has also expanded its procurement to include machinery and cookware to support increased automation and production efficiency. As part of this development, SGB has engaged

new suppliers in these categories and ensured that they are assessed and aligned with its Supplier Code of Conduct. This approach supports the company's commitment to responsible sourcing, while maintaining compliance with established ethical, labour, and quality standards across its evolving supply chain.

### 6.3. Third-Party Audits and Classification

Suppliers identified as higher-risk were subject to third-party audits examining recruitment practices, documentation, and subcontractor management. Using all available information, we categorize suppliers by risk level to inform future procurement decisions and contract renewals.

### 6.4. Risk Outlook

Based on our evaluations, we consider SGB's direct operations to have minimal exposure to modern slavery. Nonetheless, we acknowledge the evolving nature of risks across global supply chains and remain dedicated to continuously improving our monitoring, engagement, and remediation practices.

## 7. Remedial Measures

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As of the end of Fiscal 2026, SGB is not aware of any instances of forced or child labour within its operations or supply chain. Accordingly, no remedial actions were required during the reporting period to address any adverse impacts or income loss to individuals or communities. Furthermore, as no such instances were identified, no measures were necessary to remediate any loss of income to vulnerable families that may have resulted from such practices.

That said, SGB finalized a formal **remediation framework** in Fiscal 2026. This framework defines the steps to be followed in the event of a confirmed or suspected case of modern slavery. It includes:

- Internal escalation procedures
- Guidance for engaging with affected suppliers
- Possible contract termination options
- Expectations for communication and transparency

Should any instance of modern slavery be identified in the future, this framework will direct our response to ensure timely and appropriate remedial action is implemented.

## 8. Training

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SGB employees continue to receive regular training on regulatory compliance, ethical practices, food safety, WorkSafe standards, and our internal Code of Conduct.

In Fiscal 2026, SGB continued to conduct targeted awareness sessions for staff in procurement and HR roles, introducing them to our modern slavery risk assessment tools, supplier questionnaire process, and updated Supplier Code of Conduct. These sessions strengthened internal understanding of:

- how to recognize warning signs of forced labour;
- how to apply the Supplier Code during contract discussions; and
- when and how to escalate concerns regarding suppliers.

At this stage, there have been no significant changes to the overall scope of training programs. Given that our supply chain is primarily locally sourced and considered lower risk, formal modern slavery training has not been broadly expanded across all departments. Instead, awareness of modern slavery risks is primarily embedded within the procurement function, where responsible personnel remain attentive to supplier practices as part of their ongoing responsibilities.

SGB has also continued to develop formal training materials on modern slavery for use in onboarding and future refresher sessions. These materials are expected to support a broader rollout of training to additional departments in the coming fiscal year.

## 9. Assessing Effectiveness and Future Improvements

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Our supply chain is largely based on local suppliers, which are generally considered lower risk in terms of forced labour and child labour. As a result, we have not developed extensive quantitative

evaluation metrics at this stage. However, we continue to monitor supplier compliance through existing controls and maintain ongoing oversight to ensure that required standards are met.

An evaluation of the measures outlined in Sections 4.3(a), 4.3(b), and 4.3(c) will be conducted as at the end of Fiscal 2026, focusing on our local supplier base, to assess their effectiveness in mitigating the risk of modern slavery. The results of this evaluation will be reviewed subsequent to year-end and will be reflected in the next reporting cycle. Findings will inform future enhancements to our due diligence processes, training programs, and supplier engagement strategy, including any potential expansion to a broader supplier base.

# 10. Approval and Attestation

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This report was approved under subparagraph 11(4)(a) of the Act by the Board of Directors of SGB for the fiscal year ending February 28, 2026.

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Act), and in particular section 11 thereof, I, in the capacity of Director and CEO, attest that I have reviewed the information contained in the report on behalf of the governing body of the 669743 B.C. Ltd. and Saint Germain Bakery (Toronto) Ltd 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 within this report.

I have the authority to bind Saint Germain Bakery.



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Full Name: Mickey Jian Bin Zhao

Title: Director and CEO

Date: May 15, 2026

