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BILL S-211 CORPORATE REPORT for Mother Parker's Tea & Coffee Inc.

An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff

INTRODUCTION

Mother Parkers Tea & Coffee Inc. ("Mother Parkers", "company", "we", "us" or "our") operates on the collective understanding that we have a responsibility to help create a more sustainable future. We recognize that working towards a more sustainable future is essential for the long-term future of our business as well as our suppliers' and customers' businesses, the social well-being of communities that support our operations, suppliers, and customers, and the health of the planet.

Mother Parkers understands the importance of taking a collaborative approach to addressing human rights issues and that human rights are inherent and fundamental to all persons. Our approach to human rights focusses on our own operations and those of our suppliers. It includes the products and services we offer to our customers, as well as policies and programs that impact our employees. However, we also work with, align with, and support the efforts of others to ensure the protection and advancement of human rights throughout our business operations and supply chains.

Mother Parkers is committed to upholding and protecting human rights in alignment with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labor Organization Core Conventions.

This report is made pursuant to 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. It outlines the approach and initiatives by Mother Parkers to identify and address the risk of forced labour and child labour in its business operations and supply chains during the financial year commencing October 2022 and ending September 2023.

OUR STRUCTURE, OPERATIONS & SUPPLY CHAIN

Our Structure

Since 1912, Mother Parkers has helped change the way people experience their tea and coffee. Our passion for delivering a better beverage experience has helped us become the supplier of choice to some of North America's largest retailers and foodservice operators.

What started as a small wholesale grocery distributor has grown into one of the world’s leading purveyors of tea and coffee. As a fourth-generation, family-owned, privately held company, we continue to invest in growth and in our customer partnerships. Mother Parkers’ business is primarily focused on providing private label coffee and tea beverage solutions to our customers. We also manage corporate brands, including Marley Coffee® (under license) and Higgins & Burke® tea.

Our Operations

<p>Mother Parkers Manufacturing Facilities</p>	<p>Mother Parkers is an Ontario corporation with manufacturing facilities and head office located in Mississauga, Ontario, and another manufacturing facility located in Ajax, Ontario. Mother Parkers’ business is primarily focused on the manufacturing of coffee and tea and has over 650 employees across Canada. All of our facilities are SQF Level 3 certified.</p> <p>A separate coffee and tea manufacturing business that is not controlled by Mother Parkers but is ultimately controlled by the members of the founding family of Mother Parkers, is located in Fort Worth, Texas.</p>
<p>Sourcing and Roasting Coffee</p>	<p>Our passion for coffee is brought to life every day by our highly trained experts with over 200 combined years of coffee experience. Mother Parkers sources Arabica and Robusta green coffee from over 20 countries and more than 65 different coffee green types. We roast, grind and pack coffee at our manufacturing facilities in Mississauga.</p>
<p>Sourcing and Packing Tea</p>	<p>With over 100 years of experience, Mother Parkers is a leading purveyor, blender and packager of tea and herbals for hot and iced beverages. We source a variety of teas and herbals globally, with blending and packing capabilities at our Ajax and Mississauga manufacturing facilities.</p>
<p>Beverage Solution Formats</p>	<p>Mother Parkers offers a range of beverage solution formats, tailored to the brand, strategy, and target consumer. In recent years, Mother Parkers introduced breakthrough innovation with the launch of RealCup® single-serve capsules and the EcoCup® recyclable capsule.</p>

Supply Chain

Mother Parkers sources its inputs from a global supply chain, working with its direct suppliers (referred to herein as “Tier 1 suppliers”) to source coffee, tea, and packaging materials. Additional information on each of these supply chains is summarized below.

Coffee is grown on 12.5 million farms worldwide, of which about 80% are smallholder farms primarily located in developing countries.¹ Over 13 million people are employed in the global tea sector and approximately 70% are smallholder farmers in developing countries.² Given that Mother Parkers operates in Canada, risk associated with modern slavery in our own operations

¹ [Global Market Report: Coffee \(iisd.org\) page 1](#)

² [Global Market Report: Tea prices and sustainability \(iisd.org\) page 2](#)

is low, according to the Global Slavery Index.³ Since raw coffee and tea are cultivated in developing countries and represent the largest inputs for our business, we view our agricultural supply chain associated with coffee and tea sourcing as the most at-risk for human rights abuses and is our primary focus for this report.

- Coffee: Mother Parkers sources, roasts, grinds, and packs coffee for some of North America's largest retailers and foodservice operators. Arabica and Robusta coffee is sourced from Central and South America, Africa and Asia. Coffee is roasted, ground, and packed at Mother Parkers facilities in Mississauga, Ontario and shipped to our customers across Canada and the United States.
- Tea: This category represents a small portion of Mother Parkers' total portfolio. Camellia Sinensis (white, green, black) tea is sourced from Asia, Africa and South America, and herbals/botanicals are sourced globally. Tea is blended and packed at Mother Parkers' facilities in Ajax and Mississauga, Ontario, and shipped to our customers across Canada and the United States.
- Mother Parkers sources packaging materials from North America, Europe, and Asia. These materials are used to package coffee and tea products at our facilities in Mississauga and Ajax. Mother Parkers is working to transition all packaging to recyclable, compostable, renewable, or certified sources by 2030.

MODERN SLAVERY RISKS

Responsibility and integrity are two of Mother Parkers' core values, and we take the protection of human rights very seriously. Mother Parkers is committed to fostering a safe, inclusive, and respectful work environment for our employees, suppliers, and the people who work for our suppliers throughout our supply chain. This includes, but is not limited to, freedom of association and collective bargaining, protection of children and prohibition of all forms of forced labor, no discrimination or harassment, compliance with applicable local laws and regulations on wages and benefits, and a safe and healthy workplace.

Mother Parkers has an established enterprise management risk framework that was adopted in 2018. This framework ensures that policies and requirements for managing risk are enforced and updated as needed. Management reviews business risks at least quarterly and reports into the Board of Directors, which holds responsibility for overseeing risk for the company.

Considering the level of corporate oversight provided for the facilities in which Mother Parkers employs our direct workforce and operations, we believe the risks of modern slavery in our own operations to be low. Since the vast majority of our sourcing activities are for tea and coffee that originate in countries around the world, some of which have been identified by third-party organizations as having modern slavery risks, we believe our agricultural supply chain associated with coffee and tea sourcing to be the most at-risk for human rights abuses, and therefore, is our primary focus for this report.

As Mother Parkers is committed to upholding and protecting human rights in alignment with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labor Organization Core Conventions, we apply these principles in

³ [Prevalence & Number | The Global Slavery Index \(walkfree.org\)](https://www.walkfree.org/)

assessing modern slavery risks in our coffee and tea supply chains. The most notable modern slavery risks within our sourcing reside at the farm level in coffee and tea countries of origin.

As with most agricultural industries, coffee and tea cultivation requires the use of temporary labour to support seasonal and harvest activities⁴. Mother Parkers is concerned about child labour in countries of origin, but it is important to understand that in most of these countries there is a long history of family involvement in the harvest season, particularly in smallholder farms that depend on family members to work during the harvest season to support the family's livelihood. This is a traditional way of life for small farming families and, while children may be present in the fields during harvest, the situation is different than the traditional perception and understanding of "forced labour" or "child labour." These smallholder farmers are the backbone of coffee and tea production, accounting for more than 80% of the world's coffee, and they depend on family involvement in the business and the support of the companies they supply.⁵

Beyond the risks for modern slavery, certain countries of origin present risks of farmer livelihood, respect for diversity, equity and inclusion, and worker safety. These are also areas of important focus for Mother Parkers.⁶

DUE DILIGENCE AND ACTIONS TAKEN TO ADDRESS RISK

With a focus on human rights due diligence, Mother Parkers will continue our work to avoid human rights infringements with preventative measures, managing and mitigating negatively impacting factors. Mother Parkers' work to uphold and protect human rights will prioritize the following:

1. Sustainable Sourcing:

- Mother Parkers is continuing work to implement human rights due diligence across our supply chains for all coffee, tea, and packaging materials used directly in our product packaging. This work includes sourcing from certified and verified sustainable sources that protect human rights through validated policies, monitoring, third-party auditing, reporting, and remediation.

2. Transparent and Traceable Supply Chains:

- We will be transparent in the actions we are taking and the progress we make to deliver on our commitments.
- Mother Parkers has implemented a Sustainability Intelligence System (SIS) in partnership with the Committee on Sustainability Assessment (COISA). This will provide the supply chain transparency and traceability needed to demonstrate credible monitoring and reporting toward our sustainability and human rights commitments, as the SIS includes supply chain disclosure, risk assessments, and remediation actions taken. This will include traceability for all our coffee and tea, from points of origin (which may include farms, mills, gardens, cooperatives, and other sources) all the way to destination. For packaging materials, we plan to implement the same SIS, focusing on our Tier 1 and Tier 2 suppliers (Tier 2 suppliers being direct suppliers to our Tier 1 suppliers) in the short-term, and expanding across this supply chain in the coming years.

⁴ Sustainable Coffee Challenge: Improving Labor Practices and Supply, Pocket Guide, page 1.

⁵ Global Market Report: Coffee (iisd.org), page 1

⁶ Sustainable Coffee Challenge: Improving Labor Practices and Supply, Pocket Guide, page 4.

- We have also partnered with Sedex to work with our suppliers on gathering data to share and report on environmental, social and governance (ESG) programs, practices, and risks. This supports our commitment to implementing more socially and environmentally sustainable supply chains by gaining supply chain visibility, assessing supply chain risk, and reporting on supply chain data.

3. Purpose Driven with our Employees, Suppliers and Communities in which we Operate:

- We respect our employees and empower them to turn their ideas into solutions, execute with integrity, deliver with quality, and take pride in their work.
- We embrace diversity and strive to give our employees and applicants the same opportunities. We do this through inclusive work environments, including programs, training and initiatives led by our Diversity, Equity & Inclusion Committee, proactive efforts to expand workforce diversity, and driving positive impacts in the communities that support our business and those of our customers and suppliers.
- The Mother Parkers Employee Handbook documents applicable programs, policies, procedures, and practices to support the success and wellbeing of all employees and to ensure a welcoming and productive work environment.
- The Mother Parkers Employee Code of Conduct (the "Code") sets the baseline expectations for our employees, which includes employee compliance with all applicable laws and Mother Parkers policies. Some aspects of the Code are related to human rights protected by applicable laws and/or our policies. These include the right to freedom from harassment, discrimination, and violence. Employees are required to review and certify their compliance with the Code annually and are required to report any suspected violations.
- Mother Parkers expects our suppliers to respect human rights and to comply with the Mother Parkers Supplier Code of Ethics, which is updated and distributed annually to our Tier 1 suppliers to ensure alignment with generally accepted terms and expectations in several areas, including human rights. Our Supplier Code of Ethics applies to our Tier 1 suppliers and all suppliers in their supply chain.
- We will continue to engage and work collaboratively with our employees, customers, suppliers, and other partners to meet our human rights commitments. These efforts will have a particular focus on working to support coffee and tea smallholder producers and to source packaging from approved suppliers, with zero tolerance for exploitation of human rights of any kind.

4. Employee Training:

Mother Parkers has a comprehensive training and certification program for employees on a variety of topics that support human rights within the company and throughout our supply chains. These include:

- i) Annual training and certification by all employees of:
 - *The Rights and Responsibilities Under the Ontario Human Rights Code and the Accessibility of Ontarians with Disabilities Act. Intro to the Code and AODA*
 - *Workplace Violence and Harassment Prevention Policy*
- ii) Annual certification by certain employees, depending on their role, of:
 - *Trade Sanctions and Export Controls Policy*
 - *Anti-Bribery and Anti-Corruption Policy*
- iii) Periodic training of certain employees in *Positive Employee Relations*

- iv) Regular reviews and updates of other Mother Parkers policies that demonstrate and support our commitment to fair wages and the wellbeing of our employees, including our *Pay Equity Plan, Flexible Work Policy, Right to Disconnect Policy*, and numerous *Health & Safety* policies.

MEASURING RISK EFFECTIVENESS AND REMEDIATION

Risk Assessment

Our human rights impact assessments focus on two main areas for Mother Parkers: 1) our corporate operations, and 2) our supply chain.

Mother Parkers has a comprehensive program for employee reporting of suspected Employee Code of Conduct violations, if an employee believes they have experienced or witnessed a wrongdoing in the workplace. This includes a reporting process if the employee is comfortable reporting the issue internally, and an independent third-party reporting mechanism if the employee prefers to remain anonymous. As a principle, to the fullest extent possible, investigations are conducted in a confidential manner and made without fear of retaliation.

We take a risk-based approach to supply chain management and continually take steps to assess, monitor, mitigate, report, and promote work toward human rights due diligence with our suppliers. Mother Parkers has also taken the following steps that form a credible approach to promoting and respecting human rights in our operations and supply chain:

- As part of the Mother Parkers sustainable sourcing program, we have aligned with the Global Coffee Platform (GCP) and Ethical Tea Partnership (ETP) to guide and deliver our commitments on human rights due diligence.
- These organizations lead industry best practices in the environmental, social and governance space, including monitoring, auditing, reporting and remediation.
- Mother Parkers values industry involvement and leadership, particularly to support and lead important issues such as human rights due diligence. As such, we are a member of the Sustainable Coffee Challenge (SCC), National Coffee Association (NCA), Coffee Association of Canada (CAC), Ethical Tea Partnership (ETP), and Tea and Herbal Association of Canada (THAC). Mother Parkers executives also sit on the Board of Directors of the NCA, CAC and GCP.
- Since 2018, we have been proactively building and improving our governance framework for environmental, social and governance programs and reporting. The Mother Parkers Board of Directors is responsible for overseeing sustainability and compliance at Mother Parkers, including human rights compliance, our human rights commitments, our Human Rights Policy, and this Bill S-211 Corporate Report.

Remediation

Any potential modern slavery misconduct or concerns are appropriately dealt with under the terms and provisions of the Mother Parkers Employee Handbook, the Mother Parkers Employee Code of Conduct, and the Mother Parkers Supplier Code of Ethics.

Mother Parkers has grievance mechanisms to report and address breaches of relevant policies, laws, or codes through different methods. All grievances are investigated and acted upon, where deemed necessary. Grievance reports of a significant nature, procedures, investigations and results are recorded and reported to the Mother Parkers Board of Directors on a regular basis.

In addition to formal policies, we understand the importance of taking a collaborative approach to addressing human rights issues, as we believe that human rights are inherent and fundamental to all persons. As indicated, Mother Parkers has strong programs, policies and remediation processes in place to protect our employees from human rights abuses in the workplace and have identified our business practices and direct operations as being low risk for modern slavery and / or human rights abuses. Therefore, in addressing modern slavery, we prioritize supplier engagement, particularly with relevant Tier 1 suppliers, through direct engagement, formal annual meetings, and through recognized industry associations and certification bodies. Our work to prevent human rights abuses within our supply chains involves many levels of our organization and those of our suppliers, across multiple functions involved in the supply chain.

This is designed to promote feedback and input from our stakeholders, while collaborating on best practices and opportunities for improving transparency across our supply chain.

Effectiveness of Actions Taken Assessment

Mother Parkers is committed to continuous improvement in promoting and supporting human rights within our company and throughout our supply chain. We understand the importance of taking a collaborative approach to addressing human rights issues and regularly assess the effectiveness of our policies, due diligence actions and industry engagement to manage modern slavery risks. Mother Parkers identifies and manages the effectiveness of our actions in the following ways:

- Holding our Board of Directors responsible for overseeing sustainability and compliance at Mother Parkers, including human rights compliance, our human rights commitments, our Human Rights Policy and this Bill S-211 Corporate Report.
- Prioritizing traceability and transparency of our supply chains through our implementation of a Sustainability Intelligence System (SIS) in partnership with the Committee on Sustainability Assessment (COSA) to provide complete supply chain traceability for all our coffee and tea, from points of origin (which may include farms, mills, gardens, cooperatives, and other sources) all the way to destination.
- Formalizing supplier engagement through our partnership with Sedex to work with our suppliers on gathering data for sharing and reporting on environmental, social and governance (ESG) programs, practices and risks. This supports our commitment to implementing more socially and environmentally sustainable supply chains by gaining supply chain visibility, assessing supply chain risk and reporting on supply chain data.
- Staying current with industry involvement and leadership, particularly to support and lead important issues such as human rights due diligence. As such, we are a member of the Sustainable Coffee Challenge (SCC), National Coffee Association (NCA), Coffee Association of Canada (CAC), Ethical Tea Partnership (ETP), and Tea and Herbal Association of Canada (THAC). Mother Parkers executives also sit on the Board of Directors of the NCA, CAC and GCP.
- Working closely with our direct and indirect suppliers to identify, assess and manage modern slavery risks in the coffee and tea supply chains.
- Publishing this Bill S-211 Corporate Report on our publicly accessible website by May 31, 2024.

SUMMARY

Mother Parkers has been supporting the long-term sustainability of the coffee and tea industries for more than a century by working with our customers, suppliers, farmers and growers, and our

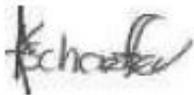
own employees to ensure fair and equitable treatment, including fundamental human rights for all.

Like many global agricultural sectors, risks to human rights (including modern slavery) may exist in certain countries that grow the coffee and tea used in our supply chains. Through our work on policies, programs, training and education of our people and our suppliers, along with the partnerships we maintain with external, globally-recognized certification bodies and industry groups, Mother Parkers will continue to live up to our responsibility to contribute to a more sustainable future. This includes working collaboratively with our suppliers and industry partners to continuously improve the effectiveness of our policies, due diligence, remediation actions, and reporting to support human rights and prevent modern slavery in the global coffee and tea industries.

APPROVAL

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act for the financial year ending 30/09/2023. It has been issued on behalf of Mother Parker's Tea & Coffee Inc. and approved by Mother Parker's Tea & Coffee Inc.'s Board of Directors.

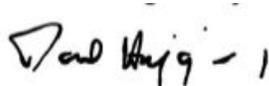
Signed,



Frederick Schaeffer
President & CEO
Mother Parker's Tea & Coffee Inc.



Michael S. Higgins
Co-Chairman of the Board of Directors
Mother Parker's Tea & Coffee Inc.



Paul Higgins Jr.
Co-Chairman of the Board of Directors
Mother Parker's Tea & Coffee Inc.