

[APC Nutrition Inc.](#)

2025 Annual Report

**Fighting Against Forced Labour and Child Labour in Supply
Chains Act (Canada)**

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INTRODUCTION

The Canadian government passed its first law concerning modern slavery: Fighting Against Forced Labour and Child Labour in Supply Chains Act (hereinafter the “Act”). Entities subject to this Act must, as part of this Act, produce an annual report on or before May 31 of each year, the third such report being due in 2026, indicating notably the risks of modern slavery within their supply chain, and the measures taken to mitigate these risks. This report was prepared by **APC Nutrition Inc.** (hereafter « APC ») in accordance with the requirements of the Act for the financial year ending January 03, 2026.

At APC, we are committed to taking the necessary steps to identify and mitigate the risks associated with forced and child labour in our operations and supply chain. We are committed to continuously improving our due diligence, risk assessment, remediation and training processes.

This report aims to disclose APC's current status in terms of reducing the risk of child labor in its supply chain, as well as our commitment to respecting human rights. This report will be published annually.

REPORTING ENTITIES

This report was prepared by APC Nutrition Inc. for the following period: December 29, 2024, to January 03, 2026.

PREVENTION AND MITIGATION OF THE RISKS OF FORCED LABOUR AND CHILD LABOUR

APC recognizes the fundamental importance of Human dignity and equality. We believe that economic growth and social progress go hand in hand, and therefore, do all that we can to offer a safe working environment. When it comes to our activities and business relations, we take the protection of Humans rights to heart.

During our last financial year, we have continued to lead our business in accordance with our policies promoting the well-being of our employees, and to exercise diligence in our relations with our business partners.

We have implemented the following measures to contribute to the fight against forced labour and child labour:

- familiarized ourselves with the law and its requirements
- collected information when hiring our workers to ensure that their free will to work is respected, including with regard to immigrant workers we occasionally hire.
- ensured that our Employee Code of Conduct is applied to all our employees.
- conducted a survey of our supply chain Codes of Conduct and have prepared a first draft of a Supplier Code of Conduct

- created an action and continuous improvement plan.
- established a discussion and reflection committee.
- a new, fulltime professional resource has committed to join our management team this year, which position will include oversight of supply chain governance, the responsibility over which will necessarily include forced and child labour considerations.
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This report paints a description of these measures and initiatives; it being understood that these are constantly evolving.

STRUCTURE, COMMERCIAL ACTIVITIES AND SUPPLY CHAIN

Structure

APC was founded in 1994. The company specializes in the preparation of feed ingredients for animals. The company processes animal by-products (blood) and produces blood meal

APC operates in connection with its two shareholders, those being the Sanimax Group of Companies and the LGI Group of companies.

Activities

Our facilities are equipped with sophisticated control systems for the production of high-quality blood-based ingredients sold internationally.

Every day we create added value products with blood by-products, such as:

- Pork plasma blood meal
- Pork red cell blood meal
- Beef plasma meal
- Whole blood meal.

Our activities can be summed up in three parts:

Recovery:

- Collecting technical blood from slaughterhouses and other food processing facilities.

Renewal:

- Transform collected technical blood into value-added products and thereby maximizing their reuse.

Return blood meal for:

- livestock nutrition
- pet nutrition
- Fertilizers
- Aquaculture

Supply Chain

APC works with suppliers, consultants and business partners with whom we enjoy long-standing relationships. Our main suppliers and partners come from the agri-food industry.

Technical blood processed in our Canadian facilities come from supplier facilities located in Canada.

In order to be able to process the material recovered from its suppliers, APC has had to equip itself with sophisticated equipment, including conveyors, separators, centrifuges and dryers. This equipment comes mainly from Canadian, American and European suppliers. Most of these suppliers operate in jurisdictions with regulations governing the monitoring of working conditions in the supply chain.

Policies and Due Diligence Process

Ethics, Environment and Governance

APC has a Code of Conduct that defines the standards of behavior expected of our employees, officers and directors. It covers a number of ethical principles that guide the company in its day-to-day operations, such as dignity, respect and compliance with laws and standards. The Code of Conduct thus encourages and requires that our employees, officers and directors comply with legal, statutory, contractual and other obligations, and instills in them the duty to protect the interests of their suppliers, customers and stakeholders, by adhering to and respecting the highest standards of ethical behavior. The Code of Conduct is not static but a living document that evolves over time.

Our employees, directors and officers must certify annually that they have read and understood the Code of Conduct.

Training on the Code of Conduct is provided upon hiring, and at every 2-year anniversary of employment. The training process is deployed and monitored through our integrated training system.

Voluntary and confidential declaration process

We have a sophisticated “whistleblower” program and anonymous reporting platform in place that allows employees and external parties to share their concerns securely. It offers a confidential way to ask questions, express concerns or report unethical behavior, such as discrimination, harassment, fraud or other human rights violations. This public platform is available to all our employees as well as our customers, suppliers and partners. Complaints received are escalated directly to senior management and the results of the program are presented to our Board of Directors annually. In the event a given function within the group is involved in a complaint that might raise a concern of conflict, complaint management is turned over to the Secretary to the Board of Directors and General Counsel who in turns then reports directly to the Chairperson of the Board of Directors Governance Committee.

Our Corporate Social Responsibility

APC's mission is to help animals thrive through the use of innovative functional proteins that positively impact health. This mission enables us to place respect for human rights and ethics at the centre of our decisions. Our activities, at the very heart of the circular economy, enable us to recover technical blood by-products that would otherwise be disposed of, reducing the overall footprint of food production, saving landfill space and minimizing the impact of animal agriculture on the environment. By using all the non-edible remaining parts of the animal, we can reduce waste and help other animals thrive. We're constantly looking for new ways, better ways, both large and small, to make our business as sustainable as possible. Here are just a few examples applied to our facility:¹

- We strive to continuously reduce our energy usage and invest in technologies to lower our carbon footprint. APC captures the heat produced by our dryers and reuses it in other processes and invests in solar panels to offset the use of gas and electricity;
- Reusing and reducing water is a priority during the manufacture of blood derived products and requires innovative techniques. APC recycles clean tank water and collaborates with landowners to use reclaimed wastewater for field irrigation.

RISK ASSESSMENT & MANAGEMENT, EFFICIENCY

APC conducts its business activities in several Canadian provinces. These provinces offer an established regulatory framework with regard to workers' rights and their health and safety at work. As a result, the risk of forced or child labour in Sanimax's day-to-day operations in Canada is very low.

APC has a risk management system based on occupational health and safety issues, but this does not currently include specific risks related to the Act.

APC has not identified any risks of forced or child labour directly with its suppliers, who are mainly based in North America.

Given the diversity of our raw material and equipment suppliers, supply chains vary significantly. In some cases, we have visibility of the product's country or region of origin. In the case of the blood by-products we collect from Canadian suppliers which provides us with a large degree of assuredness, but we are not always able to confirm in every instance where each of our suppliers are sourcing from.

REMEDATION MEASURES AND REMEDIATION OF LOSS OF REVENUE

During the reporting period, APC received no complaints relating to forced or child labour in its operations or supply chain. As a result, we have not put in place any remedial measures or compensation for the loss of family income resulting from forced or child labour.

¹ <https://apcproteins.com/sustainability>

EMPLOYEE TRAINING

Currently, all our employees must undergo training on the Employee Code of Conduct, upon hiring and every two (2) years thereafter during their employment.

Training all APC employees on the Code of Conduct is an essential step that brings many benefits to the organization:

- **Uniformity of Standards:** By training all its employees, APC ensures that everyone understands and adheres to the same standards of conduct. This creates a consistent corporate culture and strengthens the organization's identity.
- This reduces the risk of violations and inappropriate behavior.
- Employees feel more confident when they know what the company expects of them. They know how to act in different situations and are better prepared to make ethical decisions. Mutual trust between the organization and its employees is strengthened.
- **Reducing disputes:** Solid training on the Code of Conduct can prevent internal conflicts and disputes. Employees are less likely to find themselves in problematic situations. This protects the company's image and avoids what can be unpleasant disputes.
- When all employees receive the same training, it fosters a sense of belonging and commitment to the organization.

In short, Code of Conduct training contributes to a positive corporate culture, legal compliance and APC's long-term success.

EFFICIENCY EVALUATION

APC has not yet put in place a formal process to assess the effectiveness of its approach to preventing and mitigating the risks of forced and child labour in its supply chain. However, discussions have been held on the topic.

The update of our yearly report is reviewed every year by our Board of Directors.

APPROVAL AND ATTESTATION

Board of Directors Declaration

The Board of Directors of APC Nutrition Inc. approves this Report in accordance with subparagraph 11(4)(b)(i) of the Act. Pursuant to the requirements of the Act, and in particular section 11 thereof, we, the undersigned, certify that we have reviewed the contents of this joint report for the entities specified below.

To the best of our knowledge and having exercised due diligence, we certify that the contents of this joint report are true, accurate and complete in all material respects, for the purposes of the Act, for the above-mentioned reporting period.

Montreal, May 25, 2026



Brent Muir, Secretary to the Board of Directors

I have the authority to engage APC Nutrition Inc.