



ANTI-SLAVERY REPORT 2023

This Anti-Slavery Report (the “Report”) is made on behalf of Boston Pizza International Inc. (“BPI”) and Boston Pizza Canada Limited Partnership (“BP Canada LP”, and together with BPI, “Boston Pizza”, “we”, “us” or “our”) and addresses the period from January 1, 2023 to December 31, 2023 (the “Reporting Period”). This Report is the first report made by Boston Pizza under the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada) (the “Act”). For clarity, this Report only covers the operations and supply chains of Boston Pizza and is not made on behalf of, nor does it cover the operations of, any franchisees of BP Canada LP.

I. INTRODUCTION

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As a leading franchisor in the Canadian restaurant industry, Boston Pizza recognizes the important role that we have in ensuring that our operations, and the supply chains that support them, adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain.

We continue to develop our knowledge of the risks of forced labour and child labour in our business. We are working to improve practices within our business and supply chain to better prevent and respond to any potential risks. Forced labour or child labour are considered unacceptable within our business and supply chain and we have a responsibility prevent and reduce the risk that they are used. This Report sets out the steps we have taken during the Reporting Period to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by Boston Pizza or of goods imported into Canada by Boston Pizza.



2. OUR BUSINESS

BPI is a privately-owned Canadian federal corporation existing under the *Canada Business Corporations Act* and is headquartered in Richmond, British Columbia. BP Canada LP is a British Columbia limited partnership with BPI being a general partner. As a general partner, BPI controls, directs and operates the business conducted by BP Canada LP. BP Canada LP does not have any employees and BPI has approximately 160 employees. Both BPI and BP Canada LP operate exclusively within Canada.

BP Canada LP is the franchisor in Canada of the Boston Pizza Restaurant & Sports Bar concept, a chain of full-service casual dining restaurants and sports bars that operate under the name “Boston Pizza” (“**BP Restaurants**”) featuring pizza, pasta, ribs, other food and beverages and forms of entertainment and which operate using the trademarks associated with the Boston Pizza brand and the procedures and systems developed by Boston Pizza and its predecessors (the “**BP System**”). The Boston Pizza brand is Canada’s number one casual dining brand. With BP Restaurants stretching from Victoria to St. John’s, the Boston Pizza brand has more restaurants and serves more guests than any other casual dining restaurant chain in Canada.

As the franchisor, BP Canada LP licenses independently owned and operated franchisees (“**Franchisees**”) to develop and operate BP Restaurants in Canada and to use the BP System. There were 372 BP Restaurants at the end of the Reporting Period, all but one of which was owned and operated by independently owned Franchisees.

We do not produce, manufacture, grow, process or distribute goods. The BP System is structured such that Franchisees obtain from BP Canada LP a right to use the BP System to develop and operate BP Restaurants, and in exchange for that right, Franchisees pay BP Canada LP a royalty based upon a percentage of their sales. Under the BP System, we source suppliers for many of the goods and services that Franchisees require to operate BP Restaurants under the BP System (“**Approved BP Suppliers**”). Our Approved BP Suppliers generally fit into the following categories: (i) Approved BP Suppliers who supply foodservice consumable products including food products, beverages (both alcoholic and non-alcoholic), paper and packaging products, uniforms and smallwares (“**Foodservice Products**”); (ii) Approved BP Suppliers who supply the fixtures, furniture and equipment required in BP Restaurants (“**FFE Products**”); and (iii) Approved BP Suppliers who supply technology products or services, such as hardware, software and telecommunications (“**Technology Products**”). Foodservice Products comprise the largest portion of the supply chain of the BP System.



However, we do not purchase or distribute goods or services from Approved BP Suppliers except in very rare instances. Rather, we negotiate arrangements under which the Approved BP Suppliers either: (a) sell such goods or services to our designated third-party distributor, Sysco Canada (the “Designated Distributor”) for re-sale to Franchisees; or (b) sell those goods or services directly to Franchisees. In very rare instances, we may purchase certain goods (typically Technology Products) directly from the applicable Approved BP Suppliers and re-sell them to Franchisees.

In addition to Approved BP Suppliers, Franchisees are allowed to and do source some goods and services required for BP Restaurants from suppliers other than Approved BP Suppliers. Those supply arrangements do not form part of the Boston Pizza supply chain for the BP System and are outside the scope of this report as neither BP Canada LP nor BPI are involved in those supply arrangements.

Foodservices Products

During the Reporting Period, there were approximately 250 Approved BP Suppliers who ultimately supplied Foodservices Products to Franchisees, and of those Foodservices Products supplied: (a) approximately 98% of them were sold by the Approved BP Suppliers to our Designated Distributor for re-sale to Franchisees; and (b) approximately 2% of them were sold by the Approved BP Suppliers to Franchisees directly.

Our objective is that the Foodservices Products that Approved BP Suppliers either sell to our Designated Distributor for re-sale to Franchisees or sell directly to Franchisees are domestically produced in Canada wherever possible. Approximately 80% of such Foodservices Products were produced in Canada, including pasta, flour, cheese, chicken, beef and pizza boxes. Approximately 15% of such Foodservices Products were supplied from the United States of America, including produce, filled pasta, packaging and cleaning chemicals. The remaining approximately 5% of such Foodservices Products were supplied from outside of Canada or the United States of America.

FFE Products

All FFE Products supplied to Franchisees are sold directly by the applicable Approved BP Supplier to Franchisees and none are supplied to our Designated Distributor for resale to Franchisees. During the Reporting Period, there were approximately 20 Approved BP Suppliers who ultimately supplied FFE Products to Franchisees. A majority of such FFE Products were produced in Canada. Of the remaining FFE Products, they were predominantly supplied from the United States of America, Europe or Asia.



Technology Products

Most Technology Products supplied to Franchisees are sold directly by the applicable Approved BP Supplier to Franchisees. As noted above, in rare instances we may purchase certain Technology Products directly from the applicable Approved BP Suppliers and re-sell them to Franchisees.

Goods for BPI's Use

In addition to the supply and distribution arrangements for Franchisees described above, BPI procures goods from various suppliers for its own corporate needs and utilization.

3. OUR POLICIES

Policies

Boston Pizza believes that operating with the highest standards of ethics and integrity is critical to business success. We have incorporated these principles and human rights considerations in our values, governance structures, policies and decision-making processes. We have high expectations of ourselves and our employees to at all times act lawfully, ethically and in the best interests of Boston Pizza.

We recognize that a large part of the success of Boston Pizza resides with the trusted relationships we have with our supplier and distributor community. We build long-term relationships with Approved BP Suppliers and our Designated Distributor and strive to work with industry-leading, respected and reputable people who understand our values, standard, expectations and business needs.

We clearly communicate that we do not tolerate any forms of forced labour or child labour and are committed to continuous improvement and enhancing our approach. The following are key policies and due diligence practices related to forced labour and child labour:

Code of Conduct / Employment Agreements

We are committed to conducting our business in a lawful and ethical manner. BPI's Code of Conduct and our employees' employment agreements set out BPI's expectations regarding the legal and ethical behaviour of employees.



Supplier Code of Conduct

Our Supplier Code of Conduct details the expectations we have of organizations who supply goods to Boston Pizza or Franchisees, including Approved BP Suppliers, our Designated Distributor and their subcontractors. We expect all of them to conduct their businesses in legal, ethical and socially responsible manners. Our Supplier Code of Conduct specifically prohibits forced labour or child labour, and sets forth our principles relating to human rights, discrimination, fair employment practices, working conditions, inclusivity and accountability.

We strive to only engage with suppliers who are committed to these values. We requested that all suppliers providing Foodservices Products agree, as a condition of becoming an Approved BP Supplier or our Designated Distributor, to:

- (a) Comply with our Supplier Code of Conduct; or
- (b) Comply with their own Supplier Code of Conduct, as though they were a supplier and we were them, provided that we determine that their Supplier Code of Conduct is equivalent or more stringent than ours.

We review our Supplier Code of Conduct periodically with a view to improving and enhancing it and incorporating best practices.

Designated Distributor Supplier Code of Conduct

As noted above, approximately 98% of the Foodservices Products ultimately provided by Approved BP Suppliers to Franchisees are sold by the Approved BP Suppliers to our Designated Distributor, who in turn, re-sells them to Franchisees. In addition to the requirements set forth in the Supplier Code of Conduct section above, every Approved BP Supplier is required, as a condition of selling goods to our Designated Distributor, to comply with our Designated Distributor's Supplier Code of Conduct. Our Designated Distributor's Supplier Code of Conduct addresses many areas of responsible business practices and specifically prohibits forced labour and child labour.



Whistleblower Policy

We are committed to providing a safe mechanism for our employees to bring any potentially illegal, unethical or inappropriate activity, behaviour or practices to our attention. Our Whistleblower Policy encourages our employees to bring any concerns regarding these matters directly to the attention of BPI's Board of Directors, and it may be done anonymously. BPI's Board of Directors will investigate all such matters brought to its attention and will take corrective action as required.

Due Diligence

We expect all Approved BP Suppliers and our Designated Distributor to adhere to act legally, ethically and consistent with the values and principles articulated in our Supplier Code of Conduct. Before approving a person to become an Approved BP Supplier or our Designated Distributor, we take steps to evaluate their suitability and business practices and assess associated risk.

We recognize that employees working for Approved BP Suppliers, our Designated Distributor or their supply chains are at potential risk of forced labour or child labour. In order to mitigate this risk, we follow a due diligence approach that includes considering:

- the length of time they have operated in the applicable industry;
- their position as an industry-leader;
- their relative size and sophistication (including whether they have the scale required to fulfill the supply needs of Franchisees);
- their reputation among their customers and within the applicable industry;
- the countries and industries in which they operate; and
- the nature of the goods they provide.



4. ASSESSING OUR RISK

We engage in various activities to identify, assess and manage supplier risks. In assessing the risk of forced labour and child labour directly within our own business, we consider the following factors:

- The small relative size of our workforce;
- The high education and skillsets possessed by our workforce;
- The fact that we do not produce any goods but rather exclusively provide professional franchising services;
- The specific disciplines in which our workforce operates; and
- That our employees exclusively reside in Canada.

In assessing the risk of forced labour and child labour within the workforce of Approved BP Suppliers, our Designated Distributor and their supply chains, we consider the following factors:

- The countries in which they operate;
- The industries in which they operate;
- The level of education, skill and experience require to provide the applicable goods; and
- Their size, operating tenure, reputation among their customers and within the applicable industry, and position as an industry-leader.

Based on our assessment, and in order to mitigate the risk in our supply chain, we take steps to evaluate our supplier relationships, which includes following our risk-based due diligence and checks, as outlined above.

Our exposure to the risk of forced labour and/or child labour increases when we engage with third parties who: (a) produce or provide goods in certain categories, such as, agricultural products, textiles, promotional goods; or (b) who operate in countries other than Canada or the United States of America.



5. REDUCTION of RISK, REMEDIATION & TRAINING

Steps to Prevent and Reduce Risks of Forced and Child Labour

For the Reporting Period, we took the following steps to prevent and reduce the risk of forced labour or child labour:

- We sought to maximize the percentage of Foodservices Products supplied by Approved BP Suppliers to Franchisees (whether via our Designated Distributor or directly) that are produced in Canada;
- We sought to exclusively deal with Approved BP Suppliers who are industry leaders, reputable and demonstrate the highest levels of ethics and integrity;
- We requested that Approved BP Suppliers and our Designated Distributor who provide Foodservices Products to confirm that they will comply with either our Supplier Code of Conduct or their own as described above; and
- We sought written confirmation from select Approved BP Suppliers and our Designated Distributor regarding their practices to minimize the risk that forced labour or child labour is used within their workforce or supply chains.

Remediation Measures

Our Code of Conduct and our Whistleblower Policy encourages BPI's employees to report actual or suspected misconduct. Our Supplier Code of Conduct also encourages Approved BP Suppliers, our Designated Distributor and their employees to report any actual or suspected violations of our Supplier Code of Conduct to us. We also undertake diligence efforts (as further described in this Report) to reduce the risk of forced labour and child labour in our business, and the business of Approved BP Suppliers and our Designated Distributor.

We are not aware of any instances of forced labour or child labour in either our business or the business of Approved BP Suppliers or our Designated Distributor. However, if we became aware of any instances of forced labour or child labour in the business of Approved BP Suppliers or our Designated Distributor, we would take appropriate remedial actions, which could include: (a) requiring the applicable Approved BP Supplier or our Designated Distributor to take immediate action to eliminate the use of forced labour or child labour; and/or (b) terminating our relationship with the applicable Approved BP Supplier or our Designated Distributor.



Training

BPI's employees receive training on our ethical policies and practices, including our Code of Conduct and Whistleblower Policy. Each new employee receives training on these matters as part of their onboarding process. Periodically, existing employees are required to certify that they will comply with our policies, including our Code of Conduct.

6. OUR PROGRESS & EFFECTIVENESS

We have a number of processes to prevent and mitigate the risk that forced labour or child labour is used in our business or supply chain. We review any concerns raised through our Whistleblower Policy, our Supplier Code of Conduct and any other informal mechanisms of feedback. To date no significant concerns or complaints have been identified. We have not taken steps to determine the effectiveness of our processes with respect to specifically preventing and mitigating the risk that forced labour or child labour is used in our business or supply chain.

7. APPROVAL & SIGNATURE

In accordance with paragraph II(4)(b)(ii) of the Act, this Report was approved by BPI's Board of Directors on May 30, 2024 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our website at www.bostonpizza.com.

In accordance with the requirements of the Act, and in particular section II thereof, I attest that I have reviewed the information contained in this Report for the Boston Pizza International Inc. and Boston Pizza Canada Limited Partnership. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

James Walter Treliving,

Director and Chairman, May 30, 2024

I have the authority to bind Boston Pizza International Inc. & Boston Pizza Canada Limited Partnership.