

Bill S-211 Annual Report

Forced Labour in Canadian Supply Chains

Reporting entity's legal name: Bento Inc.

Financial reporting year: January 2023 – December 2023

The steps the entity has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.

During the previous financial year, our entity has undertaken a series of comprehensive steps to prevent and reduce the risk of forced labour and child labour within our supply chains in Canada and abroad. These steps include:

- Mapping Activities: We have systematically mapped our activities to identify areas susceptible to forced labour and child labour risks. Below is a map that highlights risk levels by region.

● HIGH RISK ● MODERATE HIGH RISK ● MODERATE RISK ● LOW MODERATE RISK ● LOW RISK



- Mapping Supply Chains: Our efforts extend to mapping our entire supply chain, providing a clear understanding of potential risk points.
- Conducting Internal Assessments: We conducted thorough internal assessments to evaluate the risks of forced labour and child labour within our organization's activities and supply chains.
- Due Diligence Policies and Processes: We developed and implemented due diligence policies and processes designed to identify, address, and prohibit the use of forced labour and child labour in our activities and supply chains.
- Prioritization Exercise: A prioritization exercise was carried out to focus our due diligence efforts on the most severe risks of forced and child labour.
- Monitoring Suppliers: We established monitoring mechanisms for our suppliers to ensure compliance with our standards against forced labour and child labour.

- **Tracking Performance:** We developed and implemented procedures to continuously track and evaluate our performance in addressing forced labour and child labour.

Through these steps, our entity remains committed to upholding ethical labour practices and ensuring the integrity of our supply chains.

Its structure, activities, and supply chains

Bento Inc. provides packaged sushi, prepared foods category and ready to heat/made to order hot Asian food. We are a multi-channel business operating over 935+ locations in a variety of business channels (commissaries, Restaurants & QSR's).

We offer a variety of different product lines and brands across different channels - All with different product portfolios but utilizing the same supply chain channels.

Bento utilizes a distribution model with 2 distributors providing the majority of our products. As such, Bento has taken the extra step to analyze 40 of their distribution suppliers in order to analyze our supply chain more deeply.

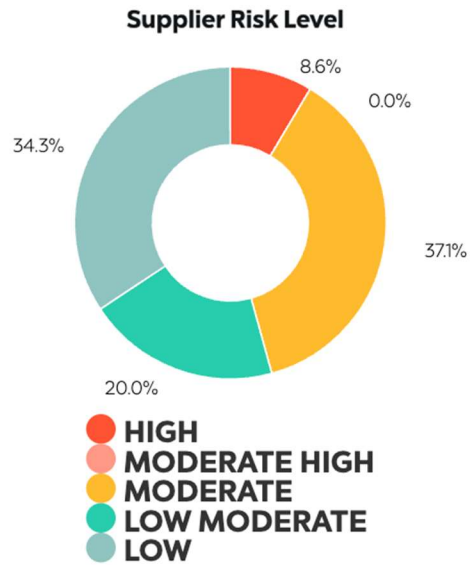
Its policies and due diligence processes in relation to forced labour and child labour.

Supplier Engagement - Before we engage with a supplier, we require them to acknowledge and sign our Responsible Sourcing Guide, which includes provisions on child and forced labour. Additionally, suppliers must provide us with their current written policies on child and forced labour to ensure they meet our standards and are reputable partners. We also have a supplier approval program in place, which involves screening suppliers based on our specific requirements before they are approved.

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.

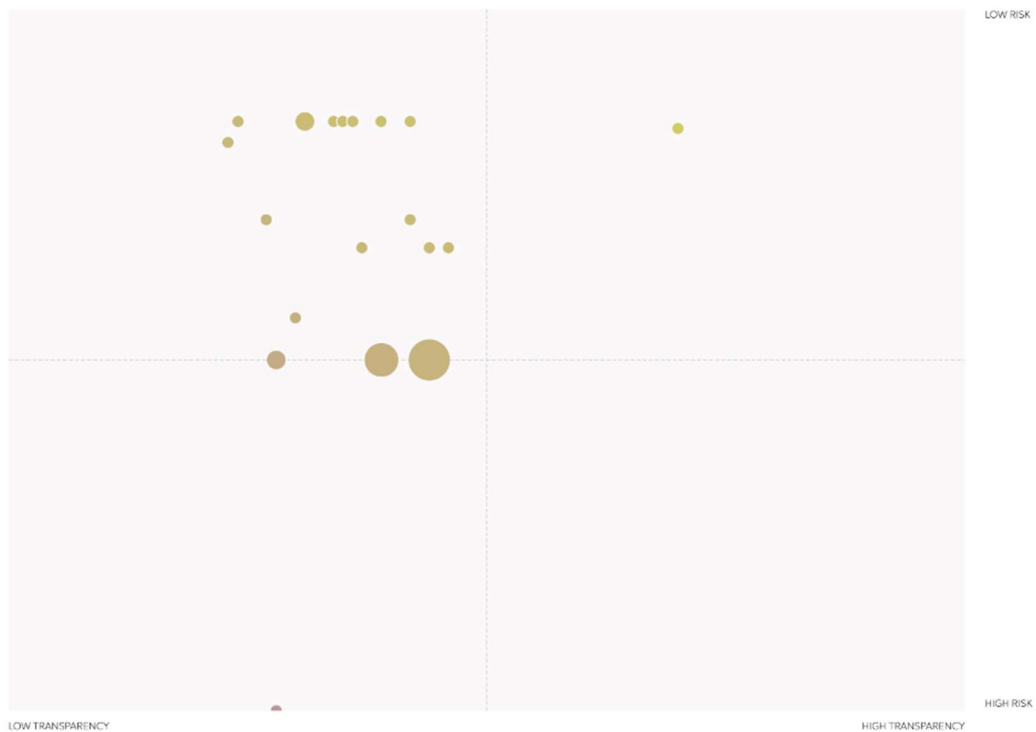
We have taken important steps to identify the risks of forced labour and child labour within our business and supply chains, while we acknowledge that there are still gaps in our assessments, we have made progress in the following areas:

Identifying Risks: We have initiated a process to identify risks within our supply chain. This process is ongoing, and we recognize that there are still areas that require further assessment and attention.

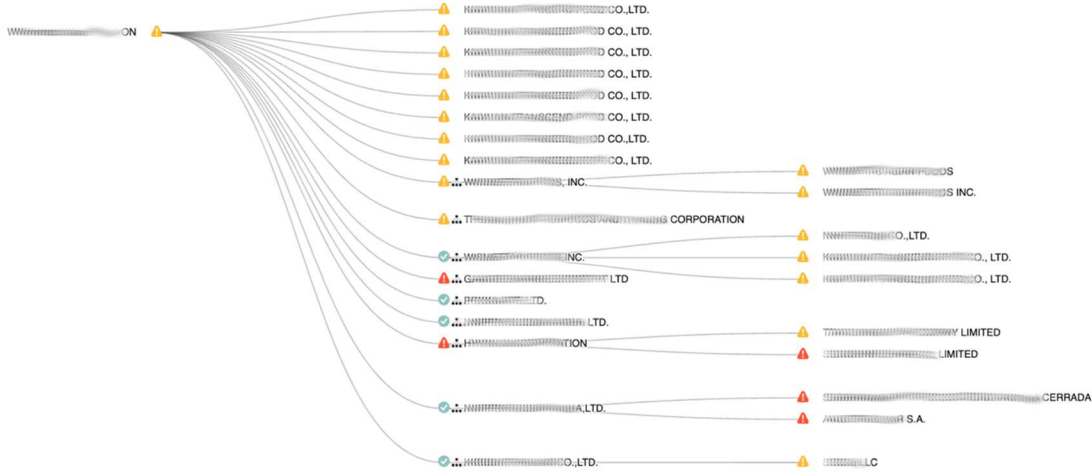


8.6% of our monitored suppliers are deemed high risk, as such, our engagement policies start with our highest predicted risk areas.

Gaining a Holistic Viewpoint - In addition to tracking our risk exposure, we are also tracking the amount of data we have acquired about our suppliers. This transparency metric allows us to not just determine the risk of our suppliers, but also determine how confident we can be in that risk assessment.



Mapping our Supply Chain – We understand the importance of looking beyond our direct relationships. As such, we have begun mapping our supply chain using third party data sources to track trading relationships globally:



Anonymized for privacy purposes, this is an example of an actual mapping path of our supply chain to the 4th Tier. Each relationship represents a shipping manifest, customs file, or other identifying document linking these entities to each other and allowing us to see the depth and breadth of our supply chain risk exposure.

Forced Labour Risks: We have identified the use of forced labour as a significant risk within our supply chain, particularly in the fishing industry. This sector has been flagged as high-risk due to their complex supply chains and prevalence of exploitative labour practices.

Below is an image displaying the types of sanction warnings we receive concerning our suppliers. The API response indicated a few sanction warning hits. While there are no direct issues, there appear to be some upstream concerns.



Operates In

China (Moderate High)
Ecuador (Moderate)
Germany (Low Moderate)
Greece (Moderate)
India (Moderate)
Japan (Moderate)
Netherlands (Low Moderate)
Philippines (Moderate)
Singapore (Moderate)
Thailand (Moderate High)
United States (Low Moderate)
Vietnam (Moderate)

Sanctions/Risk

Forced Labor Risk (Subtier Trading History with Xinjiang Entities) ⚠️

Historical shipment records indicate that the entity has possibly traded indirectly with a Xinjiang-based entity (2-3 hops away). Applicable to entities globally.

Forced Labor Risk (Subtier Trade History with Entity from Sheffield Hallam University Forced Labor Reports) ⚠️

Historical shipment records indicate that the entity has possibly traded indirectly with an entity named in Sheffield Hallam University Forced Labor Reports that is two or three hops away. Applicable to entities globally.

By utilizing third party data sources, we can map and highlight entities in our supply chain with problematic relationships related to forced labour.

Any measures taken to remediate any forced labour or child labour.

Bento relies on the fishing industry to source a component of our core products. As such we have implemented the following policies:

- Risk rank a selection of our Tier 1 and Tier 2 suppliers based on industry and country of origin.
- Regularly monitor media outlets for mentions of our suppliers and their industries in media reports about forced and child labour.
- Track supplier sourcing using customs documents, shipping records and ownership agreements to track possible human rights abuse exposure.
- We then use this data to determine a supplier priority list for outreach and mitigation efforts.

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.

Collaboration First – By starting with supplier engagement our goal is to minimize the loss of income of vulnerable families by working with our suppliers to remove any force labour risk through policies, procedures, and further collaboration with their own upstream suppliers. Rather than jumping immediately to termination or ignoring the problem, our hope is that collaboration will drive meaningful change within organizations that will propagate through the industry.

Partnership Termination – If labour issues are too severe or we deem the risk too high to continue business with a particular partner, we apply the same due diligence described in the report to awarding new supplier contracts. While terminating a partnership is our last resort, our hope is that we can utilize new supplier relationships with labour-conscious suppliers to drive the industry towards equity.

The training provided to employees on forced labour and child labour.

We are engaged with a third-party supply chain risk management company that provides digital human rights and forced labour training at www.frdmtraining.co. This training is available to our employees, but we have not yet mandated its completion. We plan to continue the digital training and schedule live training in 2024.

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

We are currently engaged with a third-party supply chain risk management solution that helps organize and track KPIs for our human rights mitigation efforts. Examples of the KPIs tracked:

- Adverse Media reports related to our supply chain and actions taken on those alerts.
- Suppliers engaged on matters of human rights and forced labour.
- Response rate and comprehensiveness of the documentation provided by engaged suppliers.
- Overall Risk and Transparency of our Suppliers.

These KPIs will ultimately gauge our effectiveness and will become more concrete in the coming fiscal year.

Approval and 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:** David Jones
- **Title:** President & CEO
- **Date:** May 27, 2024
- **Signature:** *Dave Jones*, I have the authority to bind 'Bento Inc.'