

JOINT REPORT OF UNITED NATURAL FOODS, INC., AND ITS WHOLLY OWNED  
SUBSIDIARY UNFI CANADA, INC. (together “UNFI”)

**Legislation:** *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

**Reporting Year:** 1 (May 2024)

**Period:** July 28, 2022 – July 29, 2023 (FY 2023)

**Accountable Signing Authority:** **United Natural Foods, Inc.**

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## Company Overview

In accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the “Canadian Act”), this statement outlines the measures implemented by United Natural Foods, Inc., and UNFI Canada, Inc. (“UNFI”) to address the risks of modern slavery, including but not limited to forced and child labor<sup>1</sup> within our operations and supply chain.

UNFI submits this joint report on behalf of itself and its wholly owned subsidiary, UNFI Canada, Inc. UNFI is a leading distributor of grocery and non-food products, and support services provider to retailers in the United States and Canada. Our diversified customer base includes over 30,000 (over 5,000 in Canada) customer locations ranging from large grocers to smaller independents. We offer approximately 250,000 (over 8,000 in Canada) products consisting of national, regional, and private label brands grouped into the following main product categories: grocery and general merchandise; perishables; frozen foods; wellness and personal care items; and bulk and foodservice products. We operate 58 (3 in Canada) distribution centers and warehouses representing over 30 million square feet of warehouse space. We are a coast-to-coast distributor with customers across both the United States and Canada.

UNFI continues to develop and expand our understanding of the risks associated with the complex issue of modern slavery and to identify areas within our operations and broader supply chain that may be impacted by such challenges. We collaborate across our business and supply chain to implement appropriate practices that mitigate and address potential risks. We collect verified information from our suppliers and third-party certifiers in a variety of areas, which can include in some cases certifications around forced labor. We continue to work with our partners to improve transparency and performance along the value chain.

We are committed to establishing safe, inclusive, and respectful work environments wherever we conduct business. We value the fundamental rights of our associates and all who work within our supply chain, which encompass freedom from slavery and child labor, equal opportunities for all, a safe and healthy workplace, and freedom from discrimination and harassment. We believe all people deserve to be treated with dignity and respect. We prioritize fair labor practices to protect the physical, emotional, and financial needs and well-being of our associates and their families. UNFI wants to work with Suppliers who likewise prioritize fair labor practices and make employment decisions for their workers that fully comply with all laws and regulations. These beliefs are carried through in our Supplier and Vendor Code of Conduct, which was redrafted in part in 2023 to stress the importance of requiring our suppliers to maintain open employment standards that align with the Core Conventions of the International Labor Organization (ILO), the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Universal Declaration of Human Rights.<sup>2</sup> In fiscal 2023, UNFI received a score of 100 on the Human Rights Campaign Foundation’s 2022 Corporate Equality Index.

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<sup>1</sup> As these terms are defined pursuant to section 2 of the Canadian Act.

<sup>2</sup> UNFI Supplier and Vendor Code of Conduct, page 5. [Link](#)

## **Part I – Structure, Operations and Supply Chains**

### **Our Structure**

- United Natural Foods, Inc. is a Delaware USA corporation headquartered in Providence, Rhode Island USA.
  - UNFI Canada, Inc. is a wholly owned subsidiary of UNFI and distributes products throughout Canada.
- UNFI is a publicly traded company, listed on the New York Stock Exchange.
- UNFI is governed by a Board of Directors and is led by our CEO, Sandy Douglas.
- As of July 29, 2023, we had approximately 29,455 full and part-time associates, including 460 in Canada.

As a covered entity doing business in California, USA, UNFI complies with The California Transparency in Supply Chains Act of 2010, California Civil Code § 1714.43.

United Natural Foods, Inc. is submitting this report on behalf of itself and UNFI Canada, Inc. as companies that satisfy the definition of an “Entity,” as set out in section 2 of the Canadian Act.

### **Our Operations**

UNFI is a leading distributor of grocery and non-food products, and support services provider to retailers in the United States and Canada. Our diversified customer base includes over 30,000 (over 5,000 in Canada) customer locations to whom we offer approximately 250,000 (over 8,000 in Canada) varied products. UNFI Canada, Inc. is the legal entity that carries on these business activities in Canada.

### **Our Supply Chains**

We purchase our products from nearly 11,000 (over 600 in Canada) suppliers; working directly with farmers, produce brokers, grocery brokers, and manufacturers of various food and non-food items. Most of our suppliers are based in the United States and Canada, but we also source products from suppliers throughout the world, including the United Kingdom, Hong Kong, Greece, Mexico, China, Italy, Thailand, and Ireland.

## **Part II – Policies and Due Diligence Processes**

UNFI has a robust set of policies, codes, and procedures addressing its obligations to treat our team members, clients, and suppliers with the highest possible level of dignity and respect, as well as our expectations that our contractors, vendors, and suppliers do the same. UNFI regularly reviews and updates these policies and codes, including the revision of our Supplier and Vendor Code of Conduct in fiscal 2023 and the publishing of our annual Better for All report. In these documents, we outline UNFI’s mission and values and our expectations that everyone in our supply chain comply with all applicable laws and regulations, including those governing the fair and equitable treatment of humans. We understand supply chains are obscure and complex, and traceability continues to be a major hurdle in the food system as a whole. We are proud of our network of partners and believe in purchasing from suppliers that source and manufacture their products responsibly.

UNFI's supplier relationships are guided by our associate Code of Conduct, Supplier and Vendor Code of Conduct, supplier policies and procedures, and supplier agreements. These key codes, policies, and procedures are outlined below.

### **UNFI Associate Code of Conduct**

UNFI's Associate Code of Conduct sets forth our shared values and responsibilities to treat others with decency and respect, follow the law, and adhere to UNFI's policies, expectations, and requirements outlined in the Code. Our Code of Conduct also requires associates who work with suppliers to ensure our suppliers understand our Supplier and Vendor Code of Conduct and UNFI's expectations for conducting business with them, including our commitment to a supply chain that is free from forced and child labor.

Our Code places special emphasis on the importance of fostering an environment of open and honest communication and encourages associates to speak up when confronted with compliance, ethics, legal, or other concerns. We have zero tolerance for retaliation and are committed to maintaining a culture where everyone feels comfortable raising their concerns. Any concerns raised are taken seriously, promptly, investigated, and responded to appropriately.

The Code of Conduct is managed by UNFI's Ethics and Compliance Team in the Legal department and is reviewed and updated as necessary.

### **UNFI Supplier and Vendor Code of Conduct**

Our Supplier and Vendor Code of Conduct covers our expectations around forced labor and slavery, anti-harassment and anti-discrimination, diversity and inclusion, fair compensation, and working hours. We believe it is critical that our business partners' practices are aligned with our stance on fair labor practices and human rights throughout our value chain, which includes a zero-tolerance policy for forced or trafficked labor. The Supplier and Vendor Code of Conduct specifically mandates that:

- Suppliers must not use forced labor of any kind.
- All work throughout the Suppliers' value chains must be voluntary, and the Suppliers' workers must be free to terminate their employment with reasonable notice.
- Suppliers must comply with the minimum employment age defined by applicable law or by the ILO Convention Concerning Minimum Age for Admission to Employment C138.
- Suppliers' workers should not be required to pay recruitment or hiring fees for their employment.
- Suppliers must maintain a workplace that is free from harassment and that complies with all applicable laws around discrimination.

UNFI knows that contributing to people's long-term livelihood provides benefits not only to those individuals, but also their families and local communities. Healthy livelihood includes reasonable working hours and fair and competitive wages that provide economic stability.

- Supplier must ensure that working hours are consistent with local laws and regulations. If such local regulations do not address standard working hours, Supplier must ensure working hours are not excessive or unfair.
- Supplier must compensate its workers with wages and benefits that comply with the local and national laws and regulations of the jurisdictions in which they do business. Overtime hours must be paid at the legally mandated premium.

UNFI's Supplier Code of Conduct is managed by the Legal department and is reviewed and updated as necessary.

### **UNFI Supplier Agreements and Due Diligence Processes**

UNFI's agreements with suppliers include clauses that require our suppliers to comply with all applicable federal, provincial, state, and local laws and regulations and to abide by our supplier policies and guidelines.

Our supplier agreements require that our suppliers "comply and shall procure that its associates, agents, and contractors comply with all applicable federal, provincial, and local laws, regulations, ordinances, or administrative orders or rules". This includes requiring suppliers to make "best efforts to mitigate the risks of human trafficking and slavery in its supply chain, to include, where appropriate, auditing Supplier's supply chain." UNFI also requires suppliers to comply with UNFI's Supplier and Vendor Code of Conduct, ensuring fair and ethical workplace standards across our supply chain. Finally, UNFI's supplier agreements provide us with the right to audit or have a third-party audit our suppliers, their vendors, co-packers, sub-contractors, or service providers' facilities related to the products they supply to UNFI.

### **Part III – Risks of Forced Labor and Child Labor in Operations and Supply Chains**

UNFI does not directly engage in forced or child labor and will not knowingly work with suppliers or vendors who do so; we have a zero-tolerance policy toward forced or trafficked labor practices. Our potential exposure to indirect association of modern slavery practices come through our supply chain. We work with thousands of suppliers who source their products and materials from countries around the world. As a distributor of grocery and non-food products, UNFI's supply chain includes suppliers that engage directly or indirectly with the agricultural and manufacturing industries. These are two industries the International Labour Organization has identified as having potential exposure to modern slavery practices in various parts of the world.

UNFI is committed to conducting its business in a lawful and ethical manner and expects its suppliers and vendors to conduct themselves in the same manner. As discussed in Part II, UNFI's suppliers and vendors must adhere to UNFI's Supplier and Vendor Code of Conduct, which requires compliance with all laws, including laws addressing slavery and human trafficking. We will not knowingly do business with companies that do not conduct business consistent with those principles.

UNFI conducts overall risk evaluations of its product supply chain and requires annual third-party audits of and periodic certifications from its suppliers related to numerous compliance issues, which may include forced labor. UNFI also maintains an associate Code of Conduct with discipline procedures for dealing with associates who fail to abide by the Code's provisions. Additionally,

UNFI periodically reviews our general policies and procedures to ensure continued compliance with all applicable laws.

#### **Part IV – Measures to Remedy Forced Labor and Child Labor**

UNFI is not aware of any incidents of forced labor or child labor in our activities or supply chain in our past financial year, subject to the limitations of our risk identification activities as described in more detail above and below. Accordingly, UNFI has not had to take any remedial measures in response to incidents of forced labor or child labor.

As previously discussed, UNFI will not knowingly do business with companies or suppliers that do not conduct their business in a manner consistent with our principles and values.

#### **Part V – Measures to Remediate the Loss of Income to those Impacted by the Elimination of Forced Labor and Child Labor**

UNFI has not as of the date of this report become aware of any loss of income to vulnerable families resulting from our measures to eliminate the use of forced labor and child labor in our activities and supply chains.

#### **Part VI – Training Provided to Associates**

UNFI does not currently provide or require training specifically on the prevention of forced and child labor. However, we do provide training and require our associates to read, understand, and follow our associate Code of Conduct. As noted above in Part II, our Code sets forth our values and expectations around respectful, safe and healthy workplaces, a culture of inclusion and diversity, and the well-being of our associates, customers, and the communities in which we operate. In addition, associates working directly with suppliers are expected to understand our Supplier and Vendor Code of Conduct and to help ensure it is being followed and understood by our suppliers.

#### **Part VII – Assessing Effectiveness of Actions against Forced Labor and Child Labor**

Although UNFI has not taken any direct actions to date to assess the effectiveness of its due diligence processes in preventing and reducing the risks of forced and child labor in its activities and supply chains, UNFI does conduct overall risk evaluations of its product supply chain and requires annual third-party audits of and periodic certifications from its suppliers related to numerous compliance issues, which include forced labor in certain instances.

We are committed to conducting business in a lawful and ethical manner and expect our suppliers and vendors to conduct themselves in the same manner and adhere to and align with UNFI's core mission and values set forth in our key codes, policies, and procedures outlined above in Part II.

**Attestation**

In accordance with the requirements of the Canadian 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.

By signing the below, I hereby confirm I have the authority to bind United Natural Foods, Inc., and its subsidiary, UNFI Canada, Inc.

*Mahrukh Hussain*

Date: 05/30/24

Full Name: Mahrukh S. Hussain

Title: General Counsel