

HIGHLINE

EAT A MUSHROOM. BE SUPER.

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**Joint Annual Report of Highline Mushrooms
on
Forced Labour and Child Labour Risks**

Provided
pursuant to section 11 (1) and (2) of the Fighting Against Forced Labour and Child Labour in Supply Chains
Act, SC 2023

**FOR
FINANCIAL YEAR ENDED MARCH 28, 2026**

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1. Summary

The following is a joint report prepared pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") that pertains to Highline Produce Limited and its wholly owned operating subsidiaries Highline Mushrooms West Limited, JMBH Holdings Limited, and 1808251 Ontario Inc. (ON) (collectively, "Highline" or the "Corporation"), as well as its controlling entity, Sumitomo Corporation. Sumitomo Corporation substantially relies on the efforts of Highline Produce Limited, as the operating entity, with regards to monitoring and managing its activities and supply chains as well as ensuring compliance with applicable laws and regulations.

All the above-mentioned entities within the Group hereby report to the Minister of Public Safety and Emergency Preparedness on the various measures taken during their previous financial year ended March 28, 2026 to prevent and reduce the risks that forced labour or child labour is used at any step of the production of their produce in Canada or elsewhere, or of goods purchased within Canada or imported into Canada thereby.

Highline is committed to improving its practices to prevent modern slavery including forced labour, child labour and human trafficking. This statement addresses the fiscal year 2026 (from March 30, 2025, to March 28, 2026), in compliance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act. This report was approved by the Chair of the Board of Directors and the Chief Executive Officer of Highline on May 29, 2026.

2. Introduction to Highline

Highline is a uniquely Canadian success story. Founded in 1961 by Dr. Murray O'Neil, we have grown from a small single-farm private operation to become the largest mushroom producer in Canada and the largest organic mushroom producer in the world. Today, as part of a public company, we employ a staff of almost 1,900 associates. We are a growing and dynamic fresh produce business determined to maintain Canada's position as a producer of safe, quality, and reliable produce known the world-over.

Our current operations include two major growing centers in Ontario (one in Leamington and one in Kingsville) in addition to eight growing and composting sites in Western Canada, located in British Columbia and Alberta. With a passion for quality and innovation, Highline has driven to the forefront many great technological advances in the North American mushroom industry. Our highly developed cropping techniques have enabled us to grow all white, mini-bella and portabella mushrooms without the use of any of the non-organically approved pesticides or fungicides regularly required in the cultivation of mushrooms. Highline is both the leader in what we do and a global pioneer in how it is done.

Highline is a wholly owned subsidiary of Sumitomo Corporation Group ("Sumitomo") headquartered in Tokyo, Japan. Sumitomo has been active in the produce industry since the 1960s and remains one of the largest importers of fresh produce to Japan. Highline, as a member of the Sumitomo Corporation (SC) Group, shares the Sumitomo's Business Philosophy which has been passed down and followed faithfully for more than 400 years since Masatomo Sumitomo (1585-1652) founded the company. SC Group's Corporate Mission

Statement (Management Principles and Activity Guidelines) is based on this philosophy and represents our fundamental and ultimate value standard. In the Corporate Mission Statement, it clearly states that we respect the personality of each individual and places prime importance on integrity and sound management.

We take our commitment to tackling modern slavery including forced labour child labour and human trafficking very seriously. The following are the steps which Highline has taken to help ensure that modern slavery including forced labour, child labour and human trafficking are not taking place in our business or supply chains.

3. Steps to Prevent and Reduce Risks of Forced Labour and Child Labour

The Group has, during the course of its 2026 financial year which ended on March 28, 2026, taken proactive steps to prevent and reduce the risk of forced labour and child labour occurring in its business processes, procurements process and wholistically, supply chains. The Group:

- a. Continued a standard compliance provision that includes all future supplier contracts, pursuant to which suppliers must commit and undertake to comply with all applicable laws and regulations regarding child labour and forced labour in Canada;
- b. Continue to train all new hires, including temporary foreign workers, on forced labour and child labour including how to identify it and Highline's position and expectations regarding this matter.
- c. Required all Executives to complete on-line Corporate Social Responsibility and Conflict of Interest training and quiz which included questions on human trafficking and forced labour.

4. Structure, Activities and Supply Chains

a. Structure

Highline Produce Limited is a corporation incorporated under the laws of the province of Ontario and resident in Canada for the purposes of the Act. Highline is a wholly owned subsidiary of Sumitomo Corporation Group ("Sumitomo") headquartered in Tokyo, Japan.

JMBH Holdings Limited ("JMBH") is a corporation formed under the laws of the province of British Columbia and resident in Canada for the purposes of the Act.

Highline Mushrooms West Limited ("HMWL") is a corporation formed under the laws of the province of British Columbia and resident in Canada for the purposes of the Act.

1808251 Ontario Inc. (ON) is a corporation incorporated under the laws of the province of Ontario and resident in Canada for the purposes of the Act.

b. Activities

The Corporation grows, harvests, packages and distributes wholly organic mushrooms with operations in two major growing centers in Ontario (one in Leamington and one in Kingsville), in addition to eight growing and composting sites in Western Canada, located in British Columbia and Alberta. With a passion for quality and innovation, Highline has driven to the forefront many great technological advances in the North American mushroom industry. Our highly developed cropping techniques have enabled us to grow all white, mini-bella and portabella mushrooms without the use of any of the non-organically approved pesticides or fungicides

regularly required in the cultivation of mushrooms. Highline is both the leader in what we do and a global pioneer in how it is done.

c. The Corporation's Mission and Vision

Highline is committed to its vision "to enrich the communities we serve through the provision of highly nutritious produce, consistently grown using leading sustainability practices and technology.

d. Supply Chain

The Group's supply chain is mainly composed of suppliers of straw, mushroom spawn, chicken manure, packaging, including clear tills or punnets, recycled corrugated boxes, and other materials which it uses throughout all its facilities described above.

e. Straw & Compost Materials

Our straw and composting material are sourced from local Canadian and American suppliers which are most often in reasonable proximity to our farms.

f. Containers and packaging materials

The Corporation recognizes the plastic concerns in our industry and the need for immediate change and a switch to better and more environmentally friendly answers to protect the environment and future generations to come. At Highline we pack close to 100 million tills of mushrooms per year. Consequently, Highline has adopted a circular economy with our mushroom packaging and transitioned to 30% (minimum) recycled RPET clear plastic tills with a continuous goal of increasing this percentage of recycled content. By moving to clear recycled RPET, we are removing any dye that is required to color the plastic and improving the recyclability of our containers and providing the consumer a clearer visual presentation of the quality of mushrooms that Highline Produce is bringing to the retail shelves.

Highline sources its containers and packaging materials from both Canada and the United States. Both countries adhere to strict manufacturing processes and health and safety guidelines. We are working with our Vendors to ensure we continue to increase the percentage of recycled post consumer content in our tills and all of our corrugated boxes are made with 100% recycled paper.

5. Policies and Due Diligence Processes

The following are the policies and due diligence processes that Highline put in place aimed at preventing and mitigating the risks relating to the use of forced labour or child labour in its supply chains. They apply to the Corporation and to its subsidiaries unless otherwise indicated.

a. Supplier & Agency Social Responsibility Acknowledgement

Highline is committed to maintaining strong ethical business standards across its operations, and as such, does not tolerate any form of illegal or unethical employment practices including modern slavery and human trafficking. Highline expects the same from its suppliers and agencies.

Highline is taking steps to ensure that those involved in its supply chain and agencies with whom Highline does business are not involved in any form of illegal, improper or unethical employment or recruitment practices, including but not limited to modern slavery or human trafficking.

To assist Highline in addressing these laws, each agency and supplier in Highline's supply chain must respond to several questions and certify that all materials incorporated into products supplied to Highline Produce Limited and/or Highline Mushrooms West Limited ("Highline"), comply with federal and international laws regarding modern slavery and human trafficking of the country(ies) in which Highline and the supplier are doing business.

b. Ethics Hotline

A procedure has been put in place by Highline for anyone who believes that a supplier, or any person at Highline, has engaged in illegal, unethical, or otherwise wrongful conduct. Anyone can make a confidential complaint through a third party hotline which will be brought forward for review and resolution.

c. Employee Training

All employees are required to complete a new hire orientation which includes a module pertaining to forced labour. Employees are taught to recognize the signs of forced labour, understand the company's position and how to address any concerns they have. Employees at all levels in the organization are required to complete this training.

6. Forced Labour and Child Labour Risks

The Corporation has not identified forced or child labour in its direct operations or supply chains at present. Highline remains vigilant and will continue the measures adopted and described herein to minimize the risk of forced and child labour.

7. Remediation Measures

The Corporation has not identified risks related to forced or child labour in its supply chains; therefore, remediation measures are not applicable.

8. Remediation of Loss of Income

As the Group has not yet identified any instances of forced labour or child labour in its activities and supply chains, no measures were taken to remediate the loss of income to the most vulnerable families that results from measures taken to eliminate the use of forced labour and child labour.

9. Training

During the reporting period, the Corporation continued to deliver training and awareness material regarding forced labour to all new hires at all levels in the organization.

10. Assessing Effectiveness

The Corporation has introduced certain measures over the last financial year aimed at reducing the risk that forced labour or child labour will be used in its activities and in its supply chains. It has not yet taken any measure to assess the efficiency of such measures.

11. Approval and Attestation

This report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Boards of Directors of Highline Produce Limited, Highline Mushrooms West Limited, as being a joint report of Highline Group for the financial year ended March 28, 2026.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for the entities listed above. 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.

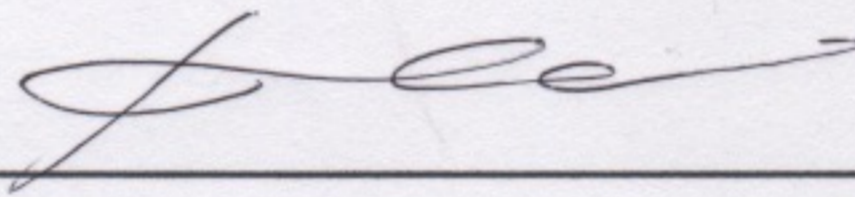
I am an approving member of the Board of Directors and management of Highline Produce Limited and I have legal authority to bind Highline Produce Limited and the Group.



Jose Cambon

Chief Executive Officer

Date: 30/05/2026



Katsuyuki Minami

Board Chair

Date: 30/5/2026