

Adams Feedyards Ltd

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Reporting Period is Jan 1, 2023 – Dec 31, 2023

Bill S211 Forced Labour in Canada Supply Chains – Report

Entities must address each of the requirements included in section 11 of the Act in their annual report. This includes:

- A description of the steps taken to prevent and reduce risks of forced labour and child labour, as per subsection 11(1)
- Supplementary information addressing each of the seven requirements in subsection 11(3)

Subsection 11(1) provides that an entity must also describe the steps it has taken during the 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.

As per subsection 11(3), an entity must provide information on each of the following:

a. Its structure, activities and supply chains

Adams Feedyards Ltd. (“AFL”) is a Canadian Corporation registered in Alberta which meets the assets and revenue threshold requirement as part of the related legislation. The principal office location is in Canada, located at 6-55 Wheatland Trail, Strathmore, Alberta, T1P 1R7. AFL operates cattle feeding business with cattle located in the US. There are no employees of AFL, but several contractors in both Canada and the US that assist with operations.

Cattle in the US are purchased through a variety of means, including direct from farmers, dairies and auction markets across the US.

In the US, Feed and medicine and related supplies are purchased to ensure the cattle are raised with a focus on the animals health and care. Feed is purchased through the

feedyard, which is raising the cattle, and veterinary medicines are purchased through the appropriate veterinary medical vendors and monitored by Veterinary doctors.

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

Adams Feedyards Ltd. currently has no formal policies regarding Bill S211 Forced Labour and Child Labour in Supply Chains Act (“FLCL”) legislation; however, many vendors are long term suppliers within which AFL has a relationship, which includes the feedyards that the cattle are fed at, the vendors that transport the cattle. Based on the reputation, and past performance AFL continues to build relationships with its vendors to ensure the best health, care, and growth for the cattle.

Based on the relationship built with those vendors, Adams Feedyards Ltd is in the process of assessing the risks as part of the due diligence related to the FLCL legislation.

c. 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.

Adams Feedyards Ltd. is in the process of assessing the risks of forced labour and child labour, including the purchase of cattle in the US, as well as the feed, veterinary and supplies vendors that we continue to work with. AFL believes that while there may be inherent risk in the supply chain, it believes this risk would be low, given that these supply chains are located within the US. This inherent risk pertains to the purchase of cattle, including cattle purchased from farmers, dealers, dairies, and auction markets, as well as the employees that care for the animals at the feedyards that raise the cattle.

Adams Feedyards Ltd believes there is also an inherent risk in the supply chains for veterinary medicine, feed, and supplies, however, is still in the process of assessing this risk.

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

AFL relies on its relationship with its vendors to ensure that there is no forced labour or child labour involved in their operations. AFL is in the process of assessing the risks in its supply chain which may determine any additional measure that need to be taken once this is completed.

e. 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.

AFL is not aware of any situations of forced labour or child labour within its operations or its supply chain. As a result, no measures have been required to be taken to remediate the loss of income to those affected by forced labour or child labour.

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

AFL has no employees to provide training related to the FLCL legislation. Upon completion of its assessments, AFL will engage in conversations with its contractors to highlight the risk areas and where additional policies or procedures may be required to reduce the risk of FLCL.

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

Adams Feedyards Ltd. is currently assessing the risks of FLCL in its supply chain and as part of that process is mapping its supply chains to get a better understanding of all its vendors. The resulting assessment will determine the effectiveness of the current process and any additional measures that need to be taken once this is completed.

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."

- Trent Adams
- President
- May 31, 2024
- Signature



I have the authority to bind 'Adams Feedyards Ltd.'