

# Anchor Lazy U Cattle Co. Ltd.

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## Forced Labour and Child Labour in Supply Chains Company Assessment

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# Executive Summary

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Forced labour can be found in every country and every sector. The International Labour Organization estimates that there are approximately 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy. Forced labour and child labour risks occur primarily through the global supply chains of businesses. There is a risk that goods imported into and distributed in Canada were produced with forced labour or child labour. Entities and government institutions doing business in Canada have a responsibility to ensure that exploitative practices are addressed and eradicated from their supply chains.

These measures introduced through former Bill S-211, an Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (“the Act”), aim to increase industry awareness and transparency and drive businesses to improve practices. The Act requires entities to report on the steps taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any steps of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity. There are seven mandatory reporting areas that must be investigated and reported on which include:

- Its structure, activities, and supply chains.
- Its policies and due diligence processes in relation to forced labour and child labour.
- 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.
- Any measures taken to remediate any forced labour or child labour.
- 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.
- The training provided to employees on forced labour and child labour.
- How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

## Introduction

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This report is Anchor Lazy U Cattle Co. Ltd.’s response to Bill S-211, an Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act), sections 11(1) and 11(3).

Anchor Lazy U Cattle Co. Ltd. satisfies the definition of an Entity within the Act by having a place of business in Canada, doing business in Canada, having assets in Canada and meeting both the revenue and asset thresholds.

The financial reporting year of Anchor Lazy U Cattle Co. Ltd. covered by this report is May 1, 2022, to April 30, 2023.

## Structure, Activities & Supply Chain

Anchor Lazy U Cattle Co. Ltd. operates as a corporation (Business Number 100200781) at 42339 Range Road 135, Killam, Alberta, T0B 2L0.

Anchor Lazy U Cattle Co. Ltd. operates within the agriculture industry. Within Canada, Anchor Lazy U Cattle Co. Ltd. procures cattle directly from farmers, auction marts and through brokers.

Anchor Lazy U Cattle Co. Ltd. grows, purchases, sells, and distributes crops to be used in feeding livestock or to resell in the commodity markets within Canada. These crops include primarily silage, wheat, and barley.

The company operates a feed yard in Canada. Anchor Lazy U Cattle Co. Ltd. buys Canadian cattle, feeding cattle until they meet the size specifications for sale. Once size specifications are met, these cattle are distributed to slaughterhouses and meat markets within Canada. The company grows crops on farmland harvested and used as feed for cattle in feed yards.

The company ensures that animal welfare is kept top priority and ensuring:

- Veterinary assistance is given when appropriate.
- Feed and water intake are monitored.

Anchor Lazy U Cattle Co. Ltd. is Verified Beef Production Plus (VBP+) approved, demonstrating due diligence and a commitment for animal welfare and process quality.

Feed yard services include the provision of feed, veterinary supplies and cattle. The company's feed yard needs are met through Canadian suppliers. Feed is purchased from the commodity market as well as homegrown. Feed crops, including silage, wheat and barley, and prepared feed, are homegrown and purchased from Canadian retailers (i.e., local farmers or brokers). Veterinary supplies for cattle are purchased from a local veterinarian.

See Figure 1 for the percentage allocation of Anchor Lazy U Cattle Co. Ltd.'s procurement as it relates to cattle, crop and feed yard activities.

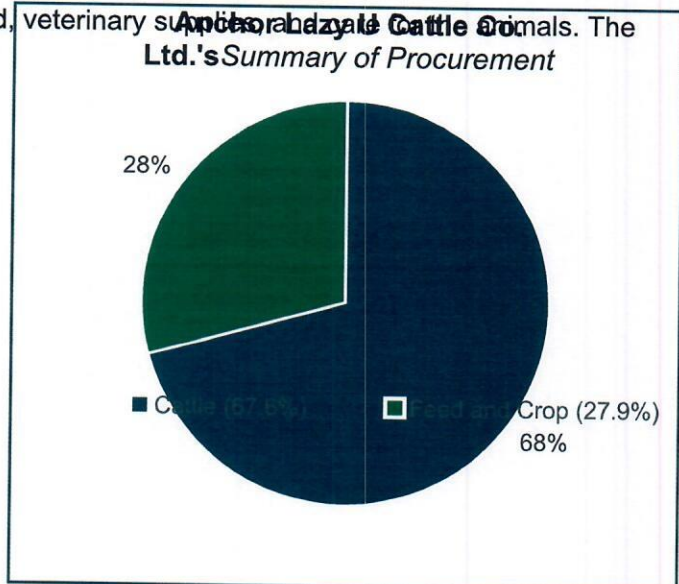


Figure 1: Summary of Procurement

## Policies & Due Diligence

## Current Policies & Procedures

Anchor Lazy U Cattle Co. Ltd. has the following policies and due diligence procedures in place to mitigate the risk of child labour and forced labour within internal activities and their supply chain.

### Internal Policies

#### *Employee Handbook*

When a new employee is hired, Managers speak directly with employees to convey task specific training and workplace expectations directly. The Employee Contract is reviewed with all new employees and employees sign to confirm their understanding. The Contract explains Anchor Lazy U Cattle Co. Ltd.'s expectation that employee has properly represented their skills and experience, to ensure that the individual, co-workers and property are not put at risk by unqualified personnel. The Contract outlines that the employee might be eligible for subsidized training related to their role and position. Additional benefits such housing and health care that is offered are also addressed within this document. Though forced labour and/or child labour are not explicitly stated within the document, aspects and clauses of the document speak directly to the treatment and behaviour of employees.

### Due Diligence Processes

#### *Onboarding Process*

Anchor Lazy U Cattle Co. Ltd. has signage directing all visitors and new employees to first check-in at the office to ensure general safety. When hiring a new employee, Anchor Lazy U Cattle Co. Ltd. provides an onboarding process, which includes reviewing task-specific instructions as well as specific animal safety protocols. This process has aspects related to the prevention of forced labour and or child labour through non-discrimination, anti-harassment and encouragement of professional behaviour.

When Anchor Lazy U Cattle Co. Ltd. interviews potential employees for hire, part of the due diligence process is to conduct a criminal record check, request a driver's abstract and to review the individual's government-issued identification ("ID"). This process verifies the identity and birthdate of the applicant, and their driver's license and driver's abstract are retained in their employee file.

Within the Onboarding process, employees are encouraged to speak to their Supervisor or to the owners in confidence should they have any concerns. If a concern is raised, the incident review process is followed.

#### *Supplier Contracts*

When choosing suppliers to engage with, Anchor Lazy U Cattle Co. Ltd. prioritizes local vendors, considers values alignment, ethical practices, community reputation, past performance, pricing, and the likelihood of delivery. The company will approve, monitor, and oversee supplier performance; although, there is no formal policy to guide buyers on how they buy. The organization does collect information on it's first-tier (direct) suppliers, including name and address, company (if applicable).

## Risk Assessment

A risk assessment over Anchor Lazy U Cattle Co. Ltd.'s industry of operation, goods procured, and countries goods are procured from has been performed over material direct suppliers. The risk assessment used two separate indices to conclude on inherent risk of child and / or forced labour related to goods and countries – *Walk Free's Global Slavery Index* and the *US Department of Labor's List of Goods Procured by Child Labor or Forced Labor*.

## Industry of Operation

Anchor Lazy U Cattle Co. Ltd. operates within the agriculture industry. Given the two indices noted above have identified risks of child labour and forced labour inherent to agricultural products, it is concluded that this industry has an inherent risk exposure.

## Goods Procured

Anchor Lazy U Cattle Co. Ltd. procures agriculture products. The risk assessment over the goods procured from suppliers identified an initial inherent risk of forced and / or child labour within the following categories: cattle and wheat. All other remaining goods were not included in either indices therefore, Anchor Lazy U Cattle Co. Ltd. concludes that these remaining goods have a low inherent risk of child labour or forced labour.

## Countries Which Goods Are Procured From

For the purposes of a risk assessment over countries goods are procured from, this report focuses on direct suppliers only. Anchor Lazy U Cattle Co. Ltd. procures goods from suppliers within Canada. Both indices have identified Canada as having a low inherent risk to the use of child and / or forced labour.

# Remediation of Forced & Child Labour & Vulnerable Family Income Loss

To date, there have been no instances identified by the Company of forced labour or child labour within their activities or supply chains. Therefore, Anchor Lazy U Cattle Co. Ltd. has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

## Awareness Training

Anchor Lazy U Cattle Co. Ltd. does not have training in place on the topic of child labour or forced labour. However, of the policies identified above relevant to this Act, Anchor Lazy U Cattle Co. Ltd. does provide training options as required.

When onboarding new employees, part of this process includes reviewing the Employee Contract to ensure the individual understands the company's terms and expectations. Sections within this relevant to child labour and forced labour include fair and transparent payment terms as well as providing housing and healthcare benefits.

Anchor Lazy U Cattle Co. Ltd. recognizes the opportunity to enhance employee training relevant to this Act, therefore, will be evaluating applicable training for staff in the foreseeable future.

## Assessing Effectiveness

To track Anchor Lazy U Cattle Co. Ltd.'s effectiveness of procedures to mitigate the risk of child labour and forced labour, the following mechanisms are in place:

1. **Supplier Agreements:** Existing and new suppliers are founded on a basis of mutual trust and implicit understanding that there is value alignment. While the current supplier agreement does not specify that forced and/or child labour are not to be used in the suppliers' activities and, Anchor Lazy U Cattle Co. Ltd. will not do business with those who use forced labour and / or child labour.
2. **Age Verification:** Anchor Lazy U Cattle Co. Ltd. currently has age verification processes in place and does not employ individuals under the age of majority without explicit parental

- consent and ensuring appropriate duties.
3. **Employee Compliance:** Employees sign-off on the Employee Contract, representing their adherence to the Anchor Lazy U Cattle Co. Ltd. policy.
  4. **Supplier Monitoring:** The company will continue to communicate with suppliers about ethical employment practices, and would terminate business dealings with vendors who do not share values alignment with Anchor Lazy U Cattle Co. Ltd. in any dealings that might result in unethical treatment of the individuals they employ.

## Steps Taken by Anchor Lazy U Cattle Co. Ltd.


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Anchor Lazy U Cattle Co. Ltd. has taken the following steps to prevent and reduce the risk of child labour or forced labour:

- Mapping supply chains: As part of this report, Anchor Lazy U Cattle Co. Ltd. has mapped the supply chain to complete a risk assessment to align with the Act.
- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily: Anchor Lazy U Cattle Co. Ltd. actively participates in the Temporary Foreign Worker program, abiding by required processes, information gathering and reporting. Regarding retirement and resignation, Anchor Lazy U Cattle Co. Ltd. shows recognition and respect, takes reasonable steps to transfer duties, and understand departure intention. The owner interviews each retiring or resigning employee to confirm reason for leaving, improve organizational policies, procedures and practices, and improve working conditions (minimize employee turnover) as possible.
- Due diligence processes and policies: Anchor Lazy U Cattle Co. Ltd. has Human Resource (“HR”) policies and although nothing specific to voluntary recruitment of forced and child labour. Staff agree to these HR policies when joining the organization. As a general due diligence measure (internal control), Driver’s Licenses are verified at the time of hiring. There is an individual appointed by the company (the Manager) to oversee policies and compliance.
- Supplier due diligence: The company has due diligence measures when choosing and selecting suppliers to engage with, including community reputation, past performance, commodity pricing, and likelihood of delivery.
- Due diligence processes and policies: The company has a process for workers to report, without fear of retaliation, matters related to forced and child labour; namely, they have an incident reporting mechanism policy and information on how to report concerns to their Supervisor or to a Director. The organization maintains internal accountability standards and procedures to respond to failure by workers to meet organization policies; although, these are not specific to forced and child labour. The company does have an Employee Handbook that defines policy violations, although not specific to forced or child labour.
- Monitoring suppliers: The company continually monitors supplier performance to ensure performance obligations are being met.

# 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 BARRY BIELENY Signature   
Title PRESIDENT Date MAY 29/24

I have the authority to bind *Anchor Lazy U Cattle Co. Ltd.* and this report covers financial year 2023 and applies to *Anchor Lazy U Cattle Co. Ltd.* and all entities considered reporting entities in terms of the Act and any controlling subsidiaries of *Anchor Lazy U Cattle Co. Ltd.* if they apply.