



**Report on Forced Labour and
Child Labour Risks**

Year ended December 31, 2023



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Table of Contents

- 1 Application**
- 2 Steps to Prevent and Reduce Risks of Forced Labour and Child Labour**
- 3 Structure, Activities and Supply Chains**
- 4 Policies and Due Diligence Processes**
- 5 Forced Labour and Child Labour Risks**
- 6 Remediation Measures**
- 7 Remediation of Loss of Income**
- 8 Training**
- 9 Assessing Effectiveness**
- 10 Approval and Attestation**



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1 Application

The following is a report prepared pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act that pertains to Barr-Ag Ltd. "Barr-Ag or the Corporation"), with regards to monitoring and managing its activities and supply chains as well as ensuring compliance with applicable laws and regulations.

The above mentioned entity hereby report to the Minister of Public Safety and Emergency Preparedness on the various measures taken during their previous financial year ended December 31, 2023 to prevent and reduce the risks that forced labour or child labour is used at any step of the production of their goods, in Canada or elsewhere, or of goods imported into Canada.

This report is not a revised version of a report already submitted for the Group's financial year ended December 31, 2023 . Barr-Ag is not subject to reporting requirements under supply chain legislation in another jurisdiction.

2 Steps to Prevent and Reduce Risks of Forced Labour and Child Labour

Over the course of the 2023 financial year ended on December 31, 2023, Barr-Ag has taken the following steps to prevent and reduce the risk of forced labour and child labour occurring in its activities and supply chains. The Corporation:

- Started mapping its activities and supply chains;
- Adopted a Anti-Slavery Policy;
- Started conducting an internal assessment of risks of forced labour and child labour in its supply chains;
- the Internal Modern Slavery Working Group started holding meeting to begin monitoring the risks associated with forced labour or child labour;
- Started carrying out a prioritization exercise to focus due diligence efforts on the most severe risks of forced labour or child labour;
- Participated in an external working group on the new obligations set forth by the Act regarding modern slavery disclosure requirements, led by IC Inno-Centre in Canada;



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- Set up an Internal Modern Slavery Working Group whose objectives are to monitor the forced labour and child labour risks, ensure compliance with the legal requirements imposed by the Act, improve supply chain practices and track implementation and results of the various measures taken to reduce the risks associated with forced labour or child labour.

Between January 1st, 2024, and the publication of this report and for the year 2024, Barr-Ag took and is planning on taking the following steps:

- Drafting a standard compliance provision to be included in all future supplier contracts pursuant to which suppliers must read the Corporation's Supplier Code of Conduct and undertake to comply with its terms and all applicable laws and regulations regarding child labour and forced labour in Canada;
- Formally adopting a Supplier Code of Conduct in light of the introduction of the Act in order to comply with its reporting requirements and to reflect the Corporation's engagement to further monitor and prevent forced labour or child labour risks in its supply chains;
- Developing a draft version of a Modern Slavery Act Compliance Policy that addresses its various obligations and responsibilities in order to comply with the requirements of the Act;
- Developing and implementing training and awareness materials on the new requirements imposed by the Act to the Board of Directors, Executive Committee subject to the Act, Managers heading the Supply Chain and Procurement functions and to the Internal Modern Slavery Working Group of the Corporation.

3 Structure, Activities and Supply Chains

Structure

Barr-Ag Ltd. is a corporation incorporated under the Canada Business Corporation Act, headquartered in Olds, Alberta.

Activities

Barr-Ag is a leading grower, processor, and exporter of Timothy Hay, non-GMO Alfalfa Hay, Straw, Corn Silage, and Barley Silage.

Barr-Ag is a family-owned, farm-to-farm operation.

Barr-Ag is proud to produce over 80% of the hay and forage we process ourselves, with the balance coming from local farmers. Our well-established relationships with these farmers give us an excellent



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position to control the quality of the product from seeding to processing. As such, we have the ability to achieve higher quality control on the products we produce, process, and sell.

While Barr-Ag specializes in the export of animal forage, we also offer our products domestically within Canada and the United States. In addition, we offer our customers support with transportation solutions.

Supply Chains

Barr-Ag produces over 80% of the hay and forage we process ourselves entirely in Alberta, Canada, with the balance coming from local farmers.

Barr-Ag will draft a standard compliance provision to be included in all future supplier contracts pursuant to which suppliers must read the Corporation's Supplier Code of Conduct and undertake to comply with its terms and all applicable laws and regulations regarding child labour and forced labour in Canada.

Further, Barr-Ag will formally adopt a Supplier Code of Conduct in light of the introduction of the Act in order to comply with its reporting requirements and to reflect the Corporation's engagement to further monitor and prevent forced labour or child labour risks in its supply chains.

4 Policies and Due Diligence Processes

Modern Slavery Act Compliance Policy

Barr-Ag has adopted a Modern Slavery Act Compliance Policy that addresses its various obligations and responsibilities to comply with the requirements of the Act. This policy essentially deals with the due diligence process of supply chains and the training offered to employees regarding the identification and mitigation of risks related to forced labour and child labour.

Internal Modern Slavery Working Group

Barr-Ag set up an Internal Modern Slavery Working Group whose objectives are to monitor the risks associated with forced labour or child labour in the Corporation's supply chains, to ensure compliance of its activities, including supply chains activities, with the legal requirements imposed by the Act, to improve supply chains practices and to track implementation and results of the various measures taken to reduce the risks associated with forced labour or child labour. The Internal Modern Slavery Working Group consists of a cross divisional team. In 2024, the Internal Modern Slavery Working Group will start holding meetings to begin monitor high risks suppliers



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Processes in Progress

Barr-Ag is currently working on but not limited to the following policies and processes

- Code of Ethics
- Supplier Code of Conduct
- Standard Contract Provision for Agreements with Suppliers
- Whistleblowing Reporting Procedures

5 Forced Labour and Child Labour Risks

Barr-Ag considers the risk of forced labour or child labour to be low in the corporations operations in Canada. In fact, all employees in Canada are hired in accordance with, at a minimum, the applicable laws and regulations and Barr-Ag conducts checks to ensure that individuals have the right to work and are choosing to work on their own free will. Further, all employees have the freedom to join a trade union or other similar association.

In 2023 , Barr-Ag began a preliminary mapping of its supply chains to identify any risk of forced labour and child labour that might be occurring. Given the preliminary nature of the supply chains mapping and the fact that Barr-Ag relies on global supply chains which present visibility challenges, no definitive risk areas have been identified yet, but supply chain risks will be further analyzed as the assessment process will continue in 2024 and beyond.

6 Remediation Measures

Barr-Ag has not identified risks related to forced or child labour in its supply chains at the moment as Barr-Ag is currently in the process of conducting a preliminary mapping of forced labour or child labour risks. Further, the Corporation has not identified forced labour or child labour in its own direct operations. Based on the preliminary results of the inherent risk mapping, the Internal Modern Slavery Working Group will develop and implement measures to remediate any forced labour or child labour. More specifically, the Internal Modern Slavery Working Group will establish the process relating to the conduct of audits of suppliers presenting higher risks and will ensure these suppliers complete a self assessment questionnaire to learn more about their practices and operations.

7 Remediation of Loss of Income

As Barr-Ag 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.



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8 Training

During 2024, Barr-Ag has and further will develop and implement training and awareness material regarding the new requirements imposed by the Act to the following groups persons:

- Board of Directors
- Executive Committee
- Managers heading the Supply Chain and Procurement functions and
- Internal Modern Slavery Working Group

9 Assessing Effectiveness

Barr-Ag 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.

10 Approval and Attestation

This report was approved pursuant to paragraph 11(4)(a) of the Act by the President of Barr-Ag Ltd. for the financial year ended December 31, 2023.

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 entity 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 have the authority to bind Barr-Ag Ltd.

Barry Schmitt
President of Barr-Ag Ltd.

May 20, 2024