

Double F Farms (2015) Ltd.

Forced Labour and Child Labour in Supply Chains Company
Assessment

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Executive Summary

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

This report is Double F Farms (2015) Ltd. ("Double F" or "Entity") 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).

Double F 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 Double F covered by this report is November 1, 2022, to October 31, 2023.

Structure, Activities & Supply Chain

Double F operates as a corporation (Business Number 852869379) at SE 17-34-2 W4, Kirriemuir, Alberta, T0C 1R0.

Double F operates within the agriculture industry, buying 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.

Double F purchases, sells, and distributes crops to be used in feeding livestock or to resell in the commodity markets within Canada. These crops include primarily corn, silage, barley and prepared feed.

Double F also operates a feed yard in Canada for raising cattle until size specifications are met for slaughtering and / or being put into meat markets. The Entity also ensures that animal welfare is kept top priority by monitoring feed and water intake, and ensuring veterinary assistance is given when appropriate.

Double F is a part of the Verified Beef program, demonstrating due diligence and a commitment for animal welfare and process quality.

Within Canada, Double F procures cattle directly from farmers, auction marts and through brokers.

Feed yard services include the provision of feed, veterinary supplies, and care for the animals. The

Entity's feed yard needs are met through Canadian suppliers. Feed is purchased from the commodity market as well as homegrown. Feed crops, including corn, silage, 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. Fuel is incorporated among all three main activities. See Figure 1 for a breakdown of Double F's procurement as it relates to cattle, crop and feed yard activities.

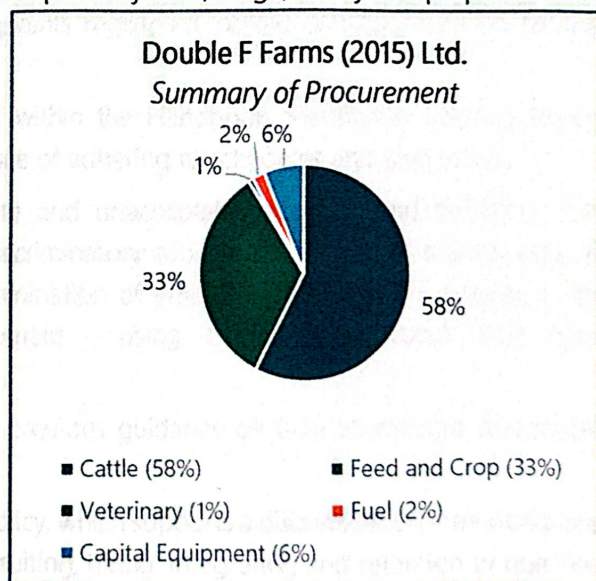


Figure 1: Summary of Procurement

Policies & Due Diligence

Double F 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, Double F conducts an onboarding process that involves reviewing the Employee Handbook. This document has aspects related to forced labour and / or child labour through non-discrimination, anti-harassment, and professional behaviour clauses.

The Employee Handbook explicitly states as a policy that Double F is an abuse free workplace, where this policy must be posted in accessible and visible location and protects the rights of all workers. Double F will not force workers to do unsafe or untrained duties, force work if sick or injured, take passport, or work permit, or deport a worker from Canada / change immigration status.

Double F has adopted the Human Rights Code definition of harassment and discrimination in employment, including sexual harassment. The Entity notes a specific individual who is a designated Supervisor Human Resources, and the Owner as individuals who should be contacted with any related concerns. Double F has a zero tolerance for abuse, harassment, and discrimination; does not tolerate prejudice and objectionable attitudes and has a process in place for employees to register complaints; and will promptly investigate and pursue any complaints registered, noting consequences up to and including termination of employment.

Timekeeping and working conditions are specified within the Handbook, identifying working hours, holidays, overtime and leave, as well as the importance of adhering to schedules and start times.

The Handbook identifies and defines inappropriate and unacceptable conduct and behavior. The Handbook explicitly states that inappropriate and discriminatory conduct and behavior is unacceptable and could result in disciplinary action including termination of employment. Double F adopts a fair, equitable, consistent, and positive work environment – using a positive approach and open communication.

The Entity has defined Duty to Accommodate and provides guidance on how to execute reasonable accommodation.

The Entity has defined Diversity in the Workplace in policy, which supports a discrimination-free workplace (i.e., efficient, non-discriminatory, and systematic recruiting, hiring, integrating and retention of qualified staff of employment equity groups). The Entity provides training to employees, increasingly relies on alternate demographic groups, and advertises in local, ethnic and community places, partners with government programs and immigrant-serving agencies, and associations / groups to achieve this end; and may post employment opportunities in relevant languages other than English or braille, and in platforms available to foreign workers to increase accessibility.

Double F has defined policy and procedures around children in the workplace and requires employees to take all reasonable precautions when children are present (i.e., presence required specific Entity

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authorization, behavioral responsibility, and safety rests solely with the parent, must be always supervised, must be kept away from dangerous substances / products).

Though forced labour and/or child labour are not explicitly stated within the Employee Handbook, aspects and clauses of the document speak directly to the treatment and behaviour of employees and foreign workers rights to refuse work. As well, Double F adheres to the Temporary Foreign Workers program, which implicitly states that foreign workers have the same rights as Canadians, including – for example, the right to refuse unsafe and / or forced work.

To reflect acknowledgment and agreement, employees are required to sign off on the Employee Handbook at the time of onboarding.

Due Diligence Processes

Onboarding Process

The New Employee Hiring Process includes interviewing potential employees for hiring and requires (reviews) government-issued ID to verify identity and birthdate of the applicant and retains this information in the employee file.

Supplier Contracts

When choosing and selecting suppliers to engage with, Double F considers community reputation, past performance, commodity pricing, and the likelihood of delivery. Double F issues contracts with material suppliers, namely most often with cattle buyers and brokers. The Contract of Sale for crop purchases clearly state the commodity origin (i.e., Canadian Origin Barley, Feed), the broker name, and a broker reference number. The Entity requires sellers to immediately notify them of errors or omissions in the contract. The Entity will approve, monitor, and oversee supplier performance; although, there is no formal policy to guide buyers on how they buy.

Risk Assessment

A risk assessment over Double F 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

Double F 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

Double F procures agriculture products. A risk assessment over the goods procured from suppliers has been conducted and identified an initial inherent risk of forced and / or child labour within the following categories: cattle, cereal grains, and corn. All other remaining goods were not included in either indices

therefore, Double F 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. Double F 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 Labour & Child Labour

To reduce the risk of child labour or forced labour within Double F's activities and supply chain, the Entity will continue to have conversations and engage with suppliers on the subject. Double F has identified the opportunity to implement and enhance policies and due diligence mechanisms to reduce the risk of child labour and forced labour within their activities and supply chain.

Remediation of Vulnerable Family Income Loss

To date, there have been no instances identified by Double F of forced labour or child labour within their activities or supply chains. Therefore, the Entity 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 their activities or supply chains.

Awareness Training

Double F 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, Double F does incorporate training for new employees of the Employee Handbook.

When onboarding new employees, part of this process includes reviewing the Employee Handbook to ensure the individual understands the Entity's standards and expectations. Sections within this relevant to child labour and forced labour include acts of abuse, harassment policy, and employee conduct and behavior.

Double F 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 Double F's effectiveness of procedures to mitigate the risk of child labour and forced labour, the following mechanisms are in place:

Double F Activities

1. Policy review: Double F reviews relevant policies to this Act on a frequent basis to ensure relevance and updates are made where required.
2. Total harassment incidents: Double F has a zero-tolerance for workplace harassment. All claims made regarding harassment will be reported to management and promptly investigated. And pursued, noting consequences up to and including termination of employment.
3. Conduct and behavior incidents: Double F has a zero-tolerance for inappropriate conduct and behaviour. All claims made regarding this will be reported to management, including an action plan to resolve the issue in a timely manner.
4. Employee training: Double F will continue to track employee training completion metrics to ensure the completeness of mandatory training.

Supplier Activities

1. Supplier contracts: Double F has implemented supplier contracts with key suppliers. Double F has identified the opportunity to implement a clause within supplier agreements regarding a zero-tolerance for child and forced labour. This clause will identify the outcome or disciplinary action should an instance of child or forced labour be reported or discovered by Double F.
2. Supplier monitoring: Key suppliers of Double F will be monitored on an annual basis. Record keeping for frequency of reviews and date of last review will be kept in a centralized system to ensure these reviews are being performed. As part of these reviews, Double F has identified the opportunity to incorporate discussions with suppliers on the subject of this Act.

Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

Double F has taken the following steps to prevent and reduce the risk of child labour or forced labour:

1. Mapping supply chains: As part of this report, Double F has mapped their supply chain to complete a risk assessment to align with the Act.
2. Conducting an internal assessment of risks of forced labour and / or child labour in the organization's activities and supply chains: As part of this report, Double F has identified risks within their activities and supply chain that have inherent risks of child labour and/or forced labour.
3. Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily: Double F actively participates in the Temporary Foreign Worker program, abiding by required processes, information gathering and reporting. Regarding


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retirement and resignation, Double F 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) where possible.

4. Developing and implementing due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains: Double F has two mechanisms in place which include the use of supplier contracts and the employee onboarding process.
5. Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists: Double F has identified the opportunity to integrate anti-forced labour and/or child labour standards / conduct into internal policies (employee handbook and training) as well as supplier due diligence procedures (supplier agreements and questionnaires).
6. Monitoring suppliers: Double F has identified the opportunity to integrate monitoring of key suppliers, as it relates to assessing and reducing the risk of child labour and forced labour.
7. Developing and implementing training and awareness materials on forced labour and/or child labour: Double F has identified the opportunity to develop employee training relevant to child labour and/or forced labour.
8. Developing and implementing procedures to track performance in addressing forced labour and/or child labour: Double F has identified mechanisms in place and to be developed relating to assessing the effectiveness of reducing the risk of child labour and forced labour.

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 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.

<u>Craig Ference</u> Full Name	<u></u> Signature
<u>Owner</u> Title	<u>July 16, 2024</u> Date

I have the authority to bind Double F Farms (2015) Ltd.