

Hendrix Genetics Canada Inc.
Hendrix Genetics Ltd.
Hypor Inc.



Report on 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**”)

Joint Report of:

Hendrix Genetics Canada Inc.

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Hendrix Genetics Ltd.

&

Hypor Inc.

Submitted: May 31, 2024

Reporting Period: January 1 – December 31, 2023

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Organizational Overview (Structure, Activities & Supply Chain)

Structure

Hendrix Genetics Canada Inc. (“HGCI”) Hendrix Genetics Limited (“HGL”) and Hypor Inc. (“Hypor”). The head office of each of HGCI, HGL and Hypor is located in Kitchener, Ontario. Collectively, the Hendrix Genetics Canadian entities have approximately 670 employees.

Activities

The Hendrix Genetics family of companies is an animal breeding and production entity that has operations in both layers and turkeys. The companies provide expertise and resources to animal protein producers on a global basis. Further, the companies are leaders in the layer and turkey genetics and are committed to providing superior products and support profitability in the protein value chain.

Hypor is the swine breeding division of Hendrix Genetics, providing expertise and resources to animal protein producers on a global basis. We are one of the world’s leading suppliers of swine genetics and are committed to providing superior genetics and support profitability in the pork meat value chain.

Supply Chain

The Reporting Entities endeavour to source and utilize goods and services exclusively from Canadian sources whenever possible.

Hypor sources the goods and services it utilizes to produce swine from Canadian sources, including feed mills in Saskatchewan (which produce feed in part from raw materials provided by suppliers in which Hypor maintains an economic interest), and sources transportation needs and related fuel from Canadian suppliers.

Hybrid Turkeys LLC, a subsidiary of HGL, produces turkey hatching eggs and poults that source its own farms in Ontario to multiply its breeding business to then create turkey hatching eggs for its customers. The feed and transportation is purchased from Canadian suppliers and is utilized in Canada.

Duty to Report

HGCI satisfies the definition of “entity” in Section 2 of the Act on the basis that it is a corporation:

1. having a place of business in Canada, doing business in Canada or having assets in Canada;
2. for at least one of its two most recent financial years, as shown on its consolidated financial statements, has at least \$20,000,000 in assets and \$40,000,000 in revenue; and
3. Employs an average of at least 250 employees for at least one of its two most

recent financial year

With respect to HGL, its duty to report arises as a result of Section 9(a).

With respect to HGCI, it is unclear whether it would qualify as an entity for the purposes of the Act, as a holding body corporate is not an operating entity carrying on an active business. Moreover, it does not directly hold assets (other than shares in its subsidiaries), nor does it directly generate revenue. To the extent the Act considers a holding body corporate such as HGCI to be an “entity” in accordance with Section 2, then its duty to report arises pursuant to Section 9(c) on the basis that it controls an entity engaged in an activity described in subsection 9(a). As the legislative intent is unclear, in the absence of clarification to the contrary, HGCI is erring on the side of caution and provisionally submitting this report, in hopes that further clarification will be provided with respect to its obligation to do so.

With respect to Hypor, its duty to report arises as a result of it being a subsidiary of HGCI, which itself is a reporting entity, as described above.

Based on the foregoing, HGCI, HGL and Hypor (collectively referred to hereinafter as the “**Reporting Entities**”) hereby submit this joint report pursuant to Section 11(2)(b) of the Act, although any references to business activities, operations, policies, supply chains, training, etc. relate to HGL and Hypor, as applicable, directly.

Policies and Due Diligence Processes

Internal

The Reporting Entities are committed to conducting all aspects of their business in an ethical, honest, and professional manner that promotes trust, respect and confidence among its employees, its customers, other corporate entities, and the public at large. As an entity providing an essential products to its customers and in certain instances, ultimately to consumers, the Reporting Entities’ success is dependent upon the public’s trust and confidence in the companies and their employees.

The Reporting Entities’ commitment to integrity begins with compliance with all applicable municipal, provincial and federal laws and regulations. All employees acting on behalf of the Reporting Entities are expected to comply with this commitment and all related corporate policies, including:

Laws and Regulations

- *Employment Standards Act 2000;*
- *Employment Standards Code (Manitoba);*
- *The Saskatchewan Employment Act;*
- *Act respecting labour standards (Quebec);*
- *Accessibility for Ontarians with Disability Act (AODA);*
- *Labour Relations Act, 1995;*
- *Personal Information Protection and Electronic Documents Act (Canada), 2000;*
- Ontario Human Rights Code, R.S.O. 1990; and

- *Occupational Health and Safety Act*, as amended, R.S.O. 1990 (“OHSA”).

Internal Codes & Policies

- Hendrix Genetics Code of Conduct;

Furthermore, the Reporting Entities abide or exceed minimum standards as prescribed in applicable legislation, including permitted exemptions for agriculture, as applicable, and adhere to the following practices which are included in the Reporting Entities’ policies and hiring procedures:

- All open job opportunities are posted on a variety of website job boards, and on Hendrix Genetics’s website, inviting candidates to apply;
- Complying with provincial regulations and as is permitted in our industry, no one under the age of 14 will be employed, and students must be enrolled full time in a community college or university program; and
- Employees are offered: sick leave, bereavement leave, pregnancy leave, parental leave, family medical leave (the Reporting Entities comply with provincially legislated leaves and provides over and above terms and conditions outlined in the ESA).

Employment contracts and workplace policies are regularly reviewed to ensure compliance with applicable workplace laws and regulations.

External

The Reporting Entities strive to only work with reputable suppliers and manufacturers that align with its key principles, behaviours, and core values, and generally only source goods and services from suppliers located in Canada.

The Reporting Entities strive to maintain an open and competitive purchasing environment, with a view to only engaging with reputable and reliable suppliers. This is to ensure that employees with purchasing responsibilities are conducting procurement in accordance with industry standards, laws and regulations.

Risk of Forced Labour and Child Labour, Mitigation of the Risk

The Reporting Entities have commenced the process of assessing whether the use of forced labour or child labour is present in any and all components of its activities and supply chain. To date, the Reporting Entities have not identified the use of any forced labour or child labour in its activities or supply chains, nor do they have knowledge of any facts or circumstances that would reasonably suggest the likelihood of any such use within its activities and supply chain.

Internal

The Reporting Entities strive to ensure there is no forced labour or child labour within its internal workforce through strict adherence to laws, and the policies and procedures in place for all employees. The Reporting Entities’ internal workforce works and resides in Canada. The Reporting Entities embed responsible business conduct into their policies and management systems.

External

Virtually all of the Reporting Entities' goods and services were supplied from within Canada.' To the Reporting Entities' knowledge, its direct and indirect service providers are located within Canada. It considers the risk of the use of forced labour or child labour in its supply chains and activities to be low. The Reporting Entities' goods are sourced from reputable companies within Canada, with any remaining goods sourced from reputable suppliers in reputable foreign jurisdictions, primarily the United States (and when from the U.S., usually from suppliers that are affiliated with the Reporting Entities).

Remediation Measures

To date, the Reporting Entities have not identified any forced labour or child labour in its activities or supply chains, and as such it has not been necessary to undertake any remediation measures.

Remediation of Loss of Income

To date, the Reporting Entities have not identified any forced labour or child labour in its activities or supply chains, and as such it has not been necessary to undertake any remediation for loss of income of vulnerable persons.

Training

The Reporting Entities provide mandatory training on the internal codes and policies described above under the heading *Policies and Due Diligence Processes*. Training is mandatory for all employee groups. The training varies in length and has mostly been developed internally, with most training including an assessment component.

Assessing Effectiveness

As the Reporting Entities have not identified any forced labour or child labour in their activities or supply chains, nor do they have knowledge of any facts or circumstances that would reasonably suggest the reasonable likelihood of same, the Reporting Entities do not currently have any express policies or procedures in place to specifically assess effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.

[attestation follows]

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, the undersigned attest to having reviewed the information contained in the report for the Reporting Entities. Based on their knowledge, and having exercised reasonable diligence, the undersigned 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 period listed above.

Full Name

Trevor Aitchison

Title

President and Director

Date

May 31, 2024

Signature

DocuSigned by:
Trevor Aitchison
B525023B5022421...

Full Name

Peggy Foster

Title

Treasurer and Director

Date

May 31, 2024

Signature

DocuSigned by:
Peggy Foster
C74F5053DB93452...

We have the authority to bind Hendrix Genetics Canada Inc.