



# JBC Cattle Inc.



Forced Labour and Child Labour in Supply Chains Company  
Assessment

# Table of Contents

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Executive Summary..... 2

Introduction..... 3

Structure, Activities & Supply Chain Structure ..... 3

Policies & Due Diligence..... 4

Risk Assessment..... 5

Remediation Forced & Child Labour ..... 6

Remediation of Vulnerable Family Income Loss..... 6

Awareness Training..... 6

Assessing Effectiveness..... 6

Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour ..... 7

Attestation ..... 8

## 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.

The measures introduced through 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 step 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 JBC Cattle Inc.'s ("JBC Cattle") 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).

The entities covered by this report are JBC Cattle Inc. and Judith Basin Country Farms Ltd. ("JBC Farms"), collectively, the Entities.

The Entities meet 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 year of the Entities covered by this report is for the year ended May 31, 2023.

# Structure, Activities & Supply Chain Structure

## JBC Cattle

JBC Cattle operates as a corporation (Business Number: 733302939) located at Box 101 Turin, AB T0K 2H0.

JBC Cattle operates within the agriculture industry, purchasing and feeding the cattle for at least 120 days until they meet the size specifications for sale. Cattle are custom-fed within the feed yards of JBC Farms, located in the United States as well as at a third-party located in Canada. Once size specifications are met, these cattle are distributed to slaughterhouses and meat markets across Canada. JBC Cattle also ensures that animal welfare is kept top priority by monitoring feed and water intake.

JBC Cattle procures cattle directly from a Canadian broker. The remaining supply chain is made up of feed yard services including the provision of feed, veterinary supplies, and care for the animals. See Figure 1 for a summary of JBC Cattle's procurement during the fiscal year.

## JBC Farms

JBC Farms operates as a corporation located at 342 Sale Barn Dr, Hobson, MT 59452, United States. For the purposes of this report, JBC Farms is controlled by JBC Cattle.

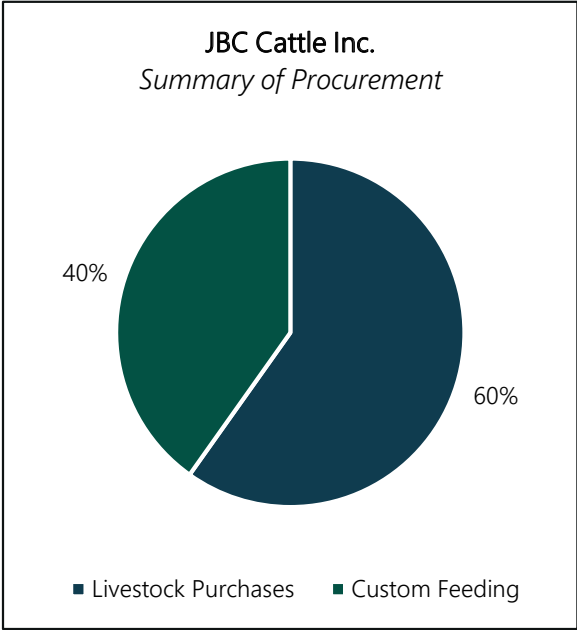


Figure 1: JBC Cattle - Summary of Procurement

JBC Farms operates within the agriculture industry, operating a feed yard in the United States for raising cattle until size specifications are met for slaughtering and/or being put into meat markets within Canada. The Entity ensures that animal welfare is kept top priority by monitoring feed and water intake, and ensuring veterinary assistance is given when appropriate.

Crops are harvested on JBC Farms's land and used as feed for cattle within the feed yards. Crops include corn, hay, barley, and straw. Seed, fertilizer, chemicals for crop production and capital equipment are purchased from suppliers within Canada and the United States.

The Entity also purchases crops to be used in feeding cattle within the feed yard including dried distiller's grains and rye. Veterinary supplies for cattle are purchased from a local veterinarian. See Figure 2 for a summary of JBC Farm's procurement during the fiscal year.

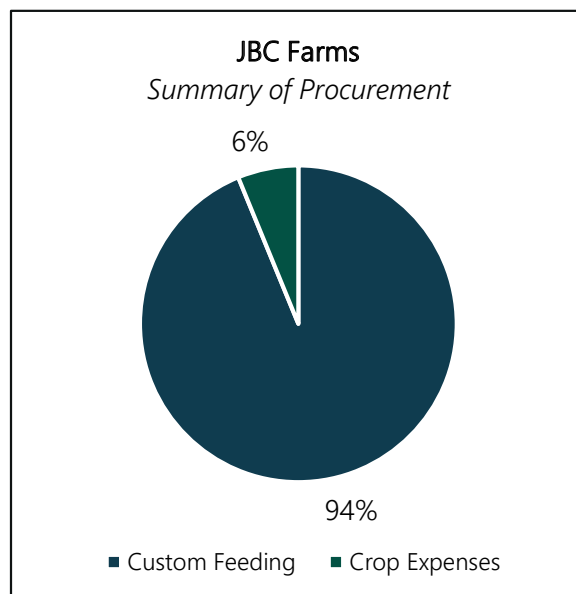


Figure 2: JBC Farms - Summary of Procurement

## Policies & Due Diligence

The Entities have the following policies and due diligence procedures in place in relation to forced labour and/or child labour:

### Internal Policies

#### *Employee Handbook*

This Handbook describes the behavioural expectations of employees and their rights and responsibilities. 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. The Employee Handbook contains sections that reflect the Entities commitment to upholding the Human Rights Code and protecting employees from discrimination, violence, bullying, and harassment in the workplace. As well as specific sections dedicated to the hiring of foreign workers and policies to comply with all immigration and refugee related regulations. The Handbook also specifies employee's hours of work, compensation and benefits, employee time off, and the Entities expectations regarding overtime and employee breaks.

When onboarding a new employee, the Entities review the Employee Handbook with the individual, to ensure the expectations and responsibilities of Entities, as well as the employee, are understood and agreed to.

### *Employment Standards*

The entity follows the Alberta Employment Standards, which specifies minimum standards employers must provide to employees, including expectations and guidelines relating to working conditions, hours and hiring youth.

### *Due Diligence Processes*

#### *Hiring Process*

The new employee hiring process includes interviewing potential employees for hiring and requires government-issued identification to verify the identity and birthdate of the applicant and retain this information in the employee file.

#### *Supplier Due Diligence*

Due diligence activities of the Entities involve assessing factors of suppliers such as community reputation, past performance, commodity pricing, and delivery likelihood when selecting suppliers. While the Entities approve, monitor, and oversee supplier performance, there is currently no formal policy guiding buyers on procurement processes or incorporating assessments related to this Act.

The Entities recognize the opportunity to enhance internal policies and due diligence processes as it relates to this Act. The Entities are continuing to understand their supply chain to further assess this risk.

## **Risk Assessment**

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A risk assessment of the Entities industry of operation, goods procured, and the countries goods are procured from has been performed over material direct suppliers – those who account for at least 1% or more of the Entities total procurement activity during the fiscal year. This 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*

Both Entities operate 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*

The Entities procure agriculture products. A risk assessment of 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, corn, and pulses (legumes). All other remaining goods were not included in either of the indices, therefore, The Entities conclude 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. The Entities procure goods from suppliers within Canada and the United States.

Both indices have identified Canada and the United States as having a low inherent risk of the use of child and/or forced labour.

## Remediation Forced & Child Labour

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To reduce the risk of child labour or forced labour within the Entities activities and supply chain, the Entities will continue to have conversations and engage with suppliers on the subject. The Entities have 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

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

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The Entities do not have training in place on the topic of child labour or forced labour. However, of the policies identified above relevant to this Act, the Entities do incorporate training for new employees of the Employee Handbook, and other general safety topics.

When onboarding new employees, sections within the handbook reviewed which are relevant to this Act include Human Rights and Employment Equity, harassment policy, and expectations regarding employee conduct and behaviour.

The Entities also conduct one-week training periods for employees. During these sessions, employees work in groups of two, to job shadow and ensure duties are being performed safely and within the Entities policies. These sessions also review safety protocols and incident reporting, therefore fostering open lines of communication with employees and reinforcing the Entities commitment to worker's health and safety.

External individuals are also brought in frequently to train employees on courses specific to safety, for example, first-aid certification courses.

The Entities are exploring opportunities to provide training to all employees in identifying, assessing, and responding to risks of child labour and forced labour within their activities and supply chains.

## Assessing Effectiveness

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To track the Entities' effectiveness of procedures to mitigate the risk of child labour and forced labour, the following mechanisms are in place:

1. Policy review: The Entities review relevant policies to this Act on a frequent basis to ensure relevance and updates are made where required.

2. Conduct and behaviour incidents: The Entities have policies regarding 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.
3. Supplier monitoring: Though informal, discussions will continue to exist with suppliers regarding issues that may impact the Entities supply chain, relevant to this Act.

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

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The Entities have taken the following steps to prevent and reduce the risk that forced labour or child labour:

- Mapping activities: As part of this report, the Entities have mapped its activities to understand its activities and supply chain.
- Mapping supply chains: As part of this report, components of the Entities' supply chain were identified to include who the suppliers are, country of origin, as well as the goods supplied.
- 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, the Entity has identified risks within their activities and supply chains that have inherent risks of child labour and/or forced labour.
- 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: Policies and due diligence processes identified that are relevant to this Act including the Employee Handbook, employee hiring and onboarding processes, following Employment Standards, and informal supplier due diligence processes.



# Attestation

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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 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.

Kevin Serfas



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**Full Name**

**Signature**

President

May 31, 2024

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**Title**

**Date**

I have the authority to bind JBC Cattle Inc. and Judith Basin Country Farms Ltd.