



JGL Group of Companies



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 Act ("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 JGL Group of Companies' ("JGL") response to Bill S-211, an Act to Enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act to amend the Customs Tariff ("the Act"), sections 11(1) and 11(3). While JGL Group of Companies ("JGL") is not a registered entity, the group does represent the ownership and control over five companies, including the corporations JGL Commodities, JGL Livestock and Hawk's Agro, and the joint ventures Iron Springs Cattle Co. Alberta and W&R Feeders ("W&R/ISCCA").

JGL satisfies the definition of an Entity 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 JGL covered by this report is its fiscal year ending August 31st, 2023.

Structure, Activities & Supply Chain

JGL operates as corporations and joint ventures which are headquartered or principally located in Alberta, Saskatchewan and Manitoba, Canada, and Missouri, United States. JGL represents the ownership and control over the five operating entities listed below, where these entities are the focus of this report.

Operating Entity Name	Registered Business Name	Business Number
Corporations		
JGL Livestock	Jameson, Gilroy & B&L Livestock Ltd.	102573953
JGL Commodities	JGL Commodities Ltd.	856942719
	JGL Commodities US Ltd.	46-4487396
Hawk's Agro	Hawk's Agro. Inc.	846026060
Joint Ventures ("JGL Custom Feed")		
Iron Springs Cattle Co (ISCCA)	1789409 Alberta Ltd.	825908635
	1789510 Alberta Ltd.	834217176
	2236515 Alberta Ltd.	749559530
W&R Feeders	101143617 Saskatchewan Ltd.	856662655
	102099805 Saskatchewan Ltd.	741205736
	101143636 Saskatchewan Ltd.	856759865

JGL Group of Companies (i.e., JGL Commodities, JGL Livestock, Hawk's Agro, and W&R/ISCCA) operates in the agriculture industry – including buying, feeding, selling and distributing cattle; providing supply chain management solutions; and providing crop management support.

JGL buys and feeds cattle until they meet the size specifications for sale. Once the size specifications are met, these cattle are distributed to slaughterhouses and meat markets within Canada.

Within Canada, JGL procures cattle direct from farms, auction markets and brokers, and sells these cattle to other parties. JGL ensures that animal welfare is kept a top priority, monitoring feed and water intake, and ensuring veterinary assistance (i.e., medication and treatment) is given when appropriate.

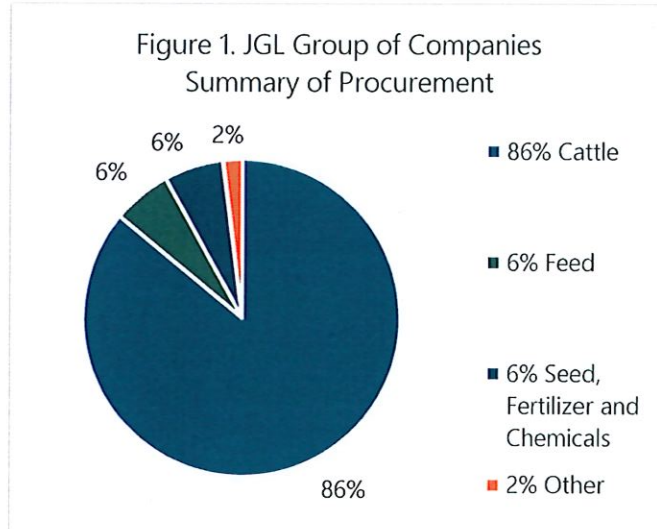
Altogether, the JGL Group of Companies provides the following goods and services:

- JGL Livestock supports procurement, logistics and accounting for livestock, including buying and distribution, merchandising and logistics in supply chain, and financial and risk management services.
- JGL Commodities provides supply chain management solutions for processors and feedlots including wheat millers, protein producers, and pet food manufacturers. The company offers a variety of contract options, professional freight service, and several payment methods. The company is licensed and bonded by the Canadian Grain Commission.
- Hawk's Agro provides fertilizer, chemicals, seed, agronomy services, custom floating (fertilizer) and custom seed treating.
- Iron Springs Cattle Co. Alberta and W&R Feeders has cattle fed under custom feeding arrangements, which includes sending calves or yearlings to a commercial feed yard for feeding to slaughter weights in Canada and the United States. Custom feeding programs aim to yield positive returns on investments by leveraging feedlot resources, innovative technology, and effective marketing practices.

Overall, these JGL entities work together to procure and sell cattle from sellers and ranchers, and source these cattle to third parties and cattle feeders; working with multiple cattle owners at any given time.

Goods that account for 1% or more of goods purchased are cattle; feed; seed, fertilizer and chemicals purchased from retailers located in Canada and the US. Fertilizer and chemicals are purchased for use on customer farms. See Figure 1 (to the right) for a breakdown of JGL's procurement.

This analysis was performed over material suppliers, which – for the purposes of this report, are those suppliers who account for at least 1% of JGL's total procurement spend over the 2023 fiscal year.



Policies & Due Diligence

Current Policies

JGL does not currently have written formal policies and procedures to specifically address forced and child labour; however, there are existing policies and procedures that touch on it, such as the Hawk's Agro Employee Handbook and the JGL Livestock Safety Manual.

For example, when a new employee is hired at Hawk's Agro, the company conducts an onboarding process that involves reviewing the Employee Handbook that includes a safety policy; prohibitions (behavioral expectations and consequences); rights to know hazards, partake in a safe workplace, refuse



unsafe work, ask for training, report incidents / unsafe conditions / unsafe work practices, and know the Emergency Response Plan; Personal Safety Equipment guidelines; safety policy regarding outside workers; other policies, such as hot work policy, confined space, and elevated work; statement of responsibilities and accountability; harassment policy, including definitions, accountabilities, complaint procedures, confidentiality, and the option to initiate an external complaint; and the New Employee Safety Orientation Form, documenting completion of training which is executed and witnessed by the trainer, supervisor, and employee on their hire date.

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

When a new employee is hired at JGL, the company conducts an onboarding process that involves reviewing the JGL Livestock Safety Manual, which includes information on the following policies and procedures: harassment; worker rights; responsibilities; accountability; reporting injuries, accidents and safety concerns; hazard identification; inspections; accident and incident investigations; controlling hazards; personal protective equipment; training; chemical safety (WHMIS); occupational health and safety committee; fire safety; first aid; severe weather; records and statistics; and safety audits. These policies and procedures are intended to protect both people and property and to provide and maintain a safe and healthful work environment in accordance with industry standards, naming safety as the responsibility of all managers, supervisors, and employees.

Due Diligence Process

Hiring & Onboarding Process. The new employee hiring process includes interviewing potential employees for hiring and requires a review of government-issued identification ("ID") to verify identity and birthdate of the applicant and retains this information in the employee file.

When students are hired for the yard, they complete an employment agreement; this process includes verifying that the student is at a minimum 16 years old. Students may work weekends, holidays and over the summer (not scheduled during school hours).

All new JGL and Hawk's staff are provided with a copy of the JGL Safety Manual and asked to read and review the material and sign off to indicate they have read and understood the content.

Supplier Contracts. When choosing and selecting suppliers to engage with, JGL considers community reputation, past performance, commodity pricing, and the likelihood of delivery. For its main suppliers, JGL executes and upholds contracts containing standardized information (i.e. Broker Name and Broker Reference Number) and the terms and conditions that govern the rights and obligations of the parties involved; pertaining to the sale, pricing, payment schedules, etc.; Although many of these contracts do not contain specific anti-forced and / or child labour contractual clauses, JGL is considering the feasibility of amending its main supplier contracts to include such standard clauses. The company will approve, monitor, and oversee supplier performance; however, there is currently no formal policy to guide buyers on the buying process.

Risk Assessment

A risk assessment over JGL'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*.

The Company has begun the process of identifying the risk of forced labour and child labour within their activities and supply chains.

Industry of Operation. JGL 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. JGL 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 categories of cattle and cereal grains. All other remaining goods from JGL's supply chain were not included in either indices; therefore, JGL 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. JGL procures goods from suppliers within Canada and the US. Both indices have identified Canada and the United States as having a low inherent risk to the use of child and / or forced labour.

Remediation of Forced & Child Labour

To date, there have been no instances identified by JGL of forced labour or child labour within its activities or supply chains. Therefore, JGL has not identified the need to enhance policies and due diligence mechanisms to reduce the risk of child labour and forced labour within its activities and supply chain.

Remediation of Vulnerable Family Income Loss

To date, there have been no instances identified by JGL of forced labour or child labour within its activities or supply chains. Therefore, JGL 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 its activities and supply chains.

Awareness Training

JGL 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, JGL does incorporate on the job training for new employees.

When onboarding new employees, part of this process includes training and job shadowing to ensure the individual understands the Company's standards and expectations.

JGL recognizes the opportunity to enhance employee training relevant to this Act and as a result, JGL will be evaluating applicable training for staff in the foreseeable future.

Assessing Effectiveness

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

JGL Activities

1. *Reporting on Workplace Incidents:* JGL will continue to track safety incidents and review all reported incidents on a frequent basis. Every employee has the right to know hazards, refuse unsafe work, and partake in identifying, solving, and correcting health and safety workplace concerns.
2. *Total Harassment Incidents:* JGL has a zero-tolerance for workplace harassment. All claims made regarding harassment will be reported to the supervisor or manager, Manager of Human Resources, General Manager and / or Company Owner, a confidential investigation into the complaint will be conducted and a resolution will be implemented. Discipline may range from verbal reprimand to suspension or dismissal, and the incident will be documented.
3. *Conduct and Behaviour Incidents:* JGL has a zero-tolerance for inappropriate conduct and behaviour. All claims made regarding this will be reported to the appropriate supervisor and manager. The Company investigates, resolves and retains documentation for each claim.
4. *Employee Training:* JGL will continue to track employee training completion metrics to ensure the completeness of mandatory courses.

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

JGL 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, JGL has mapped the supply chain to complete an initial 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, JGL has identified inherent risks within operational activities and supply chain that have inherent risks of child labour and/or forced labour.
3. *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:* See response on policies and due diligence – JGL has multiple mechanisms in place.
4. *Developing and implementing training and awareness materials on forced labour and/or child labour:* JGL has identified the opportunity to develop employee training relevant to child labour and/or forced labour.



- 5. *Developing and implementing procedures to track performance in addressing forced labour and/or child labour:* JGL 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 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.

<u>CHRIS OLFEI</u>	<u></u>
Full Name	Signature
<u>CFO</u>	<u>May 30 / 24</u>
Title	Date

I have the authority to bind JGL and this report covers the fiscal year ending August 31st, 2023, and applies to JGL and all entities considered reporting entities in terms of the Act and any controlling subsidiaries of JGL if they apply.