

FarmFed
THE NATURAL CHOICE



K&R Poultry Ltd, dba FarmFed

Modern Slavery Report

2024

Introduction

K&R Poultry Ltd (FarmFed) is a poultry processor based in Abbotsford, British Columbia.

This report is prepared pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada). As part of this report we will outline the steps taken in our financial year ended December 31, 2023 to prevent and reduce the risk that forced labour or child labour is used at any step of the procurement or processing of our poultry products.

This report covers our operations and the actions that we are taking to ensure that modern slavery is not taking place in our operations and supply chains.

Mission Statement

To consistently be a trustworthy, premium quality poultry processor by genuinely acting in the best interest of employees, vendors, customers and consumers.

Organization Structure

FarmFed is a privately held corporation that operates with a management team led by the CEO. The management team reports to the CEO. The CEO reports to the shareholders.

We are a poultry processor located in Abbotsford, BC and are known for a processing high quality poultry products for our wholesale and distributor customers. Farm Fed was started in 1996 as a poultry processing plant. We process chicken, duck, and turkey. We are a federally registered processing plant with the Canadian Food Inspection Agency. As such we are required to adhere to

rigid quality standards in the processing of our products. Our operations reflect the commitment we have to ensure the products we produce are safe for human consumption.

As well, we strive to produce a product which is consistently high quality and satisfying. The customers we sell to have praised the quality of our product – “it’s the best poultry produced on the market”. We are proud of the product we produce and the commitment our employees have to ensure we consistently achieve these same results.

Our processing occurs in a single facility and our size enables us to pivot quickly to meet our customer requirements. While most of our processing capability is taken up by poultry that we market ourselves, we do process some large batch custom processing for other producers and processors.

Processing activities and supply chain

Our raw material mostly consists of live poultry that is sourced from the Fraser Valley. This live poultry is grown for us on locally and family owned farms. With direct contact with the farm producers we are able to ensure that the live poultry meets our specifications for processing. In addition to live poultry, we do rely on other suppliers for packaging and equipment.

We have a strong focus on sourcing as much as we can from local suppliers and other suppliers within Canada and North America. We have a proven list of suppliers that we have developed for more than twenty five years. We partner with suppliers that share our commitment of quality, food safety and employee welfare. As a HACCP approved facility we maintain full traceability of our raw materials.

We are deeply committed to the highest standards of respect and integrity in our business relationships and activities. These standards apply within our organization and our expectations of our suppliers and contractors. We follow a fair sourcing process whenever possible while managing our supply chain

effectively, and we identify, assess and monitor areas in our supply chain where there may be a risk of forced labour or child labour.

If we identify a compliance issue, including but not limited to, child labour, forced labour or life-threatening health and safety situations, we may, as appropriate, suspend our relationship with those suppliers, work with them to determine whether satisfactory remediation of the compliance issue is possible and/or terminate relationships with suppliers who are unable or unwilling to remediate non-compliance.

Code of Conduct

FarmFed is committed to operating in accordance with the highest ethical standards and all applicable laws, rules, and regulations. Our Company expects compliance with all applicable laws, rules, and regulations, but also responsible and ethical behaviour. This policy extends to both employees and suppliers. We uphold the following practices and expect our suppliers to make similar commitments:

- Ensure that employment is freely chosen and forced, bonded, indenture or trafficking employment shall not be used
- Prohibit child labour in any circumstance
- Working hours will comply with local laws
- Compensation paid to workers shall comply with all applicable wage laws
- Commit to a workplace free of harassment, violence and discrimination

Recruitment Policy

FarmFed practices equal opportunity and fair hiring processes when hiring for open positions, and strives to hire only the most qualified individuals, based on their knowledge, skills, abilities, and other competencies. The Company has adopted this policy to ensure that all employees and potential candidates are

considered for employment opportunities through a consistent and fair approach.

Maintaining a Respectful Workplace

FarmFed strives to maintain a safe workplace by strictly enforcing its workplace bullying and harassment policy. Any complaints received are promptly investigated and corrective actions are determined. Regular re-training serves to reinforce this workforce code of conduct requirement.

FarmFed Policy on Forced and Child Labour

FarmFed maintains a zero-tolerance approach to forced and child labour regardless of with whom we work and where we do business. We are committed to complying with all relevant laws concerning forced and child labour and to preventing forced and child labour throughout our network of suppliers.

We expect our suppliers to take all reasonable steps to prevent and remediate the use of forced and child labour within their supply chains, both directly and indirectly. If credible concerns are reported or if the presence of forced or child labour is identified in a current or potential supplier's supply chains, we will conduct a thorough assessment of our collaboration with that supplier. Suppliers that are not in compliance will be terminated immediately.

Determining our risk

Internally

We believe that there is no risk of forced or child labour in our staff at our processing facility. We closely follow employment standards and ensure that the new hires meet the age and worker safety requirements as set out in the BC employment standards.

In our supply chain

Most of our product inputs are sourced from local farms and packaging suppliers. These suppliers are subject to the same employment standards and workplace safety that apply to our business. For that reason, when it comes to our business we assess the risk of forced labour or child labour as being negligible in terms of our direct suppliers.

In general we expect our suppliers to maintain the same ethical principles as our company in regards to treatment of all stakeholders including employees.

Assessment and management of risks in our supply chains and operations

FarmFed recognizes that some elements of our supply chain present a risk of forced labour or child labour. The ways we identify and manage this risk include:

- Applying our code of business conduct
- Enforcing our purchasing, human resources and occupational health and safety policies
- Engaging with our staff, suppliers, customers and other stakeholders as a way of identifying risk or non-compliance

- Completing reviews of supplier operations and practices as part of our supplier assessment program prior to supplier selection

Remediation Measures

In the last financial year, we did not identify any incidents of forced labour or child labour in our activities or supply chain. As a result we did not need to take any measures to remediate incidents of forced labour or child labour.

Should we identify any possible incidents of forced labour or child labour in our internal activities or with our supply chains we complete a thorough assessment of the incident. Corrective actions will commence immediately up to and including termination of the supplier relationship.

We have conducted training of the relevant personnel in regards to the Forced Labour and Child Labour in Supply Chains Act.

Our review process includes a review of all vendors to determine possible risk which is followed up with an inquiry to the vendor. We consider our review process to be effective in the prevention and detection of forced labour and child labour in our business and supply chains.

Remediation of 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

To date there have been no identified or reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

Effectiveness assessments to ensure that forced labour and child labour are not being used in its business and supply chains

To reduce and prevent the risk of forced labour and child labour within our operations and supply chain we complete the following:

- Conduct Occupational Health and Safety reviews
- Engage with our suppliers and communicate our code of conduct
- Supplier screening
- Preference for local supply and then within North America

We are currently developing a supplier code of conduct that we will share with our suppliers. This code of conduct will mirror the code of conduct that we use internally. FarmFed remains committed to preventing forced labour and child labour from taking place in our businesses and in our supply chains, and we will continue to review our policies, procedures and practices periodically to determine any potential enhancements.

Approval and attestation

This report was approved by our shareholders on May 27, 2024.

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.

A handwritten signature in black ink, appearing to read "Ken Huttema", is written over a solid horizontal line.

Ken Huttema

President, K&R Poultry Ltd (dba FarmFed)

May 27, 2024

I have the authority to bind K&R Poultry Ltd.