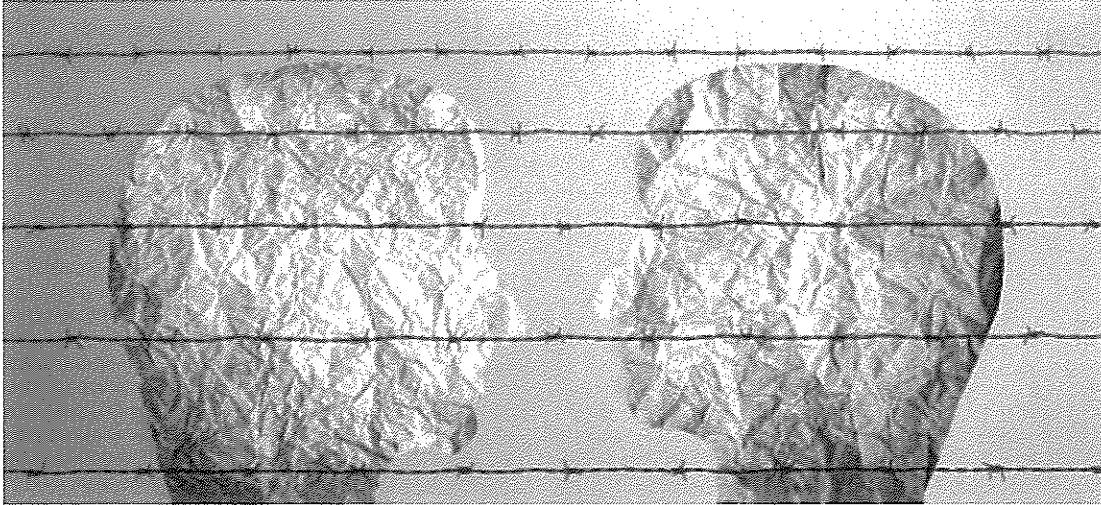


G Thompson Livestock Co. Inc.



G. Thompson Livestock Inc.

Forced Labour and Child Labour in Supply Chains Company
Assessment

G Thompson Livestock Co. Inc.

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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.

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Introduction

This report is G. Thompson Livestock Inc. ("TLC" 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).

TLC 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 TLC covered by this report is August 1, 2023 to July 31, 2024.

Structure, Activities & Supply Chain

TLC operates as corporations (Business Number 200781177) in Iron Springs, Alberta. TLC operates within the agriculture industry, buying Canadian cattle, occasionally cattle from the United States when needed, 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.

TLC 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.

Crops are also harvested on TLC farmland and used as feed for cattle within the feed yards. Crops include barley, silage and other feed crops.

TLC procures cattle directly from farmers, ranchers or through brokers. These purchases are predominantly made through Canadian suppliers, though periodically will also include suppliers from the United States. Cattle purchases account for roughly half of the total procurement spend, 10% of which are purchased from suppliers in the United States.

Feed yard procurement includes the provision of feed, veterinary supplies, and care for the animals. The Entity's feed yard needs are met through internal and external Canadian suppliers. TLC's feed purchases account for roughly one-quarter of the Entity's total procurement spend, excluding purchases related to homegrown feed. Feed suppliers are generally based in Canada, though sometimes purchase from suppliers within the United States. Veterinary supplies for cattle are purchased from a local veterinarian.

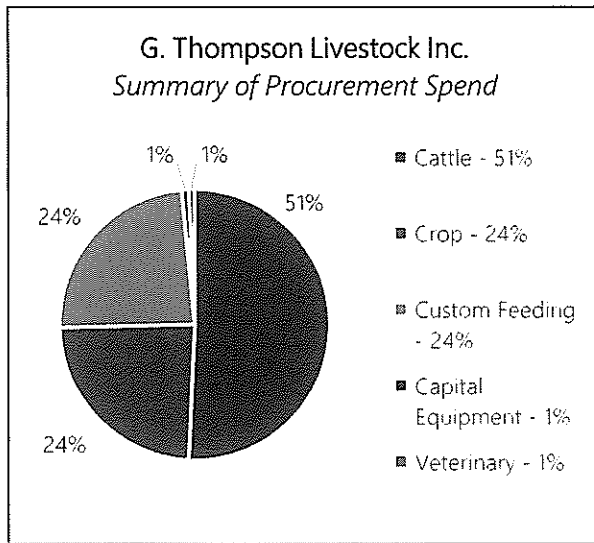


Figure 1: Summary of Procurement Spend

See Figure 1 for a breakdown of procurement spend across all activities, during the fiscal year.

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Policies & Due Diligence

TLC 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 and Documents

Employee Safety Manual

TLC has six guiding principles outlined in the Employee Safety Manual. The guiding principles include compliance with applicable laws, regulations, and industry standards. While this is not a defined policy, the commitment to adhering to laws and regulations reduces the risk of engaging in activities that may include child labour or forced labour. TLC has initiated a review of the Employee Safety Manual and will update policies as necessary.

The Employee Safety Manual includes 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.

This manual also explicitly states that TLC is an abuse-free workplace environment and provides individuals the right to address concerns with the Alberta Human Rights Commission as well as the right to consult with healthcare professionals for treatment or referrals as a result of workplace violence. Forms of harassment are defined within this Policy by the Canadian Human Rights Commission. Roles, responsibilities and procedures for addressing workplace harassment throughout the Entity are also defined.

The Employee Safety Manual defines the roles and responsibilities within the Entity including multiple safety rules, workers' rights, and adherence to laws and regulations. The Employee Safety Manual's roles and responsibilities state a worker's right to refuse work under unsafe conditions, ensure workers are adequately qualified for their work, and appropriate workplace behaviours are followed. TLC expects to implement Safety Data Sheets (SDS) as part of the update to the Employee Safety Manual.

The manual also states that inappropriate and discriminatory conduct and behaviour is unacceptable and could result in disciplinary action including termination of employment. A statement has been included regarding TLC adopting a fair, equitable, consistent, and positive work environment – using a positive approach and open communication.

Employees are required to sign the Employee Safety Manual at time of onboarding, to reflect their understanding and adherence to this manual.

Due Diligence Processes

Hiring Process

When the Entity is interviewing potential employees for hiring, part of its due diligence process is reviewing government-issued identification. This process verifies the identity and birthdate of the applicant and is retained in their employee file.

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When hiring a new employee, TLC provides an orientation process that will acquaint employees with the Entity's safety manual and other instructional material. TLC also intends to create a hiring and onboarding manual to support new employees.

Supplier Due Diligence

TLC has strong relationships with their suppliers including some lasting over two decades. These suppliers are well-known and reputable within the industry. These relationships have allowed for open lines of communication therefore, should an incident be raised regarding this Act, this method would allow the Supplier and TLC to discuss the incident further.

TLC recognizes the opportunity to enhance supplier due diligence as it relates to this Act and is continuing to better understand their supply chain to assess this risk.

Risk Assessment

A risk assessment of TLC'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 the 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 Labour.

Industry of Operation

TLC 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

TLC procures agriculture products. A risk assessment over the goods procured from material suppliers noted above 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, conclude that they 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 the direct suppliers only, specifically, the countries of head offices and direct business locations that TLC purchases from.

TLC procures goods from suppliers within Canada and the United States. Both indices have identified the countries as having a low inherent risk to the use of child and / or forced labour.

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Remediation of Forced & Child Labour

To reduce the risk of child labour or forced labour within TLC's activities and supply chain, TLC will continue to have conversations and engage with suppliers on the subject. TLC 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 TLC of forced labour or child labour within their activities or supply chains. Therefore, TLC 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

TLC 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, TLC does incorporate mandatory training for new employees of the Employee Handbook.

When onboarding new employees, part of this process includes reviewing the Employee Safety Manual 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 behaviour.

Further awareness regarding employee safety is facilitated through regular safety meetings and quarterly sessions aimed at reinforcing safety protocols and fostering open communication with staff regarding workplace safety and incidents.

TLC is exploring opportunities to provide training to all employees in identifying, assessing, and responding to risks of child labour and forced labour within the activities and supply chains of the Entity.

Assessing Effectiveness

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

1. Policy review: TLC reviews relevant policies to this Act on a frequent basis to ensure relevance and updates are made where required. TLC also initiates periodic review of supporting documents such as the Employee Safety manual to maintain best practices.
2. Total workplace safety incidents: TLC performs monthly safety meetings where discussions are had to review all safety-related concerns, incidents and workplace hazards in an effort to remediate and minimize all safety incidents.
3. Total harassment incidents: TLC has a zero-tolerance for workplace harassment. All claims made

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regarding harassment will be reported to management and promptly investigated. And pursued, noting consequences up to and including termination of employment.

4. Conduct and behaviour incidents: TLC 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.
5. Employee training: TLC will continue to track employee training completion metrics to ensure the completeness of mandatory training.

Steps Taken To Prevent and Reduce the Risk of Child Labour or Forced Labour

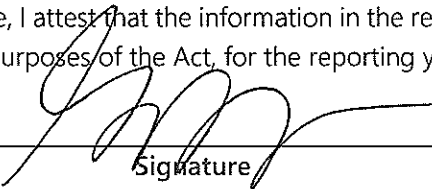
TLC has taken the following steps to prevent and reduce the risk of child labour or forced labour:

1. Mapping supply chains: As part of this report, TLC has mapped their supply chains 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, TLC has identified risks within their activities and supply chains 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 policies and due diligence processes section – TLC has identified processes in place.
4. Developing and implementing training and awareness materials on forced labour and/or child labour: TLC has identified the opportunity to implement training content related to this Act for employees.
5. Developing and implementing procedures to track effectiveness in addressing forced labour and/or child labour: TLC has identified methods of assessing effectiveness in addressing forced and/or child labour within internal activities.

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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.

Glen Thompson 
Full Name Signature

President May 26/25
Title Date

I have the authority to bind G. Thompson Livestock Inc.