

# Hudson Cattle Co. Inc.

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Forced Labour and Child Labour  
in Supply Chains Company Assessment

# Table of Contents

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Executive Summary ..... 3

Introduction ..... 4

Structure, Activities & Supply Chain..... 4

Policies & Due Diligence..... 5

Risk Assessment..... 5

Remediation of 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 or Forced Labour ..... 7

Attestation..... 7

## 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.

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 Hudson Cattle Co. Inc.'s (HCC) 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).

HCC 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 revenue and asset thresholds.

The financial year of HCC covered by this report is its fiscal year ending August 31st, 2024.

## Structure, Activities & Supply Chain

Hudson Cattle Co. Inc. (Business Number 136352093) operates as a corporation principally located in Alberta, Saskatchewan and Manitoba, Canada.

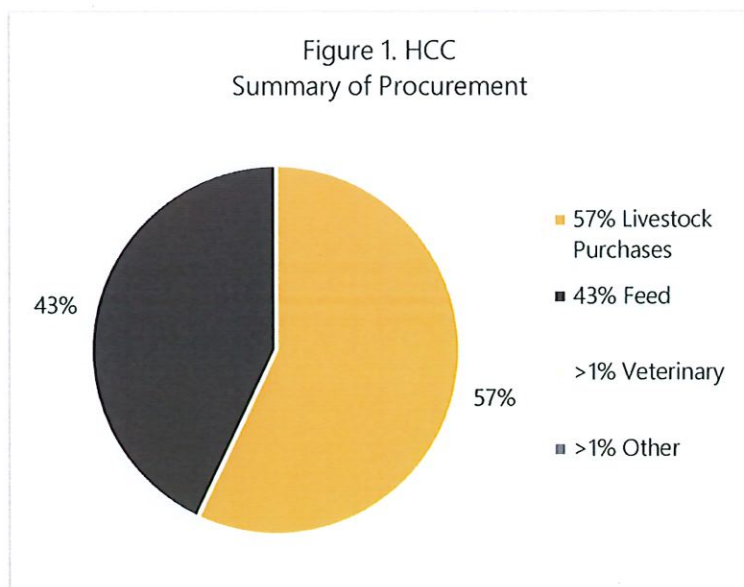
HCC operates in the agriculture industry, buying cattle and feeding them until they meet the size specifications for sale. Once the size specifications are met, these cattle are sold to third-party buyers and meat markets within Canada.

HCC hires custom feed yard services in Canada where calves, stockers, or yearlings are fed to slaughter weights. Custom feeding programs aim to yield positive returns on investments by leveraging feedlot resources, innovative technology, and effective marketing practices.

Within Canada, HCC procures cattle from farms, auction sales and brokers; it outsources feeding and handling and sells these cattle to other parties.

Goods that account for 1% or more of goods purchased are cattle and feed. Veterinary expenses and capital equipment account for less than 1% of purchases. See Figure 1 for a breakdown of HCC's procurement as it primarily relates to the activities of purchasing cattle and feed.

This analysis was performed over material suppliers, which - for the purposes of this report, are those suppliers who account or at least 1% of HCC's total procurement spend over the 2024 fiscal year.



## Policies & Due Diligence

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### Current Policies

Hudson Cattle Co. Inc. outsources the entirety of cattle rearing activities to custom feedlots, meaning that it does not hire employees. Therefore, it does not have written, formal policies and procedures in regards to employees.

### Due Diligence Process

**Supplier Contracts.** When choosing and selecting suppliers to engage with, HCC considers community reputation, past performance, commodity pricing, and the likelihood of delivery. The organization collects information on first-tier (direct) suppliers, including name and address, company (if applicable). The company will approve, monitor, and oversee supplier performance; although, there is no formal policy to guide buyers on the buying process. As part of its continuous improvement efforts, HCC is exploring the inclusion of a Supplier Code of Conduct and forced and child labour clauses in contracts as they come up for renewal.

## Risk Assessment

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A risk assessment over HCC'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 *U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor*.

HCC has begun the process of identifying the risk of forced labour and child labour within its activities and supply chains and recognizes the need to strengthen and expand this work over time, including efforts to gain visibility beyond direct suppliers.

**Industry of Operation:** HCC operates within the agriculture industry. Given that both indices referenced 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:** HCC procures agricultural 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 HCC's supply chain were not included in either index; therefore, HCC concludes that these remaining goods currently present a low inherent risk of child labour or forced labour.

**Countries From Which Goods Are Procured:** For the purposes of this risk assessment, the analysis focuses on direct suppliers. HCC procures goods from suppliers located within Canada and the United States. Both indices have identified these countries as having a low inherent risk related to the use of child and/or forced labour.

## Remediation of Forced & Child Labour

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While no instances have been identified to date, HCC is committed to taking appropriate remediation measures should any case of forced labour or child labour be discovered in its operations or supply chains.

## Remediation of Vulnerable Family Income Loss

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

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While HCC does not have employees, it recognizes the value of ongoing awareness for those involved in supplier oversight and may explore informal guidance or resources for key decision-makers.

## Assessing Effectiveness

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

- 1. Supplier Agreements:** Existing and new suppliers are founded on a basis of mutual trust and implicit understanding that there is value alignment. While formal performance tracking tools are limited, the company continues to monitor supplier conduct and will enhance oversight practices as part of its ongoing risk management.
- 2. Supplier Monitoring:** The company will continue to communicate with suppliers about ethical employment practices and would terminate business dealings with vendors who do not share values alignment with HCC in any dealings that might result in unethical treatment of the individuals they employ. HCC has a supplier quality monitoring process, where activities are monitored issues are identified and remediated, where this remediation may be up to and including a price adjustment on the commodity itself.

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

HCC 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, HCC has mapped the supply chain to complete an initial risk assessment to align with the Act.
2. **Conducting Risk Assessments:** HCC has conducted an internal assessment of the risks of forced labour and/or child labour within its operational activities and supply chains, identifying areas with inherent exposure.
3. **Developing Due Diligence Policies and Processes:** Hudson Cattle Co. Inc. does not directly employ staff, as all cattle rearing is outsourced to custom feedlots. As a result, it does not maintain internal HR policies. When selecting suppliers, HCC considers factors such as community reputation, past performance, pricing, and delivery reliability. Information is collected on direct suppliers, including names and addresses, and supplier performance is monitored; however, there is currently no formal policy in place to guide purchasing decisions.
4. **Tracking Performance:** HCC 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.

Todd Hudson

Full Name

Pres

Title

[Handwritten Signature]

Signature

May 30/25

Date

I have the authority to bind HCC and this report covers the fiscal year ending August 31st, 2024.