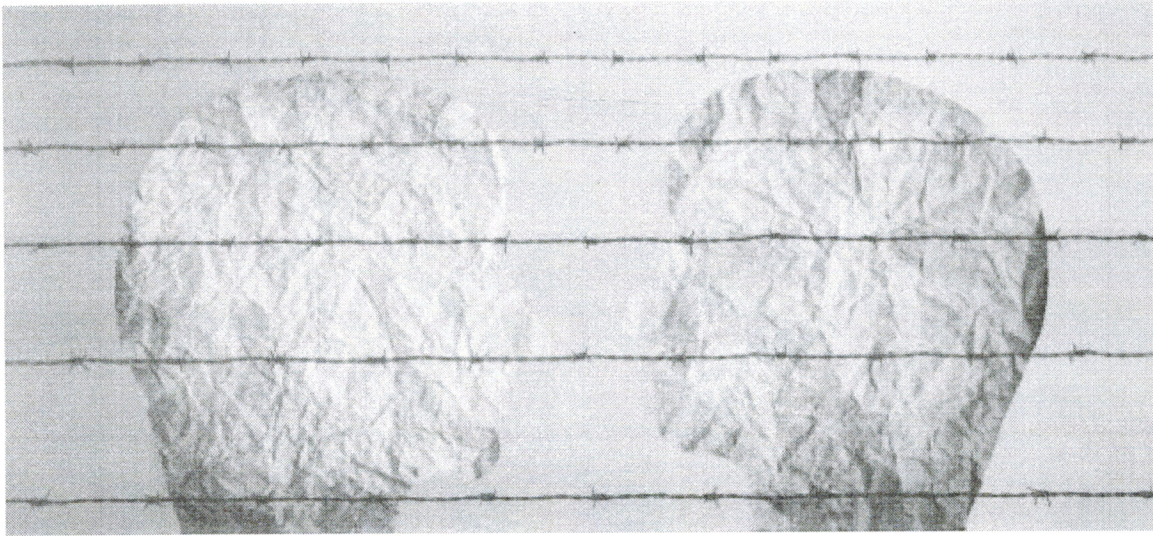




Box 1227
Fort Macleod, AB
TOL 0Z0



Larson Custom Feeders Ltd.

Forced Labour and Child Labour in Supply Chains Company
Assessment



Box 1227
Fort Macleod, AB
T0L 0Z0

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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 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.

Introduction

This report is Larson Custom Feeders Ltd. ("Larson" and/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).

Larson 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 year of Larson covered by this report is for the year ended June 30, 2024.

Structure, Activities & Supply Chain

Larson operates as a corporation (Business Number 866106099) located at Box 1227 Fort Macleod, Alberta TOL 0Z0.

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

Larson procures Canadian cattle directly from farmers, auction marts or through brokers in Canada.

Crops are harvested on Larson's farmland and used as feed for cattle within the feed yards or, sold within Canadian commodity markets. Crops include barley, canola, wheat, silage (barley, corn, and oats), and straw. Seed, fertilizer, and chemicals for crop production are purchased from Canadian suppliers.

The Entity also purchases crops to be used in feeding cattle within the feed yard. Veterinary supplies for cattle are purchased from a local veterinarian.

Policies & Due Diligence

Larson has the following policies and due diligence procedures in place to mitigate the risk of child labour and forced labour within its internal activities and supply chain:

Internal Policies

Workplace Harassment and Violence Policy – Alberta Occupational Health and Safety ("OHS") Act

Larson adheres to Alberta's OHS Act. A copy of the Alberta OHS Act and specifically contents related to workplace harassment and violence per the Alberta OHS Act are posted in workplace areas for employee visibility. Forced labour and/or child labour are not explicitly stated within the posted document but aspects and clauses of the document speak directly to the expected treatment and behaviour of employees.

Due Diligence Processes

New Employee Onboarding

When onboarding new employees, Larson requires individuals to job shadow and train under a seasoned employee. This practice ensures the effectiveness of workplace safety protocols and provides a general understanding of job safety and expectations as it relates to the employees' duties.

New Employee Hiring Process

When Larson is interviewing potential employees for hiring, part of its due diligence process is reviewing government-issued proof of identification. This process verifies the identity and birthdate of the applicant. The Entity adheres to Alberta's Employment Standards Code (Code) which establishes Alberta's minimum standards of employment in areas such as but not limited to minimum wage and employment age restrictions. The Code also requires employers to collect and validate information and maintain an employee file. These records must be maintained for at least three (3) years from the date each record was generated. Forced labour and/or child labour are not explicitly stated within the posted document however aspects and clauses of the document speak directly to the expected treatment and behaviour of employees.

Open-Door Policy

Larson has an informal open-door policy in place for employees to voice their concerns to a manager. Employees are instructed at the time of onboarding on who to approach, should there be a concern related to the workplace.

Supplier Due Diligence

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

Larson recognizes the opportunity to enhance internal policies and due diligence processes as it relates to this Act. The Entity is continuing to understand its supply chain to assess this risk.

Risk Assessment

A risk assessment of Larson's industry of operation, goods procured, and the 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 Labor*.

Industry of Operation

Larson 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

Larson 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, corn, and wheat.

All other remaining goods were not included in either of the indices therefore, conclude that they have a low inherent risk of child labour and/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 Larson purchases from.

Larson 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.

The results above indicate that there is a risk of forced or child labour within the agriculture industry. This does not mean that evidence of forced labour or child labour was found to support this risk analysis but that more auditing and monitoring will be needed to reduce the risk in these areas.

Remediation of Forced Labour & Child Labour

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

Awareness Training

Larson does not have training in place on the topic of child labour or forced labour. However, of the policies and due diligence processes identified above relevant to this Act, Larson does incorporate training for new employees from experienced personnel and adheres to provincial regulations and guidelines.

Larson 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 Larson's effectiveness of procedures to mitigate the risk of child labour and forced labour, the Entity will continue to conduct supplier monitoring. Though not a formal process, discussions will continue to exist with suppliers regarding issues that may impact Larson's supply chain. Larson has identified the opportunity to incorporate discussions with suppliers, related to this Act.

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

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

- **Mapping activities:** As part of this report, the Entity has mapped its activities to understand its activities and supply chain.
- **Mapping supply chains:** Identifying components of the Entity's supply chain including who the suppliers are, country of origin, as well as the good 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:** The Entity adheres to Alberta's Occupational Health and Safety Act and Employment Standards Code, although neither have specific clauses regarding voluntary recruitment of forced and child labour. As a general due diligence measure (internal control), government-issued proof of identification is verified at the time of hiring. The Entity has an informal Open-Door policy to report incidents or concerns to a manager. New employees are trained by experienced personnel through job shadowing. There is an individual appointed by the Entity to oversee policies and compliance.



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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.

Theodore Larson

Full Name

Signature

Owner

Title

05/28/25

Date

I have the authority to bind Larson Custom Feeders Ltd.