



Peter Heins & Sons Farms Ltd.

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.

The 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 step 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 outlines Peter Heins & Sons Ltd. (“Peter Heins”, “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).

Peter Heins 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 Peter Heins covered by this report is for the year ending December 31, 2024.

Structure, Activities & Supply Chain

Peter Heins operates as a corporation (Business Number 884783580) located at PO Box 21, Diamond City, Alberta.

Peter Heins operates within the agriculture industry, buying Canadian cattle and 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.

Peter Heins grows, purchases, and sells crops to be used in feeding livestock or to resell in the commodity markets within Canada. These crops include silage, wheat, canola, barley, hay, and straw.

Peter Heins 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.

Within Canada, Peter Heins procures cattle directly from farmers and auction marts and through brokers. Feed yard services include the provision of feed, veterinary supplies, and care for the animals. Feed crops, including silage, wheat, canola, barley, hay, and straw are homegrown. Veterinary supplies for cattle are purchased from a local veterinarian. Fuel is incorporated among all three main activities.

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

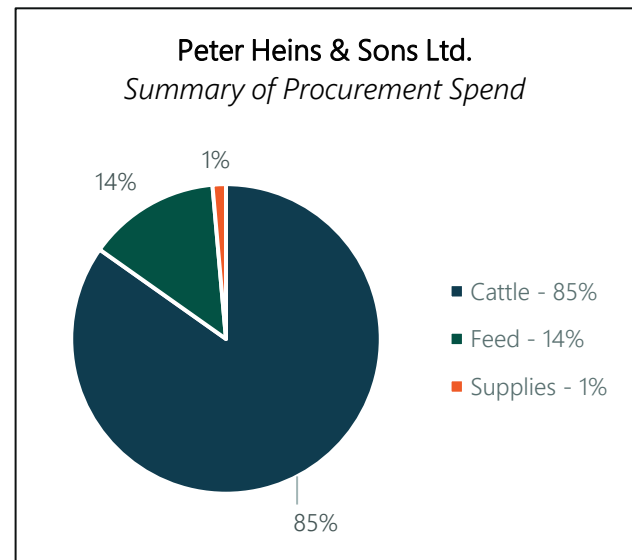


Figure 1: Summary of Procurement

Policies & Due Diligence

Peter Heins has the following policies and due diligence procedures in place to mitigate the risk of child

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labour and forced labour within internal activities and their supply chain.

Internal Policies

Employee Onboarding

When onboarding new employees, Peter Heins 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 as it relates to the employees' duties. New employees are walked through the Employee Handbook, which includes topics relating to employee well-being.

Employee Handbook

Peter Heins has developed a handbook that is supplied to new and existing employees. The Employee Handbook covers topics including employee conduct and safety. The handbook specifically mentions Bill S-211. It also has a section on Anti-Discrimination and Harassment that explains that these behaviours are not acceptable and not tolerated at Peter Heins & Sons.

Open-Door Policy

Peter Heins has an informal open-door policy in place for employees to voice their concerns. During the onboarding process, employees are instructed on who to approach should there be a concern related to the workplace. This Policy is also described in the Employee Handbook.

Employment Standards

The entity follows the Alberta Employment Standards, which specifies minimum standards employers must provide employees, including expectations and guidelines relating to working conditions, hours and hiring youth.

Due Diligence Processes

Onboarding Process

The New Employee Hiring Process includes interviewing potential employees for hiring and requests government-issued identification ("ID") to verify identity and birthdate of the applicant.

Supplier Contracts

When selecting suppliers to engage with, Peter Heins considers community reputation, past performance, commodity pricing, and the likelihood of delivery. 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.

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

Risk Assessment

A risk assessment of Peter Heins' 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 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*.

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Industry of Operation

Peter Heins 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

Peter Heins procures agriculture products. A risk assessment of the goods procured from suppliers has been conducted and identified an initial inherent risk of forced and / or child labour within the following categories: cattle, cereal grains, and wheat. All other remaining goods were not included in either of the indices, therefore, Peter Heins 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. Peter Heins procures goods from suppliers within Canada. Both indices have identified Canada as having a low inherent risk to the use of child and / or forced labour.

Remediation of Forced Labour & Child Labour

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

Peter Heins 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, Peter Heins does incorporate training for new employees from experienced personnel.

Peter Heins 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 company.

Assessing Effectiveness

Peter Heins does not have training in place on the topic of child labour or forced labour. However, when onboarding new employees, part of this process includes job shadowing of experienced employees and

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reviewing the employee handbook that is provided to them. This training emphasizes the importance of job safety and familiarizes these individuals with the protocols and procedures to be followed, to ensure adherence to appropriate conduct.

Peter Heins recognizes the opportunity to enhance employee training relevant to this Act, therefore, will be evaluating applicable training for staff in the foreseeable future.

Steps Taken by Entity

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

1. 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.
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, the Entity 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: Policies and due diligence processes identified that are relevant to this Act including employee hiring and onboarding processes, Open-Door Policy, Employment Standards, and supplier due diligence.
4. Monitoring suppliers: Peter Heins has identified the opportunity to integrate monitoring of key suppliers, as it relates to assessing and 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 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.

Justin Heins

Full Name

Justin Heins

Signature

Shareholder

Title

May 15, 2025

Date

I have the authority to bind *Peter Heins and Sons Farm Ltd.*