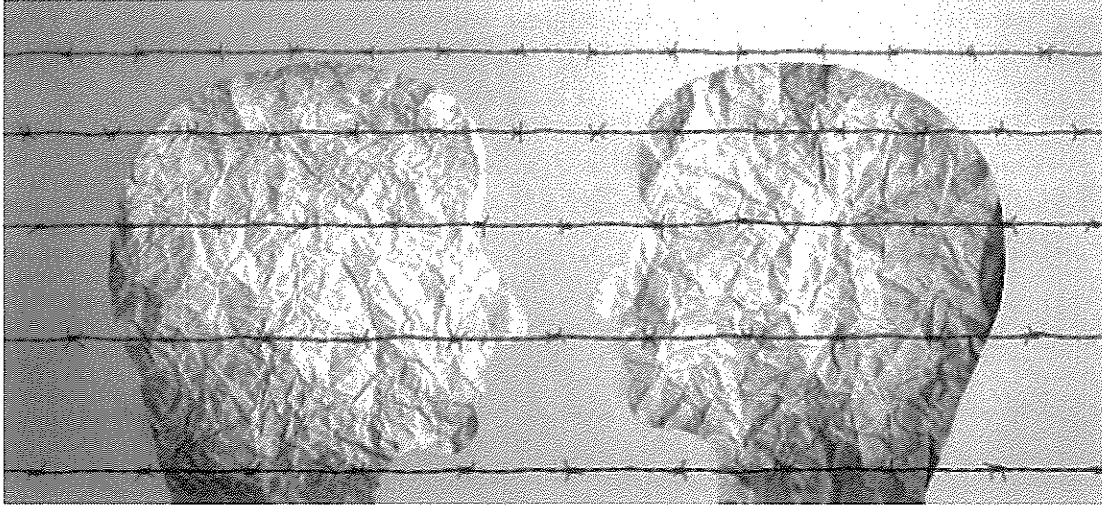


Sundial Cattle Co. Inc.



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Forced Labour and Child Labour in Supply Chains Company
Assessment

Sundial Cattle Co. Inc.

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Sundial Cattle Co. Inc.

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.

Sundial Cattle Co. Inc.

Introduction

This report is the Sundial Cattle Co. Inc. (“SCC”) 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).

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

Structure, Activities & Supply Chain

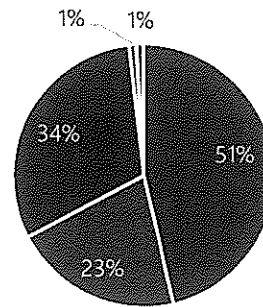
SCC operates as a corporation (Business Number 709059299) at PO Box 142, Iron Springs, Alberta, T0K 1G0. Operations of SCC are within the agriculture industry, specializing in cattle distribution.

SCC does not directly employ personnel but instead contracts personnel from a related company, outside the scope of this compliance report. As a result, there are no specific policies governing the conduct and expectations of a workforce or, employee training provided by SCC. While describing policies and training are required per the Act, these sections are not applicable for SCC and have therefore been removed from this report.

SCC operates within the agriculture industry, buying cattle from the United States, and feeding the cattle until they meet the size specifications for sale. Cattle are custom fed within feedyards located in the United States. Once size specifications are met, these cattle are distributed to slaughterhouses and meat markets across the United States. The company also ensures that animal welfare is kept top priority by monitoring feed and water intake.

SCC procures cattle directly from farmers and ranches across the United States. The remaining supply chain is made up of feedyard-related purchases including feed, veterinary supplies etc., all purchased from vendors within the United States. A breakdown of SCC’s procurement spend can be seen in Figure 1.

Sundial Cattle
Summary of Procurement Spend



- Cattle Purchases - 51%
- Custom Feeding - 24%
- Crop - 24%
- Veterinarian - 1%
- Capital Equipment - 1%

Figure 1: Summary of Procurement Spend

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Due Diligence

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

SCC 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 over SCC'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 US Department of Labor's List of Goods Procured by Child Labor or Forced Labour.

Industry of Operation

SCC 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

SCC procures agriculture products related to cattle and feedyard operations. 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 cattle.

All other remaining goods were not included in either indices therefore, SCC 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. SCC only procures goods from suppliers within the United States. Both indices have identified the United States 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 SCC's activities and supply chain, the company

Sundial Cattle Co. Inc.

will continue to have conversations and engage with suppliers on the subject. SCC 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 SCC 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.

Assessing Effectiveness

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

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

SCC 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 company'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, both entities have identified risks within their activities and supply chains that have inherent risks of child labour and/or forced labour.

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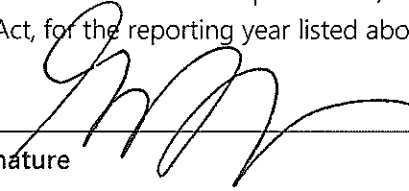
Attestation

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

Title

Date

May 26/25

I have the authority to bind Sundial Cattle Co. Inc.