

Taber Home and Farm Centre 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.

In compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, Taber Home and Farm Centre Ltd. (“THF”, or “the Company”) has begun prioritizing the analysis of forced labour and child labour. THF and Agri-Flow Equipment and Supply Ltd. (“Agri-Flow”) have statements and policies in place that emphasize our commitment to human rights and abiding by local and international legislation but also recognise there is always room for continuous improvement. THF and Agri-Flow policies, employee manuals, and everyday practices serve as a strong foundation as we look to implementing more anti-forced labour and anti-child labour measures. As a growing, socially conscious agricultural and construction supply companies, THF and Agri-Flow recognize and are strongly committed to removing the risk of forced labour and child labour in our operations and supply chains.

Background

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. There are eight mandatory reporting areas that must be investigated and reported on which include:

- The steps the entity has 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.
- 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.

The financial year for which THF is reporting is March 1, 2023, to February 28, 2024. This is the first version



of the report submitted, and the report is for the entities, THF and Agri-Flow. This is a joint report that includes Agri-Flow Equipment and Supply Ltd. (formerly 'Banga's Equipment Canada Ltd.').

Structure

THF operates as a private corporation located in Alberta. We specialize in selling agricultural inputs, construction materials, and bulk fuel exclusively within Canada. While our sales are limited to domestic markets, we actively distribute our products to other provinces, notably British Columbia and Saskatchewan. Additionally, we import moisture probes from the United States of America (US), while sourcing all other products from Canadian distributors. We offer a comprehensive range of products and services including building materials such as ceiling grid and tiles, windows and doors, lumber, and roofing. Furthermore, we supply items for agricultural purposes including seed, crop protection, plant nutrition, tanks, and equipment, alongside services covering electrical, plumbing, insulation, and drywall.

Agri-Flow Equipment and Supply Ltd. ("Agri-Flow") is also located in Alberta, and specializes in supplying used farming machinery, vehicles, and premium and specialty agriculture equipment in southern Alberta. Agri-Flow operates in Canada and the United States, and imports goods from the US and some parts of Europe. We offer servicing for agricultural equipment in Canada and the US and focus primarily on importing and retailing farm equipment, particularly row crop machinery.

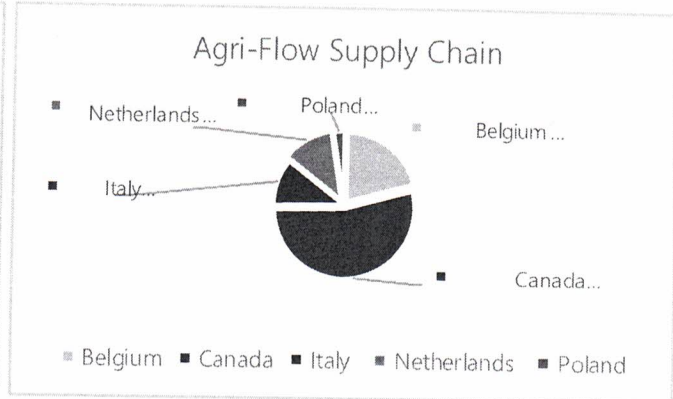
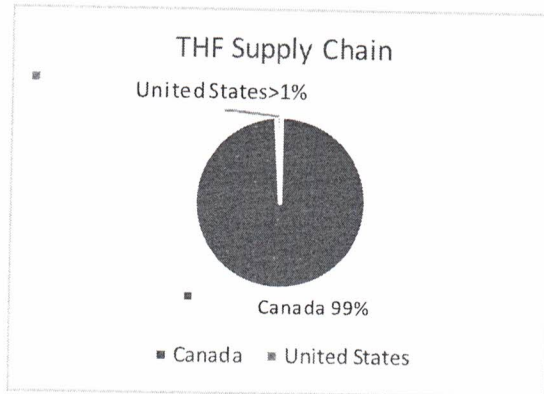
As per the consolidated financial statements of THF, in the year March 1, 2023 – February 28, 2024, we had more than \$20 million in assets, generated more than \$40 million in revenue, and currently have 41 employees. Therefore, meeting the Bill S-211 reporting requirements, with two out of the three compliance thresholds related to revenue and assets have been met.

Activities

Both entities procure inventory for resale or distribution either directly to customers or distributed to other businesses or outlets for further sale. We sell construction and agriculture-related products and services, and THF distributes solely within Canada, specifically within Alberta, British Columbia, and Saskatchewan. While Agri-Flow also provides servicing for farming equipment across Canada and the United States.

Supply Chain

The majority of products procured for THF originate from Canadian suppliers. The figure below represents the makeup of our supply chain by country.



Agri-Flow directly imports from 21,971 suppliers with 19,594 based in Canada and 2,377 from outside of Canada. While THF has 158 suppliers with 157 from Canada and 1 from the United States. The pie charts below demonstrate the percentage of spend per country for both THF and Agri-Flow at a high level: Suppliers which are $\leq 1\%$ of Agri-Flow's total number of suppliers, and not included in the figure above, include United Kingdom and Ireland.

Policies and Due Diligence

Policies and procedures within THF and Agri-Flow are not fully aligned. However, both our entities follow the same principles and are committed to the prevention of child labour and forced labour within our supply chain and operations. While principles are the same there are variances in policy content and due diligence procedures followed to ensure fulfilment of our commitment to this cause. This will be evaluated as we mature our current practices.

Current Policies

THF Employee Policy Manual

Our Employee Policy Manual clearly outlines payment structures, ensuring that all employees are compensated accordingly, with overtime pay provided for hourly workers in line with legislative requirements. Furthermore, the policy mandates a maximum work week of 40 hours, with overtime paid at 1.5 times the regular wage for any additional hours worked. The Employee Policy Manual also has a Refusal to Work clause, allowing employees to refuse work, should they believe their own, or a co-worker's safety is in danger. Furthermore, our code of ethics explicitly emphasizes zero-tolerance approach to any form of wrongdoing or impropriety. Given that forced and child labour are illegal activities, the policy implies prohibition against such practices within the company. Employees are required to sign the Employee Policy Manual as a confirmation of their understanding and commitment to comply with company policies.

Agri-Flow - Banga's Employee HR Manual

Our Employee HR Manual highlights our adherence to the overtime legislation of Alberta and ensures



workplace rights under the Alberta Human Rights Act, including freedom from harassment and discrimination. The Employee HR Manual also states the procedure for filing complaints regarding harassment and discrimination. Our Code of Conduct states that any acts of misconduct are subject to disciplinary actions, including termination, when necessary. Additionally, the Whistle-Blower policy, within the Employee HR Manual, provides a channel for reporting and investigation of any perceived unethical behaviour. Together, these policies serve as safeguards against forced labour and child labour.

Due Diligence

Supplier Questionnaires

As part of our commitment to prevent child or forced labour within our supply chain THF and Agri-Flow have requested that suppliers that pose the highest risk to them complete a questionnaire. This questionnaire is used to obtain confirmation from suppliers that they do not engage in child and or forced labour. Suppliers that have responded to the questionnaire have indicated that they have not identified any instances or unmitigated risks of forced labour or child labour within their business activities, operations, or supply chains. Additionally, a number of suppliers have also provided signed attestations that they do not tolerate child or forced labour within their organisations or supply chains.

Agreements

Agri-Flow supplier contracts stipulate that suppliers are governed by the laws of the province of Alberta. Additionally, certain agreements require the supplier to comply with all federal, provincial, state, and local laws. As such the Alberta Employment Standards would apply, which mandates the payment of at least minimum wage, overtime as per regulations and the employment of children is strictly regulated in line with the Education Act. Moreover, individuals under 15 years old may not be employed without written consent from their parent or guardian and approval from the Director, unless specific regulations and conditions are satisfied. These provisions underscore the company's commitment to upholding labour laws and safeguarding the rights of workers, particularly concerning child labour regulations.

Onsite Visits

Agri-Flow performs routine onsite visits to key supplier operations as part of the onboarding process. These visits strengthen supplier relationships and establish open lines of communication should any issue arise relating to the procurement of Agri-Flow's products. However, while onsite visits are done, there is work needed to update what is looked for as part of these onsite visits.

Awareness Campaign

As part of our ongoing commitment to ethical standards and compliance, THF and Agri-Flow introduced a new annual awareness campaign aimed at educating employees about Bill S-211. This initiative was conducted via email and was designed to ensure that all staff members were fully aware of our stance against forced labour and child labour. By incorporating this campaign into our yearly routine, we aimed to reinforce our dedication to upholding human rights and maintaining transparency within our operations. This effort not only informed employees of the legal obligations under Bill S-211 but also

promoted a culture of ethical responsibility and vigilance, reinforcing the company's zero tolerance for any practices that undermined our core values.

Tone At The Top

THF took significant steps to reinforce our commitment to ethical practices by emphasizing a tone at the top approach to Bill S-211. Our leadership team diligently reviewed the provisions of the 2024 Bill S-211 report and reinforced our commitment to fostering a culture of transparency and accountability across all levels of the company. Our leaders made concerted efforts to communicate the importance of these regulations, thereby solidifying our resolve to prevent any form of forced or child labour within our operations and supply chains.

Risk Identification and Management

A risk assessment over THF industry of operation, goods procured, and countries goods are procured from has been performed over material direct suppliers. For the purposes of this report, material suppliers are those who account for at least 1% or more of THF's total procurement spend.

This 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 Labour's List of Goods Produced by Child Labour or Forced Labour.

Industry of Operations

THF operates within the agricultural inputs, construction materials, and bulk fuel industry. Given the two indices noted above a low inherent risk has been identified of risks of child labour and forced labour.

Countries Goods are Procured From

THF does have visibility into where its suppliers' operations are based, and where factories are located. The risk assessment was based on this data.

A total of 7 countries have been identified for where goods are procured from. Of this list, none have been identified as having a risk exposure of child labour or forced labour, according to the two indices. The total number of supplier countries of origin have been summarized by continent:

1. North America: USA, Canada
2. Europe: Netherlands, Poland, Belgium, Italy, United Kingdom, Ireland

Goods Procured

The products which THF distributes fall into the categories of agricultural inputs, construction materials, and bulk fuel. Using the two indices, an inherent risk of forced and/or child labour has been identified among the following categories of goods:

1. Construction materials: Bricks, Cement, Gypsum

While there may be an inherit risk associated to these items it is mitigated by the fact that they are

produced in Canada which has a low inherent risk. All other remaining goods procured are not specifically identified within the two indices, therefore it has been concluded that they have a low-inherent risk exposure. Further analysis and understanding by THF will be undertaken to mature our approach to identifying and reducing the risk of child labour or forced labour.

Remediation of Forced and Child Labour

We are committed to identifying human rights incidents and violations that occur within our operations and communities. As there were no incidents related to forced or child labour reported to or noted within THF and Agri-Flow, there hasn't been any need for the entities to report, correct or remediate any incidents of forced or child labour. THF and Agri-Flow recognize the significant impact forced and child labour can have on individuals and their families and thus rely on the stringent policies and procedures in place currently to ensure that our supply chain is free of unethical practices while holding THF, Agri-Flow, and its suppliers up to the highest standards.

Awareness Training

Both THF and Agri-Flow do not have formal training in place on the topic of child labour or forced labour. However, when Bill S-211 was established, the management of THF circulated information related to the recent announcement of Bill S-211 by the government to increase awareness and knowledge towards the subject of child labour and forced labour among its employees.

Additionally, when we onboard new employees, part of the process includes reviewing and signing the employee manuals of each entity to ensure the individual understands the company's standards and expectations. Our onboarding process will be reviewed to ensure it suitably addresses our commitment to the prevention of child labour and forced labour within our supply chain and operations.

As a consolidated entity we recognize the opportunity to enhance employee training relevant to this Act, therefore, will be evaluating applicable training for staff in the foreseeable future as well as updates to the onboarding process to enhance compliance and awareness of child and or forced labour.

Self-Assessment Process and Requirements

As a consolidated entity we are in the ongoing process of understanding and evaluating our supply chain and as part of this process, we will evaluate our processes to understand areas of improvement especially around self-assessment processes including key performance indicators (KPI) metrics, internal audits, quality assessment programs to ensure the implementation of the Child and Forced Labour Policy. We will continue to review our practices to enhance the rigor of self-assessment processes to identify how effective it is ensuring that forced and child labour are not being used in our business and supply chains.

Conclusion and Key Takeaways

THF and Agri-Flow are dedicated to identifying and addressing human rights violations within our



operations and supply chains, particularly concerning forced and child labor. Although no incidents have been reported, we maintain stringent policies and procedures to prevent unethical practices.

Efforts have been made to raise awareness among employees through the circulation of information related to Bill S-211 and the inclusion of the company's standards in the onboarding process. Improvements in employee training and onboarding processes are planned to further enhance compliance and awareness.

THF is also focused on refining our self-assessment processes and identifying areas for improvement. These measures aim to ensure that forced and child labor are not present in our business operations and supply chains.



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.

Michael Dwell

Full Name

Signature

General Manager

Title

April 7, 2025

Date

I have the authority to bind *Taber Home and Farm Centre Ltd.* and this report covers financial year *February 28th, 2024*, and applies to *Taber Home and Farm Centre Ltd.* and all entities considered reporting entities in terms of the Act and any controlling subsidiaries of *Taber Home and Farm Centre Ltd.* if they apply.