

Hutterian Brethren of Codesa

Forced Labour and Child Labour in Supply Chains Company
Assessment 2026

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Executive Summary

Forced labour exists in every country and across all sectors. The International Labour Organization estimates that approximately 27.6 million people are victims of forced labour worldwide, including 17.3 million within the private economy. Risks of forced and child labour primarily arise through the global supply chains of businesses. Consequently, there is a risk that goods imported into and distributed within Canada may have been produced using forced or child labour. Entities and government institutions operating in Canada have a responsibility to address and eradicate exploitative practices from their supply chains.

Background

The measures introduced through 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 took during the previous financial year to prevent and reduce the risk of forced labour or child labour in its production processes in Canada or abroad, including goods imported into Canada.
- The entity's structure, activities, and supply chains.
- The entity's policies and due diligence processes regarding forced labour and child labour.
- The areas of its business and supply chains that present a risk of forced labour or child labour, and the actions taken to assess and manage these risks.
- Any measures implemented to address instances of forced labour or child labour.
- Actions taken to support vulnerable families impacted by the elimination of forced labour or child labour within the entity's activities and supply chains.
- Training provided to employees on identifying and addressing forced labour and child labour.
- How the entity evaluates the effectiveness of its efforts to ensure forced labour and child labour are not present in its business and supply chains.

Introduction

This report is Hutterian Brethren of Codesa's response to Bill S-211, An Act to support 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).

The entities covered by this report include Hutterian Brethren of Codesa (business number: 862943164), Codesa Colony Farming Co. Ltd. (business number: 859478158), Codesa Colony Equipment Co. Ltd. (business number: 854525250), Codesa Planning Co. Ltd. (business number: 834550337), and 2086618 Alberta Ltd., (business number: 746417880).

Hutterian Brethren of Codesa controls Codesa Colony Farming Co. Ltd. ("Farming Co."), Codesa Colony Equipment Co. Ltd. ("Equipment Co."), Codesa Planning Co. Ltd. ("Planning Co"), and 2086618 Alberta Ltd. who collectively have a place of business in Canada, do business in Canada, have assets in Canada and meet both the revenue and asset thresholds – therefore, meeting the definition of an Entity according to this Act.

The financial reporting year of these five entities covered by this report is for the year ending December 31, 2025.

Structure, Activities & Supply Chain

Hutterian Brethren of Codesa

Hutterian Brethren of Codesa ("the Colony") is a group of 69 family members. This Colony operates on approximately 19,000 acres of land, 18,000 acres of which is farmable, and for the purposes of this report, their operations involve activities within the agricultural industry.

The Hutterian Brethren Church ("the Church") was recognized by an Act of Parliament in Canada in 1951. Members of the Church ("Hutterites") live communally in settlements ("colonies") and practice an agricultural way of life where all property and assets are held communally for the benefit of all Hutterites. Cultural norms for Hutterites include recognition of adulthood at age 15, and the practice of lifelong education. Hutterite children attend traditional school from age 3-15, after which they participate in vocational training through apprenticeships. With skills learned through their vocational training, Colony members participate in the economic activities of the Colony.

The culture of the Hutterites, as recognized by their faith and codified by an Act of Parliament, is to live communally and share among members which extends to common ownership of property and distribution of income. Each family is provided a house on the Colony and families are financially provided for by the income generated by the economic activities of the Colony.

Hutterites participate in lifelong education that combines traditional and vocational teaching. This is a key pillar of the Church that support their members from "cradle to grave". Their approach to education is compliant with Canada's child labour standards.

The following outlines the activities related to the production of or import of goods produced as they relate to the Act stemming from the Hutterian Bretheren of Codesa, Farming Co., Equipment Co., Planning Co., and 2086618 Alberta Ltd ("the Entities").

Farming Co., Equipment Co., Planning Co, and 2086618 Alberta Ltd.

Structure

Collectively, the Farming Co., Equipment Co., Planning Co., and 2086618 Alberta Ltd. operate the farming operations of the Colony. The operations are located at Box 300, Eaglesham, AB, T0H 1H0.

All the individuals working for the Entities are members of the Colony.

Activities

The Hutterian Brethren of Codesa is the holding company that holds the land, buildings, and quota and does not engage in procurement activity. Farming Co. operates the main farming operations, which include crop, cattle, hogs, and eggs.

Equipment Co. holds the Colony's farm equipment and vehicles like combines, tractors, trucks, etc. All of the purchases and sales in this company are related to equipment and vehicles.

Planning Co. does not have any operations and currently only holds the Colony's layer barn through a capital lease. 2086618 Alberta Ltd. provides the labour and management to the farming operations.

Supply Chain

For the purposes of describing and evaluating the Entities' supply chain, suppliers who account for approximately 1% or more of the total procurement spend over the 2025 fiscal year were reviewed.

Given the nature of the farming operations, the company sources a range of goods, primarily encompassing cattle, crop purchases, supplies, farming equipment and parts, and feed purchases. The Colony sources these materials from suppliers within Canada and the United States.

From the material vendors used by the entities, 89% of procurement was directed towards vendors located in Canada, while 11% was spent on vendors in the United States. See figure 1 for a breakdown of procurement by country.

In 2025, 63% of purchases were for cattle sourced exclusively from local Canadian suppliers. Farming equipment and parts accounted for 20% of total spend. Crop purchases and supplies, including chemicals, fertilizer, seed, and potatoes, represented 15% of total spend. Both farming equipment and crop purchases were sourced from a mix of Canadian and U.S. suppliers.

Feed purchases accounted for the remaining 1% of spend and included corn, barley, premix minerals, salt,

Summary of Procurement by Country

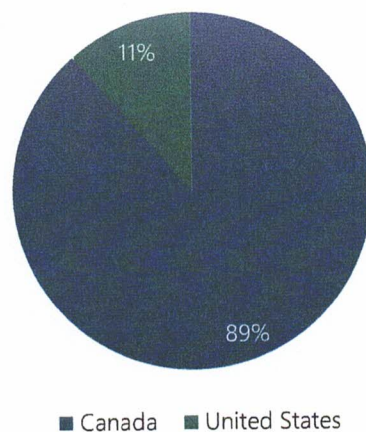


Figure 1: Summary of Procurement by Country

and distillers grains. See Figure 2 for a breakdown of these goods.

Hutterian Brethren of Codesa, Planning Co., and 2086618 Alberta Ltd's annual spend relates to services procured within Canada and therefore have been excluded from the scope of this report.

The Entities do not have visibility in their supply chain beyond first-tier suppliers therefore, the Entities are continuing to evaluate this to fully understand the origination of goods procured.

Summary of Goods Procured

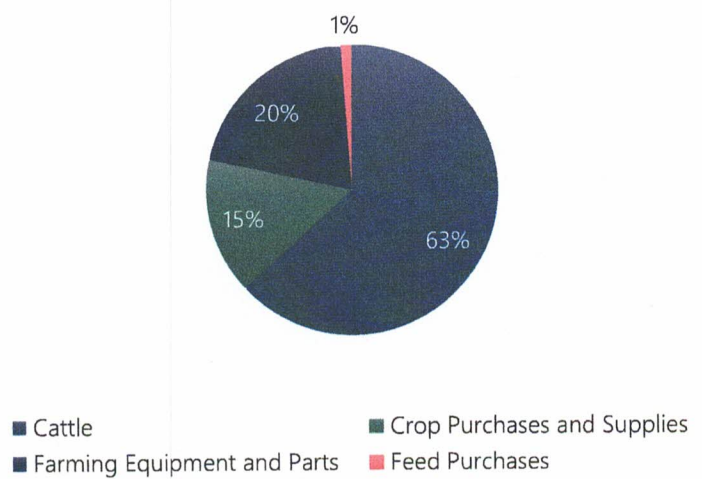


Figure 2: Summary of Goods Procured

Policies & Due Diligence

The Entities have certain governance practices in place, including established community-based oversight and regular operational discussions, which support ongoing awareness of member safety and potential risks. While these practices provide a level of informal control and visibility, formalized written policies and structured procedures remain limited in some areas.

The Entities also acknowledge that internal policies and due diligence processes specifically focused on mitigating the risks of child labour and/or forced labour within their activities and supply chain are not yet fully developed. This remains an area that will receive particular attention as circumstances evolve and will be addressed as needed based on the nature and level of risk identified.

Supply Chain Risk Assessment

A risk assessment over the Entities industry of operation, goods procured, and the countries goods are procured from has been performed over material direct suppliers. For the purposes of this report, material suppliers are defined as those who account for approximately 1% or more of the total procurement spend during the fiscal year. This risk assessment uses two separate indices to conclude on the inherent risk of child and/or forced labour related to the Entities' industries of operation, goods procured, and countries goods are procured from. The two indices are Walk Free's Global Slavery Index and the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor.

Industry of Operation

The Entities operate within the agriculture industry. The two indices noted above have identified an inherent risk exposure within this industry.

Country Which Goods are Procured From

For the purposes of this assessment, a review of countries which goods are procured from focused on the location of direct supplier's operations. Each direct material supplier of Farming Co. and Equipment Co. is located within Canada and the United States, where both countries are identified as having a low-risk exposure to forced and/or child labour.

Goods Procured – Farming Co.

As described in the previous section, the goods procured within Farming Co.'s supply chain are divided into the categories of cattle, farming equipment and parts, crop purchases and supplies, and feed purchases. A risk assessment over goods within these categories has been conducted and identified an initial inherent risk of forced and/or child labour within the following categories:

- Cattle
- Crop purchases: cereal grain, wheat, pulses (legumes), and potatoes; and
- Feed purchases: corn

Goods Procured – Equipment Co.

As described in the previous section, the goods procured within Equipment Co.'s supply chain are farming equipment including trucks and trailers, and parts. These goods were not identified in either of the two indices, indicating a low inherent risk overall. However, farming equipment and vehicles contain material inputs such as aluminum, steel, and cast iron, which are identified on the List of Goods Produced by Child Labor or Forced Labor (TVPRAList) as having an inherent risk of forced and/or child labour. While these materials may therefore be associated with labour risks, further evidence is required to link their production to specific countries of origin.

Remediation of Forced & Child Labour and Vulnerable Family Income Loss

No instances of child labour or forced labour have been identified within the Entities' supply chains. To mitigate the risk of child labour and forced labour within supply chains, the Entities continue to rely on informal policies and procedures that promote ongoing awareness within their own activities and across their supply chains, supported by strong, long-standing relationships with vendors and regular weekly meetings. The Entities understand the value of discussing these risks with members and vendors. These conversations will continue to bring awareness to this issue in an effort to remediate the risk within their

activities and supply chains.

Awareness Training

There is currently no formal training in place within the Entities related to child labour or forced labour. However, daily and weekly meetings provide an informal forum to share information and raise awareness of operational and supply chain issues, with ad-hoc training delivered when specific risks or issues are identified. The Entities remain committed to safeguarding the health and safety of their members.

Assessing Effectiveness

To mitigate the risk of child labour and forced labour, the following mechanisms are in place relevant to assessing effectiveness:

- Daily meetings: The Entities conduct daily morning meetings where any issues that arise are discussed, and if any relevant issues would be identified they would bring forward to the Minister of the Colony who would then escalate the issue to the front bench. In addition, the Colony recognizes the importance of maintaining a culture of safety and living as a community, so everyone is encouraged to avoid unethical forced labour activities.
- Supplier relationship: The Entities rely on supplier reputation when it comes to procurement relationships and have zero tolerance when it comes to the topic of forced labour and/or child labour.

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

The Entities have taken the following steps to prevent and reduce the risk of child labour or forced labour within their activities and supply chain:

- Mapping activities: As part of this report, the Entities have mapped their activities to complete an initial risk assessment to align with the Act.
- Mapping supply chains: As part of this report, the Entities have mapped their supply chains to complete an initial risk assessment to align with the Act.
- 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 Entities have 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 Entities have identified that there are limited policies and processes in place.

- Developing and implementing training and awareness materials on forced labour and/or child labour: The Entities recognize the opportunity to enhance training relevant to this Act.
- Developing and implementing procedures to track performance in addressing forced labour and/or child labour: The Entities engage with other farmers in the area and other colonies on issues that arise. Leadership have discussions about child and forced labour if necessary and the Colony takes guidance from these leaders.

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 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.

<u>Full Name</u>	<i>Daniel S Wipf</i>	<u>Signature</u>	<i>Daniel S Wipf</i>
<u>Title</u>	<i>Sec</i>	<u>Date</u>	<i>May 04/26</i>

I have the authority to bind Hutterian Brethren of Codesa and all Hutterian Brethren of Codesa - owned legal entities including Codesa Colony Farming Co. Ltd., Codesa Colony Equipment Co. Ltd. Codesa Planning Co. Ltd, and 2086618 Alberta Ltd.