



HANLON AG CENTRE LTD

Report: Fighting Against Forced Labour and Child Labour in Supply Chains Act

Reporting year: May 31, 2025

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1. INTRODUCTION TO HANLON AG CENTRE LTD

Hanlon Ag Centre Ltd. is an agricultural equipment dealership headquartered in Lethbridge, Alberta. The company sources a wide range of agricultural products from Canada, the United States, France, Italy, and Germany, and distributes them exclusively across North America.

2. STRUCTURE, ACTIVITY, AND SUPPLY CHAINS

Approximately 38% of Hanlon Ag Centre Ltd.'s supply chain—comprising tractors, combines, loaders, and combine headers—originates from suppliers in the United States. German suppliers account for roughly 37%, primarily providing augers, hay equipment, and tractors. Canadian suppliers contribute approximately 18%. Suppliers in France provide around 4%, consisting mainly of tillage equipment. A smaller portion, approximately 3%, includes garden tractors and attachments sourced from Italy.

3. POLICIES AND DUE DILIGENCE PROCESSES

Hanlon AG Centre Ltd. has implemented several internal policies and external supplier controls to identify, prevent, and mitigate the risk of forced labour and child labour across its operations and supply chains. These measures reflect our commitment to ethical business practices and compliance with Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Hiring Policy

Updated as of March 31, 2025, our Hiring Policy ensures that all recruitment practices are transparent, non-discriminatory, and compliant with Canadian labour laws. The policy includes:

- Strict adherence to minimum age requirements under Alberta law
- Zero tolerance for any form of forced or coerced labour

- Structured recruitment and onboarding, including reference and background checks
- Specific provisions for employing young workers only in safe, approved roles with parental consent and oversight
- Internal reporting mechanisms for suspected unethical practices

Policy on Preventing Forced and Child Labour

This policy, applied organization-wide, outlines our zero-tolerance position and procedural requirements related to forced and child labour. It includes:

- Definitions and prohibited practices based on ILO standards and Canadian law
- Mandatory employee training (with a focus on procurement roles)
- Supply chain risk assessments, including tracking of high-risk countries of origin
- A step-by-step reporting and escalation protocol for addressing allegations
- Annual policy review for alignment with evolving laws and best practices

Supplier Code of Conduct

All suppliers will be required to follow our Supplier Code of Conduct, which includes:

- Prohibitions on forced labour, child labour, and human trafficking
- Compliance requirements with Canadian legislation and international conventions (ILO 138 & 182)
- Due diligence obligations, such as completing self-assessment questionnaires and maintaining verifiable labour records
- Cooperation with audits and investigations
- Acknowledgement of consequences for non-compliance, including contract termination

Supplier Communication and Due Diligence

In 2025, Hanlon AG Centre Ltd. has a plan in place to distributed formal letters to all direct suppliers to:

- Communicate the requirements of Bill S-211
- Reinforce our ethical expectations
- Provide the Supplier Code of Conduct and Self-Assessment Questionnaire
- Require formal acknowledgment and participation in our due diligence program

These policies and procedures work together as part of a broader risk management strategy that includes training, supplier engagement, and clear accountability mechanisms to maintain responsible labour practices throughout our business and supply chain.

4. RISK ASSESSMENT AND MANAGEMENT

Hanlon Ag Centre Ltd. has assessed its operations and supply chains and determined that the overall risk of forced or child labour is extremely low. We have no evidence or indication that forced or child labour has occurred at any level of our business or through our direct supplier relationships.

If we were to identify a potential area of relative risk, it would be within the subcontracted labour and raw material sourcing associated with the agricultural supply chains of our equipment manufacturers—particularly in Italy, where there have been documented reports of migrant labour exploitation in the agricultural sector. However, it is important to note that Hanlon Ag Centre Ltd. does not directly manufacture goods or source raw materials from these regions, and there is no direct evidence that these risks are present in our current supply chain.

To ensure this risk remains low and is proactively managed, Hanlon Ag Centre Ltd. has taken the following steps:

- Implemented a Supplier Code of Conduct, which sets clear expectations prohibiting forced and child labour and requiring adherence to international human rights standards.
- Developed and distributed a Supplier Self-Assessment Questionnaire, which all suppliers are required to complete to help identify and manage any potential risks within their operations and extended supply chains.

As part of our assessment, we reviewed reputable global data sources, including the 2023 Global Slavery Index by Walk Free. This data confirms that countries like Germany (0.6), France (2.1), and Italy (3.3) report some of the lowest prevalence rates of modern slavery in Europe and Central Asia, which has a regional average of 6.9 victims per 1,000 people. These findings further support our conclusion that the risk of forced or child labour within our indirect supply chain is extremely low.

Given the absence of any identified incidents and the very low assessed risk, Hanlon Ag Centre Ltd. has not initiated any remediation efforts to date. However, we remain committed to maintaining a responsible and ethical supply chain. In the upcoming fiscal year, we will:

- Ensure the Supplier Code of Conduct is acknowledged and upheld by all suppliers;
- Require full completion of the Self-Assessment Questionnaire;
- Continue to monitor global trends and supply chain data for early warning signs or emerging risks.

These actions reflect our dedication to transparency, due diligence, and continuous improvement, and ensure alignment with both our internal values and external legal obligations under Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act.

5. REMEDIATION MEASURES

During the reporting period, Hanlon Ag Centre Ltd. did not identify any instances of forced labour or child labour within our operations or supply chains. As such, no remediation measures were required or taken.

6. REMEDIATION OF LOSS OF INCOME

During the reporting period, Hanlon Ag Centre Ltd. did not identify any instances of forced labour or child labour within our operations or supply chains. As such, no measures were necessary to remediate loss of income to vulnerable families.

7. TRAINING PROVIDED

Hanlon Ag Centre Ltd. provided training to our employees with a focus on recognizing and preventing forced and child labour, with specific reference to Bill S-211. The training covered legal definitions, red flags, supply chain risks, and the company's zero-tolerance policy. Employees were also briefed on their role in identifying and reporting any concerns. This training forms part of our broader commitment to ethical sourcing and human rights compliance.

8. ATTESTATION FROM THE OWNER/GENERAL MANAGER

This section provides an attestation from the Owner/General Manager confirming that:

- In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act"), and specifically Section 11 thereof, the undersigned has reviewed the information contained in this report for the entity/entities named above.
- Based on their knowledge and having exercised reasonable diligence, the undersigned attests that the information in this report is true, accurate, and complete in all material respects for the purposes of the Act and for the reporting year indicated.

I, the undersigned, attest that I have reviewed the information contained in this report and, to the best of my knowledge, the information is true, accurate, and complete.

Date: May 27, 2025

Name: Keith Shirakawa

Title: Owner/General Manager Hanlon Ag Centre Ltd

Signature:  _____