



FORCED LABOUR AND CHILD LABOUR REPORT 2023



Introduction

This report outlines Russell A. Farrow Limited (Farrow) governance processes, current measures, and progress made in the 2023 fiscal year to prevent and mitigate the risks of modern slavery across our business and supply chain.

Reporting Context

Farrow, as a corporation, is obligated to comply with the legal requirements outlined in section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act. This was officially approved by Farrow’s Executive Board on May 30th, 2024.

For the purposes of the Act, the reporting entities covered in this report include functions, major service processes, and assets that have been wholly owned and/or operated by Farrow from January 1st to December 31st, 2023.

We are headquartered in Windsor, Ontario, Canada, and operate in both Canada and the United States. In 2023, we had fourteen locations in Canada and twelve locations in the United States.

In 2023, our assets included four wholly owned properties: three in Canada and one in the United States. Additionally, we have various equipment, office furniture, computer hardware, company vehicles, and lease holdings and improvements.

This report is in a joint report filed by Farrow on behalf of itself and the following two subsidiaries D.J. Power Company Inc. and Link + Corporation.



Figure 1: Map of Farrow North American locations

Corporate Structure and Business Activities

Farrow brings over 110 years of expertise in cross-border customs brokerage, trade consulting, and integrated logistics services to the global trade industry. We are a Team of **800 employees**, delivering the highest quality of compliance and international trade solutions with uncompromising, personalized customer service. In January 2024, Farrow became a wholly owned subsidiary of Kuehne+Nagel Group.

Farrow Family Holdings Inc. (the “**Seller**”) and Kuehne + Nagel Holdings Ltd. (the “**Buyer**”), amongst others, entered into a share purchase agreement (the “**Purchase Agreement**”) whereby the Buyer purchased from the **Seller** an indirect change of control (collectively, the “**Transaction**”). Please note that it is currently contemplated that Farrow Group Inc. and the Holders will retain and operate under their current names so as to not disturb the continuity and goodwill developed over the many years with its business partners. This message is only intended to provide notice of the change in ownership. No changes to day-to-day operations or to the companies’ security profiles are anticipated.

Due Diligence

- **Governance and Responsibilities:** The Farrow Board is responsible for overseeing Farrow’s strategic objectives, including sustainability matters, and ensuring the effectiveness of Farrow’s risk management and internal controls. Our process ensures that the Board is informed about the interrelationship between the business environment and its associated risks and is intended to facilitate and stimulate discussion of our key business risks. Operating within the framework guidelines includes a thorough enterprise risk register, detailed risk assessments, and corrective action processes. When a risk emerges, a Review Committee examines its implications and reports findings to Executive leadership and the Board.
- In our dedication to protecting human rights, we strongly condemn the use of forced labour and child labour in our operations and throughout our supply chain. We continue to strengthen our policies and processes through annual reviews and education on best global practices. Our policies on the Code of Business Ethics and the policy on Forced Labor and Child Labor apply to all employees, officers, directors, and contingent contractors of Farrow and its subsidiaries and/or operated entities in all countries where Farrow conducts business.
- **Business Ethics:** Farrow’s Business Ethics clearly outlines the expected actions and behaviours of employees representing the organization. This includes a strong stance against bribery and corruption. The organization is committed to upholding the highest standards of employee conduct and ethical behaviour in its operations and supply chain management. We also communicate our Business Ethics principles and standards to our suppliers.
- **Recruitment:** We have a comprehensive recruitment policy that includes checks on eligibility to work to prevent modern slavery and human trafficking. All Farrow employees receive at least the National Living Wage.
- **Procurement:** We conduct risk-based due diligence on our suppliers. If an instance of modern slavery or human trafficking comes to light, we address it, including terminating the contract where appropriate.
- **Supply Chain Management:** We believe that suppliers and other business partners should have the opportunity to benefit from their relationship with us. In practice, this means that we work together to minimize and manage business risk and improve business practices through education, training, and the sharing of best practices.
- Farrow’s expectations on reporting violations are clear: we encourage the reporting of any actual or potential non-compliance with our policies and legal requirements, including those related to forced labour and child labour. Employees must report any actual or suspected violations of the law or Farrow policies regarding forced labour and child labour, as well as any health, safety, security, and environmental hazards or incidents they become aware of.
- **Whistleblowing:** We encourage all workers, suppliers, clients, and other business partners to report any concerns related to the organization’s direct activities or supply chain. This includes any circumstances that may give rise to an increased risk of modern slavery and human trafficking. The organization’s whistleblowing process is designed to make it easy for workers to make disclosures without fear of retaliation. Employees, clients, or others who have concerns can contact Farrow’s Security and Privacy Compliance Officer to report violations of business ethics, including modern slavery and human trafficking in any jurisdiction.
- Farrow conducts annual security and forced labour and child labour questionnaires with clients and suppliers to better understand our supply chain. The questionnaire process collects information for

our risk assessment, which includes a vulnerability assessment to identify the steps needed for Farrow to mitigate any risks.

- Farrow continually monitors its own employment practices and those of its partners, vendors, suppliers, and all others conducting business on behalf of the organization in order to ensure compliance with ethical employment standards and protocols. Farrow audits its own employment practices, as well as those of companies the organization contracts with or maintains a business relationship with, annually.
- Farrow conducts annual internal training on forced labour and child labour with all employees, reviewing corporate policy, roles and responsibilities, and expectations of Farrow to understand and comply with the principles set out in the policy. Suppliers/contractors are provided with a policy statement to reinforce expectations and awareness of human rights topics.

Modern Slavery Risks

Farrow is an international Customs Brokerage import and export, with additional services in Regulatory Consultation, Freight Forwarding, Transportation, Logistics, and IT Technologies. As such, Farrow's own business operations and supply chain consists of 85% office-based professionals, with only very limited exposure to areas with a greater risk of modern slavery, for example, cleaning services and travel and accommodation providers. And 15% of Logistics own business operations.

Wherever possible, Farrow uses a standardized sourcing agreement that includes key principles and values expected of clients and suppliers. The agreement is then tailored to specific laws governing the jurisdictions in which Farrow operates.

Farrow has set up a collaboration between departments to evaluate our supply chain for high-risk activities, trade security, and forced labour and child labour risks. Although we have internal procedures to ensure compliance with the Uyghur Forced Labor Prevention Act, this is the initial version of our analysis and reporting to meet the new annual reporting requirements mandated by this act.

The following activities were part of the review:

- Established a team to align essential activities and further improve due diligence and risk management activities related to key sustainability concerns, including human rights.
- Conduct an annual review of internal policies to prevent forced labour and child labour within Farrow, including our clients and supply chain. This includes our procurement process, supplier due diligence, onboarding, and compliance processes.
- Initiated reviews to improve processes, policies, and training.
- Evaluation of Farrow's internal training program, practices for reporting suspicious or actual violations, and supply chain contract agreement templates for language that prohibits forced labour and child labour.
- Assessment of Farrow's and affiliates' customs import data from the Canadian Border Services Agency

The data above represents Farrow's current known risks of modern slavery and characterizes the findings from our initial supply chain review at a specific time. Additional work and identification are ongoing at Farrow internally to efficiently and effectively monitor internal and supplier activities regarding modern slavery.

Addressing Modern Slavery Risks

Farrow uses a risk-based model to manage modern slavery risks in our supply chain. We employ various processes to screen and monitor suppliers for human rights violations, forced labour, and child labour.

Our monitoring process involves sending suppliers and importers questionnaires to assess their risk profiles in trade security, forced labour and child labour, and anti-bribery and corruption. The questionnaire requests information on whether the supplier or importer has specific policies and processes for dealing with forced labour and child labour. Additional auditing or additional information may be requested from the supplier, and if necessary, the matter is escalated to senior management. Other actions could include:

- Supplier Certifications
- Termination of relationship

In 2023, none of the screened suppliers were found to have any forced labour or child labour issues.

Training and Awareness

Farrow conducts annual training to support human rights, including the prevention of forced labour and child labour. Every Farrow employee is required to complete both in-person and/or virtual instructor-led training, which lasts approximately 45 minutes. The training includes a post-quiz to verify knowledge gained, and online training using our in-house My Compliance training tool. This tool utilizes training videos that are 10 minutes long, with two to three videos and/or policy reviews required of employees annually. The training with two layers highlights our commitment to promoting a culture that respects and supports human rights throughout our organization. All individuals working for the entities listed in this report are expected to read, understand, and comply with the requirements set out in Farrow policies.

Contractors receive Farrow policies to emphasize human rights awareness and expectations.

Farrow Remediation Measures

Since Farrow's processes did not uncover any evidence of forced labour or child labour, no remediation measures were implemented in 2023.

Evaluating Our Effectiveness

Farrow is dedicated to establishing a strong and visible supply chain that respects the human rights of all workers. In 2023, our focus was to begin implementing processes to address forced labour and child labour, providing a solid foundation for Farrow to address these issues internally and effectively inform and monitor our suppliers about critical forced labour and child labour concerns to ensure that human rights are not violated.

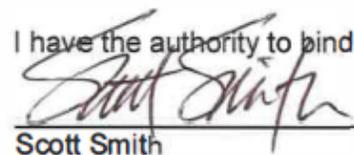
Currently, our policies and audits are conducted annually with input from our executive leadership and various stakeholders across Farrow. We investigate and track all internal and external reports, which can be external auditing to internal supply chain focused.

Farrow has begun identifying risks, but we acknowledge that there are still gaps in our assessments. As part of Farrow's ongoing efforts to improve, we will strive to consistently identify emerging risks and develop and implement additional due diligence measures and policies to detect, address, and prevent the use of forced labour and child labour in our business and supply chain.

Report Approval and 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.

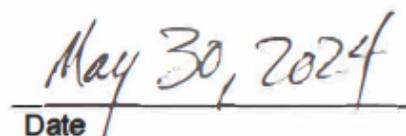
I have the authority to bind Russell A. Farrow Limited



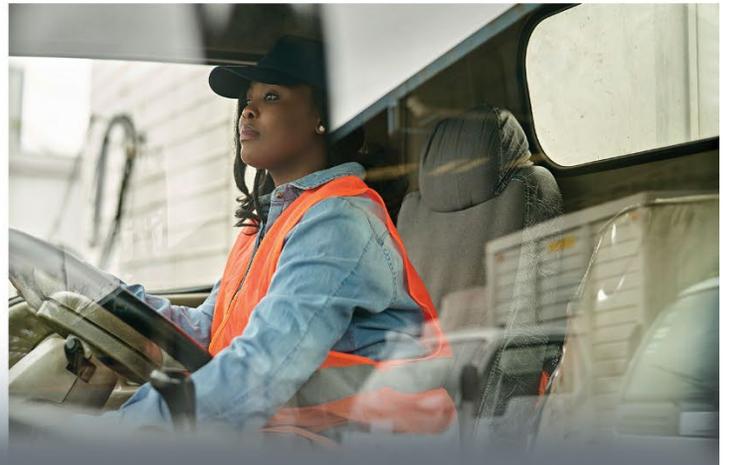
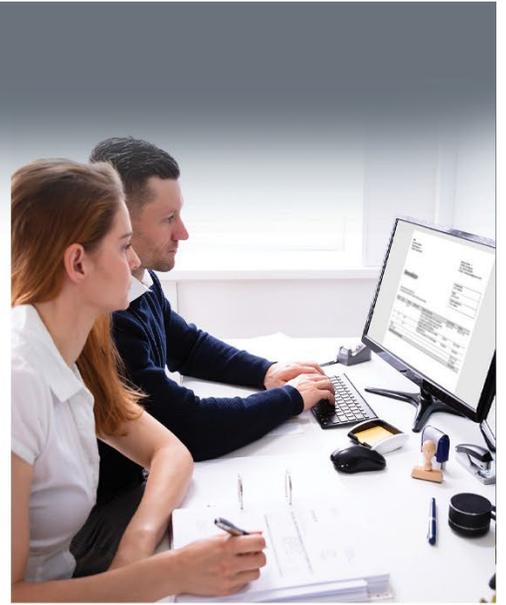
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Date



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