

ANNUAL REPORT

Modern Slavery Statement 2024

Arva Grain Corp. & Arva Heights Limited – Joint Report

This statement is made pursuant to Bill S-211. This statement outlines the approach and initiatives by Arva Grain Corp. (AGC) and Arva Heights Limited (AHL) to identify and address the risks that child labour and forced labour pose in its business operations and supply chains.

A joint report is being submitted for Arva Grain Corp. and Arva Heights Limited, hereinafter known as the entities and/or entity, as these corporations are privately owned and operated by the McClary family, operate symbiotically, and share the same mission, ideologies, risk profiles, policies and health and safety practises.

AGC and AHL are committed to the highest standards of corporate governance and business ethics. The owners are responsible for ensuring that the entities meet their human rights responsibilities. The entities and their leadership take pride and responsibility in supporting equality, fair and equal wages and ensuring that all employees have a safe place to work. This extends to the standards that they uphold in regard to the suppliers that they do business with. In addition, the entities are committed to conducting business in a manner consistent with all legal and moral obligations to customers, suppliers, employees, shareholders and the public.

All employment with the entities is on a voluntary basis. They do not use child or forced labour in any business processes, operations, or facilities. They do not tolerate any form of improper treatment of workers, including but not limited to the exploitation of children, physical abuse, or involuntary servitude. All applicable employment laws are upheld and respected, including enforcing a minimum age for employment. The entities fully support the effective abolition of child/forced labour and human trafficking worldwide. AGC and AHL abide by all laws and regulations regarding pay practises and the classification of employment according to job level and status. Procedures are in place to ensure new hires fulfill criteria on the eligibility to work with all necessary due diligence measures in place. Employees' rights are respected and included in all employment contracts.

Corporate Governance & Entity Structure

Arva Grain Corp. (AGC) was established on May 30th, 1997 and trades under the same name with its head office being located at 21741 Richmond Street, London, Ontario, N5X 4B2. Arva Grain employs an average of 18-20 employees, depending on the season. The CRA business number is 889306536. Arva Grain Corp. is owned by Lynn McClary.

Arva Heights Limited (AHL) was established on March 5th, 1974 and trades under the same name with its head office being located at 21741 Richmond Street, London, Ontario, N5X 4B2. Arva Heights employs an average of 4-5 employees, depending on the season. The CRA business number is 100283936. Arva Heights Limited is owned by Peter McClary.

For both entities, the corporate structure is as follows. These individuals form the corporate executive “board”, for all intents and purposes.

President: Peter McClary

Vice President: Brian McClary

Secretary & Treasurer: Lynn McClary

Our Sustainability Governance

The entity’s leadership, or board (as listed above), is actively involved in overseeing the delivery of our sustainability strategy. The executive board provides leadership in our overall strategy forward, approving and implementing more detailed strategies, policies, and targets. The board promotes sustainable procurement practices and a sustainable supply chain strategy.

Entity’s Structure, Activities and Supply Chain Overview

Arva Heights Limited is a farming operation that focuses solely on the production of corn, wheat and soybeans. It is responsible for all stages of the production of these crops, including field preparation, seeding, application of fertilizer and chemicals and finally harvesting. It purchases all crop inputs from Arva Grain Corp. and eventually sells the crops to Arva Grain Corp. It has a simple operative structure and limited supply chain with very low exposure regarding youth/slave labour or trafficking. Arva Heights abides by all employment law and all work is fulfilled on a voluntary basis by age-appropriate workers.

Arva Grain Corp. is a multifaceted agri-business. It operates two licensed grain elevators, one in Arva and one in Seaforth, Ontario. It specializes in grain handling, grain supply & storage, feed sales and grain marketing. It has a trucking division which specializes in grain transport, with sixteen transport trucks and employs an experienced team of around sixteen qualified truck drivers. Lastly, a minor aspect of the business is that it is a full line Dixie Chopper lawn mower and parts dealer as well as service provider.

Arva Grain purchases crops from Arva Heights Limited as well as many farmers in the areas surrounding the elevators. These crops are stored in the elevators and eventually marketed and sold. It independently transports most of the grain it sells using its trucking division. The grain is transported to the following companies for the most part: Ingredion, Hensell District Co-op., Cargill, Suncor, ADM, G3, IGPC, JRI, P&H as well as to some smaller farming businesses in the area where it is used for feed. Arva Grain Corp. purchases grain by-products off of many of the same companies listed above and sells the product to area farming businesses for animal feed. It does most of its own trucking for these purposes. All above mentioned grain activities and trucking take place in Southwestern Ontario.

Arva Grain Corp. does a small amount of contracted trucking to the USA, on average around six trips a week. These trips are contracted mostly through Grace Transport (Strathroy) with the odd trip for Greenfield Global (Chatham). These trips involve the transport of grain

byproduct from Ingredion London to Ingredion in Illinois, Chicago and sometimes from Greenfield Global to Gingrich Feed and Supply in Tawas City, Michigan. Generally, those trucks will bring a backload to Ontario, picking up soymeal at Zeeland Farm Supply in Ithaca, Michigan and transporting it to various feed mills in Southwestern Ontario (New Life Mills (Denfield), Broadgrain (Seaforth) , Shurgain (St. Mary's). These trucks almost always cross the Blue Water Bridge (Sarnia-Port Huron), when making these trips.

Arva Grain Corp. is a retail dealer of crop inputs, including chemical and fertilizer. While the companies we purchase from source these products internationally, as part of complex supply chains, Arva Grain Corp. purchases and retails these products, in their finished goods form, in Canada. It is not responsible for the shipment of these products into Canada. It is subject to all regulatory policies and regular external audits in regard to the dealing of chemicals and fertilizers. Aspects of this complex supplier supply chain will be elaborated on in the due diligence section of this statement.

Policies

As part of their comprehensive health and safety program, the joint entities have Human Rights and Anti-forced/Child Labour Policy and Practice documents in place, as well as an Anti-Human Trafficking Policy in place. These are mandatory and all employees are required to read and sign all documents, in order to maintain employment status. This is in addition to mandatory training in these areas, which also require employee sign off on a bi-yearly basis. As with all of the entity's policies, procedures and training, these are reviewed and revised on a regular and well documented schedule.

Due Diligence

In addition to respecting and upholding human rights within their own operations, Arva Grain Corp. and Arva Heights Limited are committed to ensuring that their suppliers are doing the same. Their expectation is that all associated supplier's business practises respect applicable laws in regard to: international human rights frameworks, modern slavery, anti-trafficking, the environment, responsible material sourcing as well as responsible and lawful business practices (including implementation and due diligence). The entities expect that the suppliers they work with share their zero-tolerance approach to all forms of modern slavery, forced/compulsory labour and human trafficking.

Arva Grain Corp. and Arva Heights limited expect their suppliers to fully comply with applicable laws and to adhere to internationally recognized environmental, social and corporate governance standards (ESG standards). It is also expected that suppliers use their best efforts to implement these standards with their suppliers and subcontractors. It is expected that suppliers will have satisfactory systems and controls in place to promote compliance and complete continuous evaluation of the risk of non-compliance, supply chain due diligence and remediation of non-compliance.

Supply Chain Due Diligence

The entities monitor their main industry suppliers that import goods into Canada which are then purchased: Grain Crop Inputs: Fertilizer, Chemicals & Equipment: Dixie Chopper Lawn Mower Equipment. The suppliers that could be considered to have high risk aspects of their supply chain are multinational corporations with legally prepared, comprehensive, and publicly available sustainability programs. If AGC or AHL employees or leadership were notified or alerted through their own surveillance processes that a supplier is not in compliance with the legal requirements in Bill S-211 or any other human rights legislation, the process would be to address such concerns directly with the supplier, taking the appropriate measures to ensure that those issues are resolved. If the entities were to be informed that there were critical human rights or modern slavery violations, then immediate disengagement with that specific supplier may take place.

Chemical and fertilizer inputs are almost exclusively purchased from the companies listed below. The supply chain in these industries is complex, with many tiers between material suppliers, manufacturers, and retailers. Arva Grain Corp. purchases these products for retail in their finished form, in Canada, in CAD dollars. It does not assume responsibility for the sourcing of raw materials that happens internationally, the manufacturing process, nor the transport of these materials and products into Canada. It understands that the legal and consulting costs that these large companies incur to properly monitor their supply chains is then passed on through their product pricing. It recognizes its responsibility and due diligence in ensuring that these suppliers are following all the necessary legislation and auditing as legally required. As part of its assessment, it reviews these suppliers' commitment and performance in key ESG areas, including their human rights, anti-violence and harassment and modern slave labour policies.

As such, links to each supplier's sustainability statements and related information, processes and policies can be seen listed below, by corporation. Industry standard organizations that provide guidance and standards for related industries are also included.

1. Crop Inputs – Fertilizer – Industry Standards/Organizations

Fertilizer Canada

Fertilizer Canada represents producers, manufacturers, wholesale and retail distributors of nitrogen, phosphate, potash and sulphur fertilizers. It takes pride in advocating for sustainability, stewardship, safety and security through industry-leading standards and Codes of Practice. As the foundation of Canada's agri-food sector, they apply innovative solutions that positively impact the environment, the economy, and the social fabrics of Canadian life.

https://fertilizercanada.ca/wp-content/uploads/2023/01/Nov2022_Supply-Chain-Task-Force_Final-Report-Response_Final.pdf

The Fertilizer Institute

TFI is a leading voice of the fertilizer industry in America, acting as an advocate for fair regulation and legislation, a consistent source for trusted information and data, a networking agent, and advocate for industry initiatives in safety and environmental stewardship.

<https://www.tfi.org/insights/sustainability-insights/>

Crop Inputs – Fertilizer – Retailers

CF Industries	https://www.cfindustries.com/sustainability/governance
Agrico	https://www.agricocanada.com/about-us/corporate-responsibility/
Cargill	https://www.cargill.com/sustainability/human-rights

Crop Inputs – Chemicals

Arva Grain Corp. is a longstanding equity member of AgriVenture. AgriVenture was established to provide a centralized source of support for building and strengthening the relationships between the Canadian Crop Protection product manufacturers and their retailer partners who invested in AgriVenture.

<https://agriventure.ca/>

Bayer	https://www.bayer.com/en/sustainability/bayer-modern-slavery-statement
BASF	https://www.basf.com/global/en/who-we-are/sustainability/we-source-responsibly.html
Syngenta	https://www.syngenta.com/en/company/supplier-code-of-conduct https://www.syngenta.com/en/sustainability https://www.syngenta.com/en/company/supplier-centre/procurement-and-sourcing
Nufarm	cdn.nufarm.com/wp-content/uploads/2024/03/27194959/Nufarm-Modern-Slavery-Statement-2023.pdf

2. Equipment – Dixie Chopper Lawn Mower & Parts Retail

The only equipment that Arva Grain Corp. purchases outside of Canada is Dixie Chopper lawnmowers and parts from The Alamo Group (owner of Dixie Chopper), of which AGC is an official Canadian retailer and service provider. This corporation is bound by the relevant Supply Chains Act in the USA. The sales and service are handled at the Seaforth location of the business and is run by Kent Baer, the Seaforth location manager. The lawn mowers and parts are generally purchased from Dixie Chopper, in the USA, if the parts cannot be sourced in Canada. The Alamo

group arranged for transportation of these parts into Canada and AGC pays for the the shipping and custom costs. This is a relatively small aspect of the overall business profile of Arva Grain. The information below has been pulled from the Alamo Group sustainability statement.

As per the Alamo Group sustainability reporting, Alamo Group manufactures many of the parts for its products in the USA, however, a significant percentage of parts, including most drivelines, gearboxes, industrial engines, and hydraulic components, are purchased from outside suppliers which manufacture to the operational subsidiary's specifications. Alamo Group sources its purchased goods from international and domestic suppliers.

Alamo Group's Labor and Human Rights Policy informs Alamo Group employees of Alamo Group's commitment to supporting and protecting basic human rights principles in the conduct of its global business. In addition, the Labor and Human Rights Policy specifically addresses Alamo Group's zero tolerance and prohibition of child labour, forced and involuntary labour whether in the form of indentured labour, bonded labour or otherwise, and any form of human trafficking. Alamo Group's Code of Business Conduct and Ethics Policy ("Code of Conduct") sets forth specific policies governing Alamo Group's worldwide conduct in its facilities and where it transacts business.

Alamo Group's Supplier Code of Conduct informs suppliers of Alamo Group's expectations that suppliers will comply with all applicable laws and regulations, including labour and employment laws. The Supplier Code of Conduct specifically addresses Alamo Group's prohibition on the use of child labour and forced labour/human trafficking. In addition, the Supplier Code of Conduct provides notice to suppliers that Alamo Group may monitor suppliers to assess compliance with the Supplier Code of Conduct, including, but not limited to, on-site inspections and review of books and records. The Supplier Code of Conduct provides that Alamo Group reserves the right to terminate its business relationship with any supplier who fails to comply with the Supplier Code of Conduct.

*Alamo Group's Conflict Minerals Policy informs suppliers of Alamo Group's commitment to minimize the procurement of materials, products or components which contain Conflict Minerals. In addition, the Conflict Minerals Policy sets forth the expectation that to the extent Conflict Minerals are necessary to the functionality or production of products that Alamo Group manufactures or contracts to manufacture, Alamo Group will conduct reasonable country of origin inquiry and supply chain diligence to determine if the Conflict Minerals originated in mines controlled by armed groups in the Covered Countries. **Alamo Group has had no reports of, nor seen any evidence of, forced labour or child labour in its internal organization or supply .***

Based on ALG's experience in its industry, the areas of ALG's business and supply chain that carry a risk of forced labour or child labour are the procurement and sourcing of products in China and the potential presence of conflict minerals in the product offerings of ALG. Alamo Group is in the initial stages of evaluating its supply chain and procurement practices in China. The initial steps taken to assess and manage the risk of forced labour or child labour in the Alamo Group's procurement and sourcing practices in China are that the Alamo

Group contracts with established Chinese manufacturers and suppliers who have a reputation for sound business practices. In addition, Alamo Group has established a physical location in China to coordinate its procurement and sourcing activities. At such location, Alamo Group employs individuals who investigate suppliers and make site visits to manufacturing facilities to verify no forced labour or child labour is taking place in such Chinese manufacturing facilities.

<https://www.alamo-group.com/ca-supply-chains-act.html>

<https://www.alamo-group.com/sustainability-overview/#Social>

Risks of Forced/Child Labour & Trafficking in Activities & Supply Chains

Upon assessment of AGC and AHL's activities and supply chains, two risk areas were identified which are related to the following factors: The industry that it operates in (agriculture and transportation) and the raw materials or commodities used in its supply chains (fertilizer and chemical raw materials sourced globally).

The specific risks identified in relation to the chemical and fertilizer industry involve the risk of slave or forced labour far down the supply chain in the acquisition of raw materials and product manufacturing. As mentioned earlier in the report, the chemical and fertilizer products that Arva Grain Corp. purchases for the purpose of resale, are purchased as Canadian products in their finished goods form. The large, multinational corporations that are responsible for sourcing and importing these products have all proven to possess robust, ever-evolving, comprehensive and legally prepared sustainability plans that respect all applicable laws and regulations.

It has been determined that the import of Dixie Chopper Equipment and Parts from the United States carries a low risk of modern slavery as the manufacturing takes place in Indiana, USA and the corporation is subject to adhering to strict regulations set in place, as outlined in other areas of this report. On the Alamo Group sustainability report, they confirm that they have had no reports of any such issues to this date. The Arva Grain Corp. manager who runs the Dixie Chopper program works individually and there is no forced or child labour taking place in that area of the business, as with any of Arva Grain Corp or Arva Heights Limited operations.

The trucking industry has been established to carry inherent risks in relation to human trafficking (sex and labour), due to the nature of the industry. Truck stops, utilized by truck drivers during the course of their employment are a known common location for trafficking crimes. It is made clear in Arva Grain Corp's policies, that should any employee or member of management witness or suspect any forced/child labour or trafficking during their course of work duties, they are to report that immediately to upper management so that it can be followed up on appropriately. The Canadian number that should be called to report any suspicious activity in the course of their work and during time at truck stops is the confidential, toll-free, **Canadian Human Trafficking Hotline at 1-833-900-1010**. Hotline Response Advocates are available to discuss safety planning, including transportation options. This has been reinforced in our policy and training surrounding the issue of trafficking.

While there are risks identified in the supply chains related to the activities of the entities, there has been no evidence found of actual forced or child labour and/or trafficking at this time. The entities have not encountered any incidents of forced labour or child labour being used in its operations or supply chain. Given there have been no reports or incidents, at this time, the entities have not had to take any measures to remediate any forced labour or child labour, or to remediate any loss of income to vulnerable families because of remediation efforts. The entity's management team will continue to assess suppliers and their related policies, processes, and statements as well as monitoring related news releases and publications in order to ensure that the companies that we do business with are guaranteeing that forced and child labour are not being used and that preventative measures in place.

Training

The entities comprehensive health and safety program includes a mandatory requirement for leadership and all employees to complete a training program which covers human rights, violence & harassment, modern slavery, and human trafficking, including the risks of modern slavery and human trafficking across the business. This training is provided in addition to the corporate policies that exist regarding those issues and which all employees must read, understand and sign to maintain employment. This program is reviewed on an annual basis and employees must complete this training upon hire and bi-annually thereafter. The training includes a post course assessment to ensure that the content has been understood. Human resource administration monitors completion levels on an ongoing basis and issues periodic communications to ensure that compliance levels are maintained. Leadership reviews this training program annually and makes revisions as required to stay current with legislation. The entities expectation is that all employees comply with all company policies and procedures and all laws, including, but not limited to, laws against forced and child labour and human trafficking. Any evidence to the contrary will lead to disciplinary action, up to and including termination, as clearly stated on all policies and procedures and as per the disciplinary policy in place.

Arva Grain Corp. and Arva Heights Limited hold all employees accountable to the standards relating to human rights and modern slavery. They have an official complaints process in place for employees, in which they are required to immediately alert leadership if they witness or suspect any human rights, modern slavery or other health and safety related infractions. Employees are trained on this process upon hire and it is reinforced during mandatory training throughout their employment. Employees can make use of multiple channels in which to report concerns and/or grievances to leadership and all mechanisms protect the confidentiality of the employee making the report.

Assessing Effectiveness

Internally, AGC and AHL measure their effectiveness in these areas by ensuring that all employees remain current with the review of policies, procedures and training and that any delinquent employees are followed up with until all compulsory training has been signed off on. Having current and complete training binders is a mandatory requirement of being employed with Arva Grain Corp. and Arva Heights Limited. A well documented schedule ensures that regular reviews are completed for all policies and procedures. It tracks the number of concerns and cases of slave/child labour and or human trafficking and as of today there have been no such cases reported.

Externally, the entities monitor communication and media related to the suppliers they do business with and a lack of red flags and/or public backlash allows them to feel confident that they are being effective in their supplier vetting process. They maintain diligence in their supply chain surveillance and monitor new and upcoming legislation closely.

Arva Grain Corp. and Arva Heights Limited maintain partnerships and memberships with the external organizations listed below, among others. The entity is subscribed to receive regular communications and news from related organizations. It also receives regular updates regarding upcoming legislation changes from its professional partnerships, including the accounting firm MNP and several law firms that they work with. Leadership participates in webinars and other learning opportunities that these professional organizations make available to them.

Accounting - MNP

<https://www.mnp.ca/en/social-responsibility>

Legal – Hicks Morley

<https://hicksmorley.com/>

Arva Grain Corp. Memberships

Member of the Canadian Association of Agri-Retailers (CAAR)

<https://www.caar.org/>

Member of the Ontario Trucking Association

<https://ontruck.org/>

Arva Heights Limited Memberships

Member of the Ontario Federation of Agriculture –Farm Registration # 147173

<https://ofa.on.ca/>

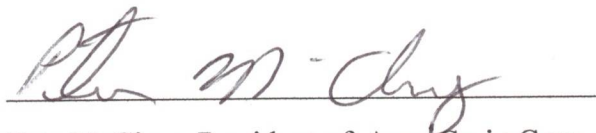
Both corporations receive and review regular communications from the following organizations: WSIB, Ontario Ministry of Food and Rural Affairs, Office of the Employer Advisor, Canadian Trucking Association, Truckers Against Trafficking and Grain Farmers of Ontario, among others.

Attestation & Approval

Arva Grain Corp. Arva Heights Limited

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 purpose of the Act, for the reporting year listed above.

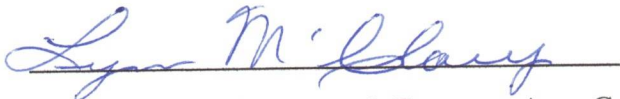
I have the authority to bind Arva Grain Corp. & Arva Heights Limited



Date: May 31, 2024

Pete McClary, President of Arva Grain Corp. & Arva Heights Limited
Owner of Arva Heights Limited


I have the authority to bind Arva Grain Corp. & Arva Heights Limited



Date: May 31, 2024

Lynn McClary, Secretary & Treasurer Arva Grain Corp. & Arva Heights Limited
Owner of Arva Grain Corp.

I have the authority to bind Arva Grain Corp. & Arva Heights Limited



Date: May 31, 2024

Brian McClary, Vice President of Arva Grain Corp. & Arva Heights Limited