



## **Canada Bill S-211 Forced Labour in supply Chains Report**

### **Modern Slavery Statement for the Financial Year ended August 31,2023**

This statement is made pursuant to 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. This statement outlines the approach and initiatives by Gowan Agro Canada Ltd. (“Gowan Canada”) and Gowan Company, L.L.C (“Gowan Company) and jointly (the “Company”) to identify and address the risks of forced labour and child labour in its business operations and supply chains during the financial year commencing September 1, 2022, and ending August 31,2023.

### **Group Structure**

Gowan Canada was established on 2004. It operates under the business name Gowan Canada with its head office at 11012 Maclead Trail S.E., Suite 405, T2J6A5 in Calgary, Alberta. Gowan Canada is a wholly owned subsidiary of Gowan Company, a global, family-owned agricultural solutions business headquartered in Yuma, Arizona. Gowan Company specializes in the development, registration, and marketing of crop protection products.

### **Supply Chain**

The supply chain of Gowan Canada is a global operation that begins with the importation of active ingredients from a limited number of countries. Our company has been doing business with these suppliers for over a decade, and during this time, we have built a strong relationship based on mutual respect and shared commitment to ethical labor practices. These materials are carefully selected to ensure they meet our high-quality standards. Once these materials are received, they are transported to our manufacturing facility at Gowan Canada in Fort Saskatchewan. Here, they undergo a series of processes to transform them into our final product. This includes various stages of manufacturing, quality control, and packaging. The finished product is then ready for distribution to our customers. This entire process is meticulously managed to ensure efficiency, cost-effectiveness, and the delivery of a high-quality product to our customers.

### **Risks in Supply Chain**

In the realm of supply chain management, risk mitigation is of paramount importance. We have implemented a restricted party screening software that is integrated within our system. This software helps us to identify and avoid doing business with entities or individuals that are on global government watch lists, thereby reducing the risk of non-compliance with international trade regulations. Furthermore, we have updated, or are in the process of updating, our contracts to include language requiring compliance with applicable laws including forced labor and child labor. This ensures that all our partners and suppliers adhere to ethical labor practices, thereby mitigating the risk of reputational damage and potential legal consequences. These measures collectively enhance the integrity and reliability of our supply chain.

## **Actions Taken**

In our ongoing efforts to combat forced labor, we are focusing on the development and implementation of new training initiatives. These initiatives are specifically designed for our procurement and compliance departments. The training is comprehensive, covering a wide range of topics including forced labor, its implications, and how to prevent it within our supply chain. The training modules are continuously updated to reflect the latest international labor standards and best practices. By equipping our teams with this knowledge, we are empowering them to make informed decisions that uphold our commitment to ethical labor practices. This proactive approach not only helps to mitigate risks but also contributes to the integrity and sustainability of our operations.

## **Risk Assessment**

Risk assessment in the supply chain is a crucial process that involves identifying, analyzing, and evaluating potential risks. One of the key tools we utilize for this purpose is a restricted party screening software. This software, embedded in our ERP system, helps us identify and avoid engaging with entities that are on international watch lists, thereby reducing the risk of non-compliance with regulations. Additionally, we are incorporating explicit language in our contracts that require compliance with applicable laws, including forced labor, ensuring that all our partners and suppliers adhere to ethical labor practices. To evaluate the effectiveness of these risk mitigation measures, we are developing Key Performance Indicator (KPI). This KPI assesses the number of instances where potential forced labor risks were identified and mitigated through the use of our screening software and contract language. This risk assessment process allows us to continuously monitor, manage, and improve our efforts in mitigating forced labor risks in our supply chain. Furthermore, we are actively exploring the addition of an AI software solution this is specifically designed to enhance our compliance with forced labor laws, thereby strengthening our ability to prevent and combat force labor in our supply chain.

## **Training**

In our commitment to combat forced labor, we are implementing a robust training program that is spearheaded by our Global Trade Compliance Team. This team is responsible for staying up to date with the UFLPA (Unfair Forced Labor Practices Act) entity list, ensuring that our company is always in compliance with international labor standards. Our training program includes webinar training that covers a wide range of topics related to forced labor, its implications, and how to prevent it within our supply chain. Additionally, the trade compliance department actively participates in ICPA (International Compliance Professionals Association) and BIS (Bureau of Industry and Security) annual conferences. These conferences provide valuable insights and updates on the latest trends and best practices in combating forced labor. Through these initiatives, we are not only enhancing our knowledge but also strengthening our commitment to ethical labor practices.



## **Effectiveness Assessment**

Assessing the effectiveness of our efforts against forced labor is a critical component of our strategy. We employ a variety of measures to evaluate the impact of our initiatives. This includes tracking the number of employees and stakeholders who have completed our training programs, monitoring the usage and results of our Restricted Party Screening software, and reviewing the language in our contracts to ensure it effectively prohibits forced labor. We will also measure the frequency of updates to the UFLPA entity list and our adherence to it. Furthermore, we evaluate our participation and learnings from ICPA conferences, BIS and webinar trainings. These metrics collectively serve as a comprehensive effectiveness assessment, helping us to continuously improve our strategies and actions against forced labor in our supply chain.

Attestation for the 2022-2023 Fiscal Year

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.



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Juli Jessen  
President  
May 23, 2024

I, Juli Jessen, have the authority to bind Gowan Company, L.L.C. and Gowan Agro Canada Limited