



GRAIN MILLERS

Grain Millers Canada Corporation Supply Chains Act Annual Report 2023

Structure, Activities, and Supply Chains

Grain Millers Canada Corporation (GMCC), is a privately held corporation conducting business in Canada with locations in Yorkton, SK, Saskatoon, SK, and Rycroft, AB.

GMCC is an agri-food manufacturer, producing oat and flax food ingredients and products for sale in Canada, the US, and overseas.

In the conduct of its business, GMCC has developed several core supply chains.

- Agricultural grains are sourced from multiple suppliers, both domestic and international. Grains are sourced both directly from producers and from aggregating third-party suppliers (brokers, line companies).
- Processing and electrical equipment is sourced from multiple suppliers in North America and Europe.
- Equipment parts and repair and maintenance components and supplies, such as bearings, gaskets, lubricants, etc. are sourced from multiple suppliers in North America and Europe.
- Boiler Chemicals for water/steam treatment are single sourced from a North American supplier.
- Packaging supplies, such as bags, mini-bulk totes, labels, etc. are sourced from multiple suppliers in North America and Asia.
- Shipping supplies, such as pallets and dunnage materials are sourced from multiple suppliers in North America.

Policies and Due Diligence

GMCC maintains a Code of Ethics and a Human Rights Policy. Both consider supply chain participants as stakeholders in the policies and procedures. In both documents, the use of child labour and forced labour is expressly prohibited.

Risk Assessment

- Unlike certain parts of the agricultural supply chain, such as fruits and vegetables, field crop supply chains are less exposed to the risk of forced and child labour. There is an ongoing tradition of family labour, including underage labour, assisting on family farms in developed countries, including Canada. GMCC does not consider this a violation of these policies.
- GMCC recognizes a risk of child or forced labour in its packaging supply chain, specifically with regards to the production of mini-bulk totes in developing countries.
- GMCC does not perceive high risk in the remainder of its supply chains.

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Remediation Measures

Due to sheer scope and resource limitations, not all suppliers can be audited. However, many key suppliers are audited (including many in Canada, the US and abroad) for compliance with food safety and human rights policies, and others are required to attest that their operations and supply chains are consistent with GMCC's values, including in respect of human rights.

Grain contract terms and conditions also convey GMCC's expectations that suppliers embrace our values around business ethics, human rights, safety and the environment or risk elimination from our supply chain.

Assessing Effectiveness

GMCC has been a certified Sedex member for 11 years, engaging the third-party Sedex organization and platform to transparently create a more socially and environmentally sustainable supply chain. GMCC has undergone several Sedex Members Ethical Trade Audit (SMETA) third-party audits designed to assess and continuously improve in the areas of sustainability and social responsibility.

Remediation of Loss of Income

GMCC has not encountered human rights violations in its supply chain. Therefore, to date no corrective action has been necessary, nor any remediation of loss of income.

Training

Employees must annually review GMCC's Human Rights Policy and Code of Ethics.

Approval

On behalf of Grain Millers Canada Corporation, I attest to the accuracy of this report and have the legal authority to bind the corporation,

Date: MAY 28, 2024

Rick L. Schwein
President
Grain Millers Canada Corp.