



MacEwen Agricentre Inc.

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Company Compliance Report: Supply Chains Act (Bill S-211)

Introduction

This compliance report is prepared in response to the Supply Chains Act, Bill S-211, which aims to address modern slavery and human rights violations within supply chains. Our company recognizes the importance of ethical sourcing and is committed to upholding human rights standards throughout our operations and supply chain.

Requirement (A) – Structure, activities, and supply chains

Entities should aim to provide a complete overview of their structure, activities, and supply chains.

Company Overview

MacEwen Agricentre Inc. is an agri-food services and supply company, with head office in Maxville, Ontario. We provide Eastern Ontario and Western Quebec farmers with grain elevator storage and services, crop input supplies, and superior quality livestock feed. The company is categorized under several NAICS categories, but primarily NAICS 311110 Animal food manufacturing, NAICS 325314 - Mixed fertilizer manufacturing, and NAICS 411120 - Oilseed and grain merchant wholesaler. The company's business number is 103432936.

The company was originally incorporated in Ontario under the name MacEwen Feed & Fertilizer Inc on November 16, 1983. The company changed its name to MacEwen Agricentre in August 2012, and is owned 70% by Newecam Limited, a holding company which in turn is owned 100% by Jim MacEwen, the company's president. The 30% balance is owned by Jim's brother, Allan MacEwen, the company Secretary through a holding company 2734546 Ontario Inc.

The company has over 100 employees in three locations within Eastern Ontario: Maxville, which has a feed mill, grain storage and and fertilizer blending operations; Vars which has fertilizer blending operations; and Cobden which has grain storage and fertilizer blending operations.

The company does not have reporting obligations in any other jurisdiction. We follow all provincial and federal guidelines with our hiring practices, and do not knowingly engage in any activity which would contravene the Supply Chains Act, Bill S-211.

Supply Chains

Supplier purchases of raw materials, goods and services during our fiscal year amounted to \$126 million. The company had 687 active suppliers in fiscal year 2023 (year ending August 31, 2023), including several dozen local family-run farms that supply our company with corn, wheat, and soybeans.

Suppliers with gross purchases greater than \$500k represented only five percent of our suppliers but made up over 78% of our total purchases or \$98 million. The majority of our suppliers are small businesses and subcontractors.

98 percent of all purchases are sourced directly from suppliers or distributors within Canada, with most of these in Ontario and Quebec, while 2 percent is sourced direct from the United States.

Supplier Input Categories	% of purchases
Feed ingredients, excluding grain	34%
Grain (primarily corn, soybeans, wheat)	14%
Dry and Liquid Fertilizer	26%
Seed	6%
Herbicides and pesticides	10%
Operating & capital expenses	10%
Vendor purchases > \$500k	100%

Over 95 percent of our raw materials and operating expenses including feed ingredients, grain, and seed, are sourced either locally and/or within Canada, or through Canadian distributors. Further down the supply chain, herbicides and pesticides are manufactured in the United States (US). Some of our dry fertilizer raw materials include MAP (monoammonium phosphate) and Granular Urea. MAP is generated by the extraction of phosphatic rocks and through a reaction process between phosphoric acid and ammonia. It is presented in granular form and is manufactured either the US or Morocco. Urea is manufactured from reacting CO₂ with ammonia and is one of the most commonly used Nitrogen fertilizers, typically manufactured in India or the US. These products are always sourced through our Canadian distributors.

Requirement (B) – Policies and due diligence processes

Embedding responsible business conduct (RBC) into policies and management systems

Identifying and assessing adverse impacts in operations, supply chains and business relationships

Ceasing, preventing, or mitigating adverse impacts

Tracking implementation and results

Communicating how impacts are addressed

Providing for or cooperating in remediation when appropriate

As part of our review of Bill S-211, MacEwen Agricentre will be updating our Code of Business Conduct, and we will develop a Modern Slavery & Human Trafficking policy. In addition, we are developing a Supplier Code of Conduct which we hope to start rolling out later this year.

In addition, our company website (www.macewenag.com) will be updated with this new Code, and an attestation and compliance section will be added to our annual report.

Requirement (C) – Forced labour and child labour risks

Identify parts of their activities and supply chains that carry a risk that forced labour or child labour being used either in the entity's own activities, or in the activities of any entities it controls or those of its direct or indirect suppliers.

There are two main supply chain areas that carry a relatively small risk of forced labour or child labour.

Supplier Input Category - Dry fertilizer

MAP and granular Urea is generally sourced further down the supply chain from either India or Morocco, and through our Canadian distributors.

Our discussions with each of our Canadian suppliers indicated that they had their own Ethics & Compliance rules governing their operations, which included Human Rights compliance within their own supply chains.

Supplier Input Category - Grain

Food supply chains do present a number of inherent risks to workers, including children. The presence of smallholder farmers and informal employment arrangements with seasonal workers can potentially contribute to exploitation. Canada and the provinces

have very strong legislation on child labour enforcement, but farmers are largely exempt from federal child labour laws, and children as young as 12 can work unlimited hours harvesting crops, provided they have their parents' consent, and they don't miss school.

In addition, the farms that we deal with typically do not use intensive labour in their seeding and harvesting process. This is primarily machinery & equipment driven requiring skilled labour.

Requirement (D) – Remediation measures

If entities have assessed that their activities and supply chains do not carry a risk of forced labour or child labour being used, and the question of remediation is considered not applicable, then stating this in their report would be sufficient to address this requirement.

We have assessed that our activities and supply chains do not carry a risk of forced labour or child labour, and the question of remediation is not applicable.

Requirement (E) – Remediation of loss of income

If entities have judged that vulnerable families have not experienced loss of income as a result of steps the entity has taken to eliminate forced labour or child labour risks, or if no measures have been taken in this area, then stating this in the report is sufficient to address this requirement.

We have assessed that our activities and supply chains do not carry a risk of forced labour or child labour, and the question of remediation of loss of income is not applicable.

Requirement (F) - Training

Whether the training is mandatory or optional

Whether the training is entity-wide or only covers employees in specific areas of the entity

Which groups or levels of employees receive the training (e.g., whether the training covers senior management/executive-level staff)

The content of the training, including whether it covers forced labour, child labour or both

How the training was developed, including whether it was developed internally or by an external organization

The length of the training

Any mode(s) of assessment included in the training

How many employees have received or will receive the training

We are currently assessing available training programs along with which staff would be provided with mandatory training.

Requirement (G) – Assessing effectiveness

Entities may indicate that no actions have been taken to assess their effectiveness in preventing and reducing risks of forced labour and child labour in their activities and supply chains. Stating this in a report is sufficient to address this requirement.

No actions have been taken to assess our effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chains.

Conclusion

MacEwen Agricentre is fully committed to compliance with the Supply Chains Act, Bill S-211, and to the protection of human rights across our operations and supply chain. We recognize the importance of ongoing diligence and collaboration to address modern slavery and other human rights violations effectively.

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 MacEwen Agricentre. 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.

Authorized Signatory



Jim MacEwen, President

May 7, 2024

Date