



## FORCED LABOUR AND CHILD LABOUR REPORT

### Introduction

This Forced Labour and Child Labour Report (this “**Report**”) for the financial year ending October 31, 2023 is made pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada), also known as the Modern Slavery Act (the “**Act**”).

This Report applies to, and describes the reasonable steps taken by North West Terminal Ltd. (“**NWT**”, “**we**”, “**us**”, or “**our**”) to mitigate forced labour and child labour in our operations and supply chains.

NWT began operations in June of 1996. NWT owns and operates an inland-grain terminal and fermentation and distillation facility on the Canadian National and Canadian Pacific rail networks near Unity, Saskatchewan. Ownership of NWT is widely held by approximately 900 shareholders, the majority of which are area-farmers.

For the reasons described in this Report, we remain of the view that there is a low risk that our operations or supply chains have caused or contributed to the prevalence of forced labour and child labour. We have started to review our policies and procedures to assess whether the operations of our suppliers who provide goods used in our operations cause or contribute to the prevalence of forced labour and child labour.

### Structure, Operations, and Supply Chains

#### Structure

NWT was incorporated pursuant to *The Business Corporations Act* (Saskatchewan) on February 23, 1993. NWT was formed to develop, construct and operate a grain handling facility (the “**Terminal**”) and commenced operations on June 1, 1996. NWT operates the Terminal on the Canadian National Railway Company and the Canadian Pacific Railway Limited rail networks near Unity, Saskatchewan. Ownership of NWT is widely held by approximately 900 shareholders, the majority of which are local producers.

In August 2009, NWT completed a 25 million liter per year fermentation and distillation facility at Unity, Saskatchewan (the “**Fermentation and Distillation Facility**”).

The Terminal and the Fermentation and Distillation Facility’s operations are grouped into two business segments, the grain-handling business (the “**Grain Division**”) and the ethanol manufacturing business (the “**Fermentation Division**”). The Grain Division and Fermentation Division are further subdivided into eight teams including the:

- Grain Operations Team;
- Grain Marketing Team;
- Finance/Human Resources Team;
- Maintenance Team;

- Alcohol Marketing Team;
- Quality/Assurance Team; and
- Warehouse Team

As of October 31, 2023, NWT employed 70 officers, team leaders, and team members. NWT's Board of Directors consists of 9 individuals.

### Operations

#### i. Grain Division

The Grain Division's operations consist of buying, selling, cleaning, and drying grain through the Terminal. The Terminal is an efficient high-throughput grain elevator with a total storage capacity of 2.3 million bushels (63,000 metric tonnes), constituting one of the largest grain handling facilities in Western Canada.

Currently, the Grain Division is capable of:

- receiving up to 30,000 bushels (816 tonnes) of grain per hour;
- cleaning grain at a rate of up to 20,000 bushels (544 tonnes) per hour;
- drying grain at a rate of 2,500 bushels (68 tonnes) per hour; and
- loading rail cars on its rail siding at a rate of 30,000 bushels (816 tonnes) per hour.

#### ii. Fermentation Division

In 2005, NWT established a wholly-owned subsidiary, North West Bio-Energy Ltd. ("**NWB**"), for the purpose of constructing the Fermentation and Distillation Facility and operating the Fermentation Division. The Fermentation Division produces both renewable fuel and specialty alcohol. Specialty alcohol includes alcohol used in the beverage, pharmaceutical and industrial markets. Additionally, the Fermentation Division produces approximately 25,000 tonnes per year of high-protein feed supplement in the form of dried distiller's grain.

In 2020, NWT amalgamated with NWB, and operates under the name North West Pure Alcohol & Spirits.

### Supply Chains

The Grain Division and the Fermentation Division share the following suppliers and professional service providers ("**Shared Suppliers**"):

Professional Services, Insurance, and Banking	Miscellaneous Suppliers
<ul style="list-style-type: none"> <li>• Law firms</li> <li>• Accounting firms</li> <li>• Information technology (IT) firms and consultants</li> <li>• Banks or credit unions</li> <li>• Insurance providers</li> </ul>	<ul style="list-style-type: none"> <li>• Computers, printers, and other electronics</li> <li>• Printing and office supplies</li> <li>• Courier services</li> </ul>

All Shared Suppliers are located in either Saskatchewan, Canada, or North America.

Aside from the Shared Suppliers, NWT's supplier network is diverse, and the supply chains of the Grain Division and the Fermentation Division are quite different. Accordingly, the supply chains of the Grain Division and Fermentation Division are separately described as follows:

i. Grain Division

The Grain Division's supply chains primarily consist of the following:

- local producers – for general grain supply;
- other grain companies – for corn supply; and
- transportation companies (i.e. trucking and rail)

The Grain Division purchases grain from local producers, most of which are located within 50 km from the Terminal. Once purchased, grain is delivered to the Terminal by truck. Upon arrival at the Terminal, grain is put in to storage and then either sent to the Fermentation Division for processing or shipped out of the Terminal by rail or truck.

The majority of the grain shipped from the Terminal is sent to Alliance Grain Terminal, which is located in Vancouver, British Columbia. Grain is also ship directly to customers in North America.

The Grain Division purchases corn from other grain companies, which are located in North America. Once purchased, corn is delivered to the Terminal by rail or truck. Upon arrival at the Terminal, corn is put into storage and then either sent to the Fermentation Division for processing or picked up at the Terminal by our end-user customers.

ii. Fermentation Division

The Fermentation Division's supply chains primarily consist of the following:

- raw material suppliers;
- equipment suppliers; and
- transportation companies (i.e. trucking and rail)

Feedstock is directly received from the Grain Division via leg transfer (physical conveyor that moves the grain from the grain elevator to milling at the Fermentation and Distillation Facility). Raw materials are delivered to the Fermentation and Distillation Facility by truck from various suppliers using a variety of transportation companies.

Most of the Fermentation Division's suppliers are North American, but some are from India and China.

The Fermentation Division is capable of shipping alcohol out of the Fermentation and Distillation Facility by:

- transport truck (53' dry van) – can ship ISO containers (1000L ea) and drums (200L ea);

- transport truck (tanker) – for bulk shipments; and
- rail tanker – for bulk shipments.

## **Risk of Forced Labour or Child Labour in Operations and Supply Chains**

### Operations

All of our senior officers, team leaders, and team members are directly employed under employment contracts, and the company is committed to complying with all applicable laws and regulations, including human rights and labour laws. As a result, we have assessed the risk of forced labour or child labour within our internal operations to be very low.

### Supply Chains

We are committed to complying with all applicable laws and regulations, including those relating to forced labour and child labour, human rights, and employment, and we expect our suppliers to demonstrate the same.

Given differences between the supply chains of the Grain Division and the Fermentation and Distillation Division, we have separately described the risk of forced labour and child labour in the supply chains of each division as follows:

#### i. Grain Division

Agricultural supply chains may carry some risk of forced labour and child labour, particularly when agricultural products are imported into Canada from high-risk countries and from suppliers that the Company does not directly interact with or where limited information is available regarding the operations of such suppliers.

However, most of the grain purchased by the Grain Division is sourced from local producers within Saskatchewan. NWT directly interacts with these local producers regularly, and many of these producers are NWT shareholders. Additionally, almost all of the Grain Division's suppliers are located within North America and are subject to comprehensive human rights and labour laws. Accordingly, the risk of forced labour and child labour within the Grain Division's supply chains is assessed to be low.

#### ii. Fermentation Division

A few of the Fermentation Division's suppliers are located in China and India. The US Bureau of International Labor Affairs Compliance and Accountability Resource indicates that these jurisdictions may carry some risk of forced labour and child labour, particularly in relation to electronics and garments imported into Canada.

However, most of the Fermentation Division's suppliers are located in North America and subject to comprehensive human rights and labour laws. Additionally, all of the goods imported from China and India do not include electronics or textiles. Accordingly, the risk of forced labour and child labour within the Fermentation Division's supply chain is assessed to be low.

## Forced Labour and Child Labour Prevention and Reduction Measures

### Policies

We have adopted and implemented the following policies and procedures to identify and/or address the risk of forced labour and child labour in our operations and supply chains:

- **Employee Handbook/Employment Policies:** our Employee Handbook outlines the terms and conditions of employment at NWT as well as other employment information. Such information includes but is not limited to details regarding an employees' hours of work, overtime hours and rates, and time off from work (i.e. public holidays, vacation time, and leaves with/without pay), all in accordance with the Canada Labour Code. The Employee Handbook also outlines NWT's Occupational Health & Safety ("**OH&S**") program, which has been developed and implemented in accordance with the Canada Labour Code. Additionally, the Employee Handbook describes NWT's Workplace Violence and Harassment Policy, which specifically states that NWT does not tolerate behaviour that is likely to undermine the dignity or self-esteem of an individual or create an intimidating or hostile work environment.
- **Code of Professional Conduct (the "Code"):** The Code is a reflection of the core values and operating principles which form the foundation of NWT's corporate culture. The Code provides that all directors, officers, and employees are expected to fully comply with the Canada Labour Code, provincial employment standards, OH&S safety standards, and any other regulatory requirements imposed by federal and provincial governments (including those relating to forced labour and child labour).
- **Risk Registry:** The Risk Registry identifies and tracks financial, operational, and strategic risks affecting NWT and its business, including Economic, Social and Governance ("**ESG**") risks (i.e. risks relating to forced labour and child labour). The Risk Registry provides possible causes and consequences for each risk event and also provides corresponding risk mitigation strategies.
- **Whistleblower Policy:** The Whistleblower Policy encourages the reporting of any activity that is considered to be illegal, dishonest or fraudulent by other employees, customers or contractors. NWT is prohibited from taking any retaliatory action against individuals who raise concerns, and the confidentiality of such individuals is to be protected to the extent that is possible. To date, there have been no concerns raised through our Whistleblower Policy regarding the use of forced labour or child labour in our operations or supply chains.

### Due Diligence

We are not currently aware of any forced labour or child labour practices occurring within our operations or supply chains and we believe that our operations and supply chains present a low risk of forced labour or child labour being utilized. Accordingly, aside from the aforementioned policies and procedures, we did not take any additional steps to conduct due diligence relating to forced labour or child labour during our previous financial year.

We are continuing to evaluate our existing policies and procedures to identify areas of improvement, and we may consider taking additional steps to conduct due diligence in the future.

## Forced Labour and Child Labour Remediation Measures

We are not currently aware of any forced labour or child labour practices occurring within our operations or supply chains and we believe that our operations and supply chains present a low risk of forced labour or child labour being utilized. Accordingly, we have not undertaken any measures to remediate any loss of income relating to any forced labour or child labour to date.

### **Loss of Income Remediation Measures**

We are not currently aware of any forced labour or child labour practices occurring within our operations or supply chains and we believe that our operations and supply chains present a low risk of forced labour or child labour being utilized. Accordingly, we have not undertaken any measures to remediate any loss of income relating to any forced labour or child labour to date.

### **Training**

We do not currently provide formal training to our employees on forced labour and child labour. However, our senior officers, team leaders, and team members have been made aware of the Canadian Government's concern with forced labour and child labour.

### **Assessing Effectiveness**


We are continuing to assess the effectiveness of our activities to identify areas of improvement in our efforts to minimize the risk of forced labour and child labour being used in our operations and supply chains. We will continue to assess the effectiveness of our actions by working with our managers, staff, and suppliers to identify areas of improvement.

## Approval and Attestation

This Report will be approved by the Board of Directors of NWT on June 18, 2024 in accordance with paragraph 11(4)(a) of the Act.

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 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.

### NORTH WEST TERMINAL LTD.

Per:   
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Name: Holly Bannerman  
Title: CFO  
Date: May 30, 2024