

MODERN SLAVERY REPORT 2023

PATTISON AGRICULTURE LIMITED



This Modern Slavery Report (the “Report”) addresses the period from January 1, 2023 to December 31, 2023 and has been prepared in compliance with 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* (Canada) (the “Act”).

This initial report is made on behalf of **Pattison Agriculture Limited (“PAL”)** and is not a joint report.

## I. INTRODUCTION

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As a leading business in the agricultural equipment industry, PAL recognises the important role that we have in ensuring that the supply chains that support our operations and products, adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. This Report sets out the steps we have taken during the 2023 fiscal year to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by PAL or of goods imported into Canada by PAL.

## II. CORPORATE OVERVIEW AND SUPPLY CHAINS

PAL is a division of the Jim Pattison group of companies. PAL is operated by an executive team including the President, Vice President of Sales and Operations, Vice President of Finance, Directors of Intelligence Solutions, Service and Parts as well as four regional General Managers. General Managers guide a group of branch managers who are responsible for the operations of the individual locations. The executive team provides the framework for branches to operate their locations. PAL employs approximately 700 people in its 18 locations across Saskatchewan and Manitoba.

PAL is a John Deere agricultural equipment dealer headquartered in Saskatchewan, Canada. We are a corporation that sells through our retail locations agricultural equipment including tractors, planting and seeding equipment, sprayers, harvesting equipment, construction equipment and lawn and garden machines. We also supply aftermarket support including parts, mechanics, and agronomic services. We operate 16 physical locations in Saskatchewan and 2 in Manitoba. We also sell products online through our website: <https://www.pattisonag.com>. Our customers are largely the end-users of our products, which largely include family farms and agricultural businesses located in Canada. We occasionally supply agricultural equipment and associated products to other distributors and farmers in Canada, the United States and Mexico.

PAL's supply chain includes businesses that supply agricultural parts and equipment, and supply services to our organization. We receive goods from our suppliers in their final form and some require further processing. Most of our direct suppliers are North American-based agricultural equipment manufacturers and distributors, specifically John Deere, based in the United States, and other products and parts suppliers, who are based in Canada and the United States.

PAL is not required to produce similar reports under any other jurisdiction.

PAL qualified to file this report as in calendar 2023 PAL: a) was doing business in Canada; b) had at least \$20mm in assets in Canada; c) generated at least \$40mm in revenues; and d) employed at least 250 people.

The head office of PAL is located in Swift Current, Saskatchewan.

Our customers are overwhelmingly located in the prairie provinces of Canada.

In total, we procure goods and services from approximately 3500 suppliers and contractors.

Further information about our business can be found on our website.

### **III. POLICIES AND DUE DILIGENCE PROCESSES**

#### **Policies**

Through our Business Code of Conduct and Whistle Blower policies, we communicate our values and expectations, setting a high bar for ourselves and our suppliers, and make it clear that we do not tolerate any forms of forced labour or child labour. We are committed to consistently evolving and improving our approach. We do not tolerate child, forced or bonded labour in any of our operations, or in the operations of our suppliers, subcontractors and other business partners. We make every effort, including through carrying out our due diligence and audits to monitor the performance of our suppliers and to prevent our activities harming human rights. Our policies were adopted in 2017 the inception of our company and are reviewed annually. Our relevant policies are discussed in further detail below:

#### **Business Code of Conduct**

We are committed to conducting our business lawfully and ethically. Our Business Code of Conduct is the foundation of our company policies and sets out guiding principles on professional conduct and establishes that in performing their job duties, PAL employees should always act lawfully, ethically and in the best interests of PAL.

#### **Whistleblower Policy**

We are committed to maintaining high ethical standards and legitimate business practices and wish to encourage the identification and prevention of any misconduct that may affect this commitment. The Whistleblower Policy aims to provide an avenue for employees to raise serious concerns with the reassurance that they will be protected from reprisal or victimization for whistle-blowing in good faith.

#### **Due Diligence**

We expect third parties with which we work to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. Before making any commitments towards third parties, we take steps to appropriately evaluate the relationship and mitigate any associated risks by carrying out risk-based due diligence and checks.

To mitigate potential forced labour and child labour risk, we follow a due diligence approach that includes the following steps:

- Supplier visits,
- Supplier confirmation, including appropriate language on this issue representing and warranting that no such practices are involved or incorporated in their systems/work; and
- Embedding responsible business conduct into policies and management systems.

### **IV. RISK ASSESSMENT AND MANAGEMENT**

PAL engages in various activities to identify, assess, and manage supplier risk. In assessing the risk of forced and child labour in our business and supply chains, we engage with our peers to discuss risks. To identify the business activities with the greatest exposure to these risks, we consider the following factors:

- Reliance on low-skilled workforce;
- Dangerous or undesirable work; and
- Presence of migrant workers.

Our exposure to the risk of forced labour and/or child labour increases when we engage with third parties, particularly in categories such as transportation, warehousing, construction, manufacturing, packaging, raw material sourcing, and agriculture. We recognize that our exposure to forced labour and/or child labour increases when we engage with suppliers who source goods or raw materials from countries where forced labour exploitation is known to occur. As such, we follow a risk-based approach to our due diligence activities. Our due diligence is prioritized to the most significant adverse impacts based on severity and the likelihood of harm and focus our attention and resources.

## V. MODERN SLAVERY REMEDIATION MEASURES

### Steps to Prevent and Reduce Risks of Forced and Child Labour

- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily;
- Prioritization to focus due diligence efforts on the most severe risks of forced and child labour;
- Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains; and
- Monitoring suppliers.

### Remediation Measures

Our Supplier Code of Conduct requires our suppliers to adhere to high standards of ethical conduct. Forced and child labour is strictly prohibited. We also undertake diligence efforts (as further described in this Report) to ensure that the risk of forced labour and child labour is mitigated in our business.

If we discover any forced labour or child labour in our business and supply chains, we take the following measures to remediate such forced labour or child labour:

- *Suspension or termination of a supplier, sub-supplier or contractor;*
- *Actions to prevent forced labour or child labour and associated harms from reoccurring;*
- *Actions to support victims of forced labour or child labour;*
- *Grievance mechanisms; and*
- *Formal apologies.*

## VI. LOSS OF INCOME – REMEDIATION MEASURES

- **STEPS TAKEN TO REMEDIATE THE LOSS OF INCOME RESULTING FROM REMEDIATION MEASURES**
  - *Actions to support victims of forced labour or child labour and/or their families such as workforce reintegration and psychosocial support;*
  - *Compensation for victims of forced labour or child labour and/or their families; and*
  - *Community and stakeholder engagement or wider capacity-building measures.*

## VII. TRAINING

Every year, PAL personnel at all levels are required to complete a mandatory certification process to ensure that our Code of Business Conduct and Ethics is understood and properly applied to our daily activities. Every new employee of PAL must complete mandatory online training on our values and policies, including

our Code of Business Conduct and Ethics, and is informed of how to report wrongdoing under our Whistleblower Policy. We provide employees with ongoing and periodic training opportunities to ensure that all employees have current knowledge. PAL currently does not have training specific to child or forced labour.

#### **VIII. ASSESSING EFFECTIVENESS**

As part of our governance processes, we monitor compliance with our policies on an ongoing basis. We also review any concerns raised through our Whistleblower Policy and other informal mechanisms of employee feedback. To date, no significant concerns or complaints have been identified.

We also assess the effectiveness of our policies by:

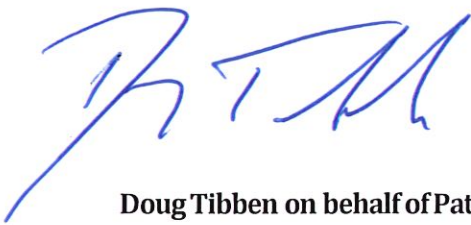
- Setting up a regular review or audit of the organization's policies and procedures related to forced labour and child labour; and
- Tracking relevant performance indicators, such as levels of employee awareness, number of cases reported and solved through grievance mechanisms and number of contracts with anti-forced labour and child labour clauses.

To date, we have not identified any parts of our business activities or supply chain that carry the risk of forced labour.

**IX. APPROVAL AND ATTESTATION**

This Report was approved pursuant to paragraph 4(a) of the Act by PAL's President Doug Tibben on May 31, 2024 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at [www.pattisonag.com](http://www.pattisonag.com).

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for PAL. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



**Doug Tibben on behalf of Pattison Agriculture Limited**

**President, May 31, 2024**

I have the authority to bind PAL