



2024 Modern Slavery Report

By Snobelen Farms Ltd.

1. Introduction

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) requires that businesses state actions they have taken during the fiscal year to prevent and reduce the risk of forced labour or child labour within their operations and supply chain. This report constitutes the first report prepared by Snobelen Farms Ltd. (SFL) and is produced for the financial year ending June 30th, 2023. (the “Reporting Period”) The report sets out the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production and handling of goods in Canada or elsewhere or of goods imported into Canada by SFL.

Snobelen Farms Ltd.’s commitment to prevent and reduce the risk of forced and child labour applies to our network of growers and suppliers nationwide, our business partners, and our world-wide extended supply chain network. We expect our business partners and suppliers (as well as their contractors, agents, subcontractors, and sub-agents) to uphold these same principles within their operations and adhere to applicable human rights and employment standards laws.

2. Steps taken to prevent and reduce the risk of forced labour or child labour

We consider the respect of human rights to be a fundamental corporate responsibility and a value governing all our activities. We place the highest importance on respecting human rights while conducting our business activities everywhere we operate. We expect the same of our business partners.

In general terms, we took the following steps during the Reporting Period to prevent and reduce the risk of forced or child labour in our business and supply chains:

- Identified the need for a Supplier Code of Conduct.
- Solicited a third-party ethical trade audit on our company.
- Began to establish a third-party due diligence process.

Details of the above actions are set out in this Report.

3. Structure, activities and supply chains

Founded in 1971, Snobelen Farms Ltd. is a privately-owned corporation headquartered in Lucknow, Ontario. Specializing in the receiving, production, processing, storage and sales of food-grade soybeans, commercial grains, and pedigreed seed, the company operates across Canada and internationally. With eight elevator locations and approximately 60 full-time employees, Snobelen Farms prides itself on its commitment to diversity and inclusivity among its workforce.

The company's three main streams of business include commercial elevators for grain receiving, drying, storage and sales in eastern Canada and the United States; soybean export to Asia and Europe; and a seed business, producing and processing certified seed for farmers. By implementing innovative agricultural practices, Snobelen Farms has become a leader in the grain, seed, and export industries.

Supported by a supply chain that extends domestically and internationally, the company's Senior Leadership Team oversees governance practices to ensure compliance with high standards of corporate governance.

4. Company policies and due diligence processes in relation to forced labour and child labour

Snobelen Farms Ltd. is committed to embedding human rights considerations into its policies, governance framework and decision making. As such, Snobelen Farms Ltd. sees the management of Environmental, Social and Governance ("ESG") risks and opportunities as an inherent part of SFL's success as a business.

Snobelen Farms Ltd. is a SEDEX Member (Supplier Ethical Data Exchange). Through participation in a formal third-party ethical audit process, SMETA (SEDEX Members Ethical Trade Audit) Snobelen Farms Ltd. is measured against international standards for activities within the organization and within its supply chain. This platform allows suppliers to maintain data on ethical and responsible practices and allows them to share this information with their customers.

Snobelen Farms Ltd. policies and practices are informed by the following international and industry-leading standards:

- Canada Labour Code
- Local human rights laws
- The United Nations' Guiding Principles on business and Human Rights (UNGPs)

Snobelen Farms Ltd. is committed to identifying and addressing modern slavery risks. As we begin our due diligence process, we are setting in place mechanisms to review and assess salient human rights impacts in our workplace and throughout our operations. We expect our team members, clients,

suppliers, and other third-parties with whom we have a business relationship to share our commitment to respect human rights.

Snobelen Farms Ltd. is in the process of the foundational work that will become a strong framework for the policies and procedures to prevent modern slavery including forced labour and child labour, human trafficking, and other human rights violations.

5. How we identify and address Modern Slavery Risks

Snobelen Farms Ltd. supports a risk-based approach to assess and manage its risk of forced labour and child labour. We are aware that our supply chain and the industries in which we operate present a risk of forced labour and child labour. This approach helps us prioritize our efforts and adjust our actions. Our methodology to identify risks in our supply chain through our third-party due diligence process has, thus far, centered on identifying suppliers that are also SEDEX Members with published reports of their SMETA (SEDEX Members Ethical Trade Audit) Audit(s).

Snobelen Farms Ltd. further assesses suppliers with the aid of a supplier questionnaire which includes a request for information on the existence of a company Code of Ethics. This questionnaire is also used to convey Snobelen Farms Ltd.'s own Code of Ethics to our suppliers outlining that this is a minimum expectation.

6. Remediation of any forced labour or child labour

Our Supplier Questionnaire includes our code of ethics under which our employees operate and serves as the expectations for the suppliers with which we do business.

If an audit or questionnaire identifies a compliance issue, including but not limited to, child labour, forced or bonded labour, or life-threatening health and safety situations, Snobelen Farms will suspend relationships with those facilities (and/or supplier). Snobelen Farms will work with suppliers to determine whether satisfactory remediation of the compliance issue is possible and will terminate relationships with suppliers who are unable or unwilling to remediate a non-compliance.

7. Remediation of loss of income to the most vulnerable families that results from any measures taken to eliminate the use of forced labour or child labour in its activities and supply chains

To date there have been no identified or reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in our activities or supply chains.

8. Training provided to employees on forced labour and child labour

Snobelen Farms Ltd. employees all receive an employee manual with Standards of Conduct including Employee Code of Ethics as well as some training on ethical topics. Our Code of Ethics also includes an anonymous reporting tool which employees can use to raise concerns. In accordance with UNGC (United Nations Global Compact) principles, if a situation of non-compliance is identified, Snobelen Farms will work to develop and implement a corrective plan to improve and remedy the situation.

To date, targeted ethical training has been mandatory for those employees involved in the export stream, however, we intend to expand this going forward.

9. Assessing effectiveness

We are actively planning efforts to assess the effectiveness of our measures aimed at preventing and reducing the risk of forced labor or child labor in our activities and supply chains. While we have not yet undertaken these assessments, we are committed to implementing them at a later stage to ensure the continued improvement of our practices.

10. Approval and 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 this report for the entity listed above. 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.

I have the authority to bind Snobelen Farms Ltd.



Samuel S. Snobelen
President
Director of Snobelen Farms Ltd.
May 16, 2024