



tel: 306.672.4112

fax: 306.672.4166

toll free: 888.672.4112

Box 719, Gull Lake, SK S0N 1A0

FORCED LABOUR AND CHILD LABOUR REPORT

Introduction

This Forced Labour and Child Labour Report (this "**Report**") for the financial year ending March 31, 2024 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 South West Terminal Ltd. ("**SWT**", "**we**", "**us**", or "**our**") to mitigate forced labour and child labour in our operations and supply chains.

SWT is a farmer-owned, independent grain and crop inputs company, with over 520 shareholders that include local farmers, business owners, and individuals. We provide a wide range of services, including grain marketing, crop nutrients, crop protection, and agronomy services that assist in maximizing producers' operations.

Respect for Human Rights

SWT supports the objectives of the Act and opposes the use of all forms of forced labour and child labour. SWT is committed to preventing, detecting, and addressing risks of forced labour and child labour in its operations and supply chains.

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 or other adverse human rights impacts. 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

SWT is a corporation incorporated pursuant to *The Business Corporations Act* (Saskatchewan). SWT was formed to create an inland grain terminal (the "**Terminal**"). The Terminal is located 7 miles east of Gull Lake, Saskatchewan, along the Trans-Canada Highway and connects to the Canadian Pacific Railway's mainline.

We opened our doors to producers on January 8, 1997 and became the first producer-owned terminal in southwest Saskatchewan. As the years progressed, we believed there was an increasing need for crop protection and fertilizer services. So in 2000, our first crop inputs location was built at the Gull Lake site where the Terminal is located. From there, we expanded our crop inputs services to Hazenmore in 2003, Cabri in 2009, Shaunavon in 2011, Wymark in 2016, and

Kyle in 2019. In 2024, we acquired a transloading business located in the town of Whitla, Alberta (the "**Whitla Location**") to complement our existing operations. We are built on the foundation of the original directors visions and continue to service producers needs of south west Saskatchewan.

Our staff is made up of the following teams:

- Senior leadership team
- Sales & Procurement
- Health & Safety
- Finance, Human Resources, & Marketing
- Maintenance
- Trucking
- Agronomy

Our Board of Directors consists of twelve individuals, and members of our Board of Directors hold positions on our Executive Committee, Risk Committee, Policy, Governance & Nominating Committee, and Audit and Finance Committee.

Operations

Our operations are grouped into several business segments, grain handling ("**Grain Handling**") crop inputs ("**Crop Inputs**"), transloading ("**Transloading**"), and agronomy ("**Agronomy**") (collectively, the "**Business Segments**").

i. Grain Handling

The Grain Handling operations consist of buying, selling, cleaning, and drying grain through the Terminal. The Terminal has a total capacity of 52,000 metric tonnes or 2 million bushels. When total capacity is reached, SWT will be able to fill over 600 rail cars with grain in store.

Grain Handling is the principal core business of SWT in the origination and processing (including cleaning, bulk loading, shipping and export) of grain at the Terminal. This segment represents the largest segment of SWT's business and provides the core infrastructure enabling the company's continuous processing and logistics support of grain products.

ii. Crop Inputs

The Crop Inputs segment represents the retail and warehousing business of SWT in the retailing of crop protection products, bulk and bagged seed along with granular and liquid fertilizer. This segment represents the six retail arms of SWT's business (Gull Lake, Hazenmore, Cabri, Shaunavon, Wymark and Kyle (collectively, the "**Crop Inputs Locations**") and enables the business to become closer to the grower and support the Grain Handling business by directing grain products to the Terminal at Gull Lake.

iii. Transloading

The Whitla Location specializes in transloading inbound feed grains from railcars to trucks and polymer from rail to truck, catering to the oilfield industry's needs for enhanced oil recovery. Additionally, the facility possesses the capability to transload crop nutrient products from rail to truck, with future potential to serve customers with crop protection and nutrient products.

iv. Agronomy

The Agronomy segment represents the arm of the business that supports growers in the field to ensure they have confidence in the products that are required to protect their crops. The advice provided by the company to the producer is used to assist the grower by recommending strategies to make the right investments of investment into the crop and at the proper times of the growing season.

Supply Chains

The Business Segments share the following suppliers and professional service providers ("**Shared Suppliers**"), all of which are located in either Canada or the United States:

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

Notwithstanding the Shared Suppliers, the Business Segments are each strategic business units with different product inputs, and SWT's supplier network varies as a result. Accordingly, the Business Segments' supply chains are separately described as follows:

i. Grain Handling

Grain Handling supply chains primarily consist of the following:

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

Grain shipped from the Terminal includes durum wheat, canola, yellow peas, red lentils, flax, spring wheat, barley, and rye.

SWT purchases grain from local farmers, most of which are located within 200 km from the Terminal. Once purchased, grain is delivered to the Terminal by truck. Upon arrival at the Terminal, grain is shipped out of the Terminal by rail either to wholesale customers located in Vancouver, British Columbia or to customers in the United States.

SWT purchases corn from other grain companies, all of which are located in the United States. Once purchased, corn is delivered to the Terminal by rail/truck. Upon arrival at the Terminal, corn is sold to customers as feed and either picked up at the Terminal by our customers or shipped to customers by truck.

ii. Crop Inputs

Crop Inputs supply chains primarily consist of the following:

- fertilizer/micronutrient suppliers;
- chemical suppliers (i.e. herbicides, fungicides, insecticides, and seed treatments); and
- transportation companies (i.e. trucking and rail)

All Crop Inputs suppliers are located in either Canada or the United States. Once purchased, Crop Inputs supplies are either delivered to the Crop Inputs Locations or directly shipped to customers by rail or truck.

iii. Transloading

Transloading supply chains primarily consist of the following:

- Feed grain shippers/carriers;
- polymer shippers/carriers; and
- transportation companies (i.e. trucking and rail)

Shippers and carriers deliver feed grain and polymer products (“**Freight**”) to the Whitla Location by rail. Upon arrival, Freight is unloaded from rail cars and loaded into containers to be shipped by truck to end-users.

For greater certainty, SWT does not own, purchase, or sell any of the goods delivered to the Whitla Location for transloading purposes. The Whitla Location’s sole business is the provision of transloading services to shippers and carriers, all of which are located in either Canada or the United States.

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

Operations

All of our employees are directly employed by SWT and new employees must, if requested, present documentation establishing their identity and their eligibility to legally work in Canada (See below discussion of Terms and Conditions of Employment). We are 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 Business Segments' supply chains, we have separately described the risk of forced labour and child labour in the supply chains of each segment as follows:

i. Grain Handling

We acknowledge that 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 we do not directly interact with or where limited information is available regarding the operations of such suppliers.

However, all of the grain purchased by the Grain Handling is sourced from local farmers/producers within Saskatchewan. SWT directly interacts with these farmers/producers regularly, and many of these producers are SWT shareholders. Additionally, all Grain Handling suppliers are located within Canada or the United States and are subject to comprehensive human rights and labour laws. Accordingly, we have assessed the risk of forced labour and child labour within Grain Handling supply chains to be low.

ii. Crop Inputs

All Crop Inputs suppliers are located in Canada or United States and subject to comprehensive human rights and labour laws. Accordingly, we have assessed the risk of forced labour and child labour within Crop Inputs supply chains to be low.

iii. Transloading

Transloading suppliers are located within Canada or the United States and are subject to comprehensive human rights and labour laws. Accordingly, we have assessed the risk of forced labour and child labour within Transloading supply chains 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:

- **Terms and Conditions of Employment:** In order to protect our business and to ensure consistency throughout SWT, employees must agree to certain conditions of employment before employment commences. These terms and conditions include, but are not limited to, SWT's right to request documentation establishing an employee's identity and their eligibility to legally work in Canada.
- **Employment Principles Policy:** SWT is committed to the fundamental principles of equal employment opportunity. We are committed to treating people fairly, with respect and dignity, and to offer equal employment opportunities based upon an individual's qualifications and performance—free from discrimination or harassment because of race or perceived race, ancestry, nationality, place of origin, colour, religion, creed, sex, sexual orientation, gender identity, age, marital status, family status, disability, and receipt of public assistance. These principles apply to all aspects, terms and conditions of employment at SWT, including recruitment, hiring, training, transfer, promotion, discipline, demotion, dismissal and layoffs.
- **Student Employment Policy:** From time to time, and as determined to be necessary by the CEO, SWT may hire students aged 16 years or older on a part time contract basis. The Human Resources Department is responsible for: (i) verifying that the type of employment is allowable for students the age of 16, as it may be restricted for some age groups; (ii) recruiting, interviewing, providing a written offer and orienting students who accept the written offers of employment; (iii) ensuring that the student signs a written employment contract; and (iv) determining the job placement of students with a supervisor.
- **Foreign Workers Policy:** Subject to the provisions of this policy, all employees of SWT must be Canadian citizens, have permanent residency status, or be otherwise legally entitled to work in Canada, and shall provide SWT with a valid Canada Social Insurance Number prior to the commencement of employment.

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 leadership team has alerted themselves to the requirements of the Act and the need to contribute to Canada's fight against 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 senior leadership team, employees, and suppliers to identify areas of improvement.

Approval and Attestation

This Report has been approved by the Board of Directors of SWT 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.

SOUTH WEST TERMINAL LTD.

Per: 

Name: *MONTY REICH*

Title: *CEO*

Date: *MAY 31/24.*

I have authority to bind South West Terminal Ltd.