



The PGF Group’s Annual Report related to *Fighting Against Forced Labour and Child Labour in Supply Chains*

Introduction

Paterson GlobalFoods Inc. (“PGF”) is a privately held and diversified corporation with a long-standing history in Canada, dating back to 1908. PGF is proud to be recognized as a Platinum Member of Canada’s Best Managed Companies.

Originally established as N.M. Paterson & Sons Limited, PGF attributes its growth, success and esteemed reputation for service to its commitment to forging meaningful relationships with customers based on reciprocity and respect which enables it to market high quality agricultural commodities and food products to suppliers and consumers across Canada and the world.

Since its inception, PGF has expanded both in its size and operations, including the creation of several subsidiary companies. This report is made on behalf of PGF and its subsidiary entity Enterprise Properties Limited Partnership (together referred to as the “PGF Group”). The PGF Group is committed to ethical, sustainable and fair business practices including upholding human rights through its own operations and in its supply chains. The within report is made in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (S.C. 2023, c. 9) on behalf of the PGF Group for the financial year ending on July 31, 2024 and the May 2025 reporting period.

The PGF Group’s Structure and Business Activities

The PGF Group is a privately held group of Canadian federal and provincial corporations headquartered in Winnipeg, Manitoba.

The PGF Group’s operations are principally related to the operation of a network of licenced grain terminals, including the storage, handing and sale of grain and oilseeds and the accompanying agri-business operations, which includes the storage, handling and sale of crop inputs including fertilizer, seed, pesticides and herbicides. Through its grain marketing operations, PGF has expanded into the processing, manufacture and sale of wheat flour, oat products and animal feed through its subsidiary corporations, NutraSun Foods Ltd., O Foods Ltd. and FeedMax Corp., respectively. The PGF Group’s facilities are located throughout Western Canada, including Manitoba, Saskatchewan and Alberta and in North Dakota, United States of America.

The PGF Group’s Supply Chains

The PGF Group’s supply chains consist of Canadian and American producers and suppliers. PGF’s licenced terminal network purchases the vast majority of its grain from Canadian farmers located in the Canadian Prairies, including Manitoba, Saskatchewan and Alberta. A smaller portion of the grain purchased originates in the Northern United States of America.

The PGF Group purchases agricultural and food processing equipment, including but not limited to grain handling machinery, scales, milling machinery and equipment, primarily from suppliers based in Canada, the United States of America and Europe.

The PGF Group exclusively sources pesticides and herbicides which are approved and regulated by the Canadian Pest Management Regulatory Agency. The PGF Group purchases its pesticides and herbicides from corporations operating within Canada or the United States of America.

The PGF Group sources its fertilizer products from Canadian and American corporations operating either within Canada or the United States. The PGF Group's fertilizer is either purchased domestically or imported from the United States.

The PGF Group sources its seed products from domestic corporations and producers within Canada.

The PGF Group's Policies and Due Diligence Processes

As a platinum member of Canada's Best Managed Businesses, the PGF Group is committed to sound, ethical and lawful business practices. Internally, the PGF Group assures compliance with all applicable laws and regulations governing its operations, including all applicable employment and labour legislation, including ensuring that:

- its employees are eligible to work in Canada;
- its employees are paid in accordance with or in excess of the minimum wage requirements in each jurisdiction in which it operates;
- its working conditions comply with applicable workplace health and safety requirements; and
- its employees' human rights are upheld and protected.

The PGF Group does not use or participate in the use of forced and/or child labour and strives to ensure that it is not complicit in any unlawful, unethical or unfair business practices within its supply chains. The PGF Group assesses its suppliers to ensure that they are reputable, comply with applicable laws and regulations and meet its business standards.

The PGF Group makes best efforts to only engage companies that meet or exceed its expected business standards. Prior to entering into agreements with suppliers, the PGF Group conducts a thorough review of the prospective supplier, which may include its business history, regulatory compliance measures it may have in place, and a detailed risk assessment, which may include additional questioning and/or on-site inspections and verifications. If the PGF Group is not satisfied with its review of a supplier or a supplier presents an unacceptable risk, it will not engage with said supplier.

The PGF Group has a detailed Code of Conduct Policy which, among other things, requires that all employees strictly comply with all applicable laws and regulations when conducting company business. Employees are encouraged to report instances of concern and are provided with a confidential and protected disclosure process for doing so.

Training

All employees of the PGF Group are required to review and sign corporate policies including the Code of Conduct Policy. The PGF Group's employees are expected and required to conduct themselves in an ethical manner and at all times must adhere to all applicable laws and regulations. PGF Group employees who are responsible for the procurement of products from suppliers are trained and expected to follow the PGF Group's policies and due diligence processes outlined above.

Identified Areas of Risk

The vast majority of the PGF Group's suppliers are either domestic or American in origin. Many of the corporations that the PGF Group does business with in relation to the purchase and procurement of crop inputs are part of large multinational groups of corporations that operate in jurisdictions with strong human rights protections, including prohibitions against forced and child labour. The PGF Group, while remaining aware of and continuing to monitor its supply chains for potential risks, assesses its risk for participating in the use of forced and child labour as very low. Nonetheless, the PGF Group continues to monitor and map its supply chains to ensure that the materials, products and commodities it procures are compliant with all applicable laws and regulations.


Remedial Measures and Assessment of Effectiveness

The PGF Group has not identified any instance of forced or child labour in its operations or supply chains during the reporting period. Accordingly, no remediation measures were required or undertaken. Should the PGF Group identify a concern related to the practices of its suppliers or within its supply chains, it will act swiftly to investigate and remediate the concern as necessary.

Internally, the PGF Group, through its human resources department, has ensured that it employs individuals voluntarily and who are eligible to work within the jurisdiction in which they are employed. Externally, the PGF Group remains committed to assessing its suppliers' business practices and operations and monitoring its supply chains to ensure that it is not complicit in the use of forced and/or child labour.

Attestation

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, and in particular section 11 thereof, I, D. Tomas Masi, in my capacity as Secretary (and not in my personal capacity), attest that I have reviewed the information contained in the report on behalf of the governing bodies of the PGF Group. 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 within this report.



D. Tomas Masi,
Secretary

I have the authority to bind the companies of the PGF Group.