



ANNUAL REPORT

Purpose

This annual report for the 2023 financial reporting year has been created by The Scoular Company. (“**Scoular**”) for the sole purpose of meeting its obligations and reporting requirements for entities pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the “**Act**”). This is a joint report on behalf of Scoular and Scoular Canada ULC (“**Scoular Canada**”).

Organizational Structure, Activities, and Supply Chains

Scoular and Scoular Canada are organizations that are in agribusiness, that primarily buy, sell, store, and handle, grain, food and feed ingredients. Scoular is principally located in Omaha, Nebraska, United States of America. Scoular Canada is principally located in Saskatoon, Saskatchewan, Canada.

Pursuant to this, the Scoular and Scoular Canada import goods including commodities for food and feed ingredients, human food, pet food, and animal feed (from domestic and international suppliers). These suppliers in some instances have their own supply chains, including overseas.

Scoular and Scoular Canada also distribute and sell goods inside and outside Canada, which are sold to end-use customers.

Policies and Due Diligence Processes

Scoular and Scoular Canada maintain general due diligence processes that promote responsible, ethical and legal procurement practices, including with respect to labour practices within the supply chain. These include the following:

- (a) The procurement process is guided by Scoular’s Global Supplier Code of Conduct (“**SCC**”). The SCC requires that suppliers be committed to and support international efforts to promote and protect human rights, and precludes Scoular and Scoular Canada from doing business with suppliers who are known to employ forced or child labour or use corporal punishment to discipline employees.
- (b) Scoular and Scoular Canada are governed by their own Code of Conduct (“**CC**”). The CC states that Scoular and Scoular Canada are committed to supporting international efforts to promote and protect human rights. It requires its workers to not knowingly do business with suppliers who employ forced or child labour or use corporal punishment to discipline employees.
- (c) Scoular and Scoular Canada provide access to a hotline where workers may contact through phone call or online portal, to report on an incident that may be inconsistent with Scoular and Scoular Canada’s commitment to safety, integrity, and legal compliance, or if the worker sees or suspects that an incident is wrong or otherwise illegal or inappropriate behaviour.

- (d) Scoular and Scoular Canada's Corporate Sustainability Supplier Questionnaire requires that some suppliers affirm that employees are of the applicable legal working age before hiring.
- (e) Scoular and Scoular Canada's standard purchase terms and conditions require their suppliers to warrant that the goods furnished will be produced, manufactured, processed, labeled, marked and shipped in accordance with all applicable international, federal, provincial, state and local laws, regulations, ordinances, and rules.

Steps Taken in Prior Financial Year

The above due diligence processes and policies were in place in the prior financial year. In addition, and in 2023, the leadership of Scoular and Scoular Canada started the process of reviewing and evaluating its internal policies and procedures with respect to the issues of child labour and forced labour.

Forced Labour and Child Labour Risks

Moving forward, Scoular and Scoular Canada will be working to identify specific risks of forced labour and child labour that may exist in its supply chain. It is aware that there may be higher risks associated with certain regions, goods, and industries.

To improve visibility and better identify areas of risk, Scoular and Scoular Canada will consider tracking countries of origin for imported goods. Scoular and Scoular Canada will consider modifications to their procurement documents to require vendor attestation to compliance with the Act.

Scoular and Scoular Canada have begun the process of updating a supplier assessment questionnaire. The updates to the document may include a requirement for suppliers to identify if they have a policy that clearly defines and prohibits child labour, if they hire any workers who are legally of age to work but are under the age of 18. The supplier assessment questionnaire may further request suppliers to disclose if they take steps to ensure that there is no forced, bonded, or involuntary prison labour.

Remediation Measures

Scoular and Scoular Canada have not identified any forced labour or child labour in its activities or supply chains. As such, it has not undertaken any remediation measures.

Remediation of Loss of Income

Scoular and Scoular Canada have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains. As such, it has not undertaken any income remediation measures.

Training Provided to Employees

Scoular and Scoular Canada provide employee training both as part of its onboarding process. Scoular and Scoular Canada are in the process of assessing what forced labour and child labour-related training may be appropriate, with a particular focus on its procurement team.

Effectiveness Assessment

Scoular and Scoular Canada do not currently have specific policies and procedures in place to assess its effectiveness in reducing and/or eliminating the risk of child labour and/or forced labour in its supply chain. However, it will be assessing what measures may be appropriate in the future.

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 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.

IN WITNESS WHEREOF the authorized signing officer(s) of The Scoular Company and Scoular Canada ULC have executed this report as of the effective date of the signature set out below.

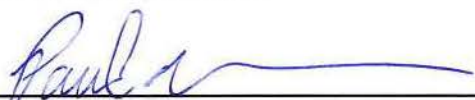
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THE SCOULAR COMPANY

Per: 

Name: Paul Maass
Title: Chief Executive Officer
I have authority to bind The Scoular Company.

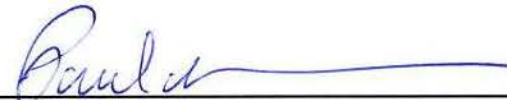
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Scoular Canada ULC.

Per: 

Name: Paul Maass
Title: Chief Executive Officer
I have authority to bind Scoular Canada ULC.