

# Supplier Code of Conduct

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# 1. BACKGROUND

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Sollio Agriculture, the agri-business division of Sollio Cooperative Group, is a Canadian leader in the agriculture industry. It specializes in supplying farm inputs and providing value-added services that benefit farmers, cooperatives, and partners. Its business model combines the strength of a local approach with the power of a national presence to offer innovative products and solutions, promote the adoption of sustainable farming practices, and help local farming families prosper. It has a nationwide presence, 1,300 employees, and annual sales of \$2.8 billion.

Sollio Agriculture is committed to being a responsible company, addressing climate change, and bringing about positive change in agriculture. At Sollio Agriculture, we want all our activities to have a positive and measurable impact on our people, the environment, and the communities where we operate. To achieve that, Sollio Agriculture has developed a corporate responsibility action plan.

# 2. PURPOSE OF THE CODE OF CONDUCT

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The Supplier Code of Conduct (the “**Code**”) is based on Sollio Agriculture’s Procurement Policy. Its aim is to clarify what Sollio Agriculture expects of its suppliers and to encourage or require them to adopt responsible practices.

### 3. SCOPE OF THE CODE

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This Code applies to suppliers of Sollio Agriculture, a division of Sollio Cooperative Group. A supplier (“Supplier”) as defined in this Code is any individual, corporation, or entity that has a business relationship with Sollio Agriculture. That includes, but is not limited to, Suppliers, Supplier subcontractors, consultants, and service providers involved in the delivery of goods and/or services, whether or not they are contractually bound by a written agreement with Sollio Agriculture and its business units.

Suppliers are responsible for ensuring that any subcontractor with whom they do business complies with this Code.

Suppliers must exercise due diligence in selecting subcontractors and set clear expectations regarding compliance with this Code. Suppliers are responsible for monitoring and verifying subcontractor compliance throughout the duration of the work and services.

This Code applies to the following raw material product categories:

- **Fertilizers** (e.g., nitrogen products, potash, phosphorus)
- **Crop protection products** (e.g., insecticides, fungicides, herbicides, adjuvants)
- **Feed products** (e.g., amino acids, medicinal additives, grain, palmitic fats, pharmaceutical products and veterinary services, proteins, vitamins, and minerals)

This Code also applies to purchases of the following indirect goods and services:

- Maintenance, repairs and operations
- Equipment used at sites
- Professional services (consultants, services, training)
- Administrative expenses (insurance, maintenance, office supplies)
- Marketing costs (advertising, translation)
- Information technology costs (software, equipment)
- Travel expenses

This Code also applies to the transport and logistics activities required to move the above products, as well as to administrative support.

## 4. REFERENCE CRITERIA

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Sollio Agriculture’s procurement approach is based on the following criteria.

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### 4.1 Business ethics

Sollio Agriculture expects its Suppliers to manage their activities in accordance with the highest ethical standards. Therefore, Sollio Agriculture’s Suppliers must:

- **Comply with applicable laws, regulations, and business practices**

Suppliers are required to comply with the laws and regulations in force in Québec or Canada, as well as any tax requirements to which they are subject.

- **Combat fraud, corruption and embezzlement**

Suppliers must adhere to strict ethical standards, ensuring that their business practices are transparent, fair, and free from any illegal activity that compromises Sollio Agriculture’s integrity or trust, including those that distort or manipulate competition. Suppliers are encouraged to promote and actively implement anti-corruption measures within their organizations.

- **Avoid conflicts of interest**

Suppliers must take sufficient and appropriate measures to avoid conflicts of interest—whether real, potential or apparent—that could compromise the integrity of the business relationship. That includes disclosing any conflicts, refraining from any action likely to promote personal gain at the expense of Sollio Agriculture, and respecting the confidentiality of information.

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- **Proactively disclose all information relating to business ethics**

Suppliers must take proactive measures to prevent, detect and report any instances of corruption or activities contrary to this Code.

- **Avoid gifts, travel and entertainment**

Suppliers must avoid providing gifts, travel or entertainment that could influence or be perceived as influencing business decisions. Such transactions must be transparent and documented and must comply with Sollio Agriculture’s standards.

- **Protect assets, personal and confidential information, and intellectual property**

Suppliers must maintain robust confidentiality policies and practices to protect the personal and confidential information of employees, customers and other stakeholders. This includes complying with applicable data protection laws, implementing appropriate security measures, obtaining the necessary consent, and ensuring the transparency of information handling practices. Suppliers are required to implement appropriate security measures to prevent unauthorized access, use or disclosure of such information.

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## 4.2 Environmental protection

Sollio Agriculture seeks to purchase goods and services produced using environmentally friendly practices at every stage of the life cycle. Therefore, Sollio Agriculture's Suppliers must:

- **Minimize their environmental footprint**

Suppliers must minimize their environmental footprint and resource consumption. More concretely, they are called upon to calculate and minimize their greenhouse gas (GHG) emissions; minimize any land clearing or conversion practices that could harm ecosystems; minimize their water consumption; comply with current environmental standards; control the quality of their wastewater discharges; and respect the 4R principle (reduce at source, reuse, recycle and recover) in all their residual materials management.

- **Comply with applicable environmental laws and regulations**

Suppliers must comply with all environmental laws and regulations applicable in the jurisdiction in which they operate. Suppliers must take preventive measures in the event of uncertainty, anticipate risks, and foster transparency and proactive communication regarding potential impacts.

- **Help Sollio Agriculture meet its environmental commitments**

Suppliers must familiarize themselves with [Sollio Agriculture's commitments](#) and mitigate the direct and indirect environmental impact of their operations. They must also support Sollio Agriculture's efforts to move toward sustainable agriculture, which is defined as follows:

*"For Sollio Agriculture, sustainable agriculture is any model of production that accounts for the human, ethical, environmental, and economic impacts of production, with the goal of optimizing the processes involved and adapting to both climate change and society's ever-evolving expectations of the agri-food industry. Sustainable agriculture must be a means of establishing minimum requirements and fostering positive outcomes while allowing for compromises and competing priorities. Sollio Agriculture is committed to supporting the transition to this kind of agriculture in its interactions with farmers."*

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### 4.3 Respect for human rights, health and welfare

Sollio Agriculture expects its Suppliers to provide products and services that come from workers who, regardless of their status, are treated equitably and with dignity and respect in healthy and safe work environments with decent, abuse free working conditions. Sollio Agriculture bases those expectations on recognized international standards, particularly the International Labour Organization's [Declaration on Fundamental Principles and Rights at Work](#) and the United Nations' [Universal Declaration of Human Rights](#). Sollio Agriculture's Suppliers must therefore:

- **Respect human and labour rights**

Suppliers must comply with the labour rights and standards of the jurisdictions in which they operate.<sup>1,2</sup> Suppliers must take the necessary measures to respect workers' rights and freedoms, including freedom of association, the elimination of forced labour and child labour, standard work hours, and regular and transparent remuneration that allows workers to enjoy a decent standard of living.

Sollio Agriculture expressly prohibits:

Any working conditions that could reasonably be expected to cause the worker to believe that their safety or that of someone they know would be threatened if they did not provide or offer their work or services; and any circumstances that constitute forced or compulsory labour,<sup>3</sup> including, but not limited to, any form of coercion used to make employees work, including, but not limited to, violence, intimidation, and methods such as debt manipulation, confiscation of identity documents, or the threat of denunciation to immigration authorities.

The hiring of persons under the minimum age required by applicable law, in circumstances that are mentally, physically, socially or morally hazardous to them or that interfere with their schooling by depriving them of the opportunity to attend school, requiring them to leave school prematurely, or requiring them to attempt to combine school attendance with excessively long and arduous work, or in circumstances that constitute the worst forms of child labor<sup>4</sup>.

Sollio Agriculture or any person designated by it has the right to request verification of a Supplier's policies and procedures at any time to ensure that no forced labour or child labour is used in the Supplier's supply chains.

Sollio Agriculture may terminate a commercial agreement on the basis of the Supplier's failure to comply with its contractual obligations if some or all of the goods involved are manufactured in whole or in part using forced labour or child labour. If the Supplier knows that any of its goods are manufactured or produced using forced labour, it must inform Sollio Agriculture in writing.

Sollio Agriculture may terminate a commercial agreement if there are reasonable grounds to believe that goods have been manufactured or produced, in whole or in part, using forced labour or child labour.

Sollio Agriculture may terminate a commercial agreement if the Supplier has been convicted of an offence under section 279 of the Criminal Code or section 118 of the Immigration and Refugee Protection Act.

Suppliers warrant to Sollio Agriculture that they take reasonable measures and exercise due diligence to ensure that no form of forced labour or child labour is present in their supply chains.

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<sup>1</sup>Under the Forced Labour Convention of 1930 (No. 29), the International Labour Organization (ILO) defines forced labour as "all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily."

<sup>2</sup>Fighting Against Forced Labour and Child Labour in Supply Chains Act, S.C. 2023, c. 9.

<sup>3</sup>C029 - Forced Labour Convention, 1930 (No. 29).

<sup>4</sup>C182 - Worst Forms of Child Labour Convention, 1999 (No. 182).

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- **Promote the principles of equity, diversity and inclusion**

Suppliers must offer equal opportunities to all employees, regardless of nationality, gender, sexual orientation, religion, age (except to the extent provided by law), status, disability, or any other differentiating characteristic, both in the hiring process and in all aspects of working life. They must prevent all forms of discrimination, harassment, and intimidation and put in place simple and accessible recourse mechanisms for victims. It is important for employees to be informed of these practices and mechanisms and made aware of the principles of equity, diversity and inclusion.

- **Ensure worker health and safety**

Suppliers must provide healthy, safe and comfortable living and working conditions for all employees. They must also put in place the necessary measures, including training and communication regarding procedures, to protect all their employees, including foreign workers, against health and safety risks in the workplace.

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#### **4.4 Respect for animal health and welfare**

Sollio Agriculture is also concerned with the health and welfare of land and sea animals throughout the supply chain. Sollio Agriculture's Suppliers must therefore:

- **Ensure animal health and welfare**

Suppliers must ensure that the living environments and practices across their entire value chain guarantee biosecurity and respect the five animal freedoms as defined by the World Organisation for Animal Health. They must also follow the code of practice and/or quality assurance program for their industry; make judicious, reasonable use of antibiotics; and provide relevant training and resources to educate, inform and equip their employees and subcontractors regarding best practices for animal health and welfare.

## 5. IMPLEMENTATION AND COMPLIANCE

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### 5.1 Code application and changes

Sollio Agriculture's supply chain function is responsible for managing and applying this Code.

Sollio Agriculture is committed to regularly reviewing its practices and integrating emerging concerns about ethical sourcing and business practices.

The vice-president of the Supply Chain function is responsible for ensuring that the Code is updated on a regular basis. All Sollio Agriculture Suppliers will be notified of any updates to the Code.

### 5.2 Advertising

Suppliers are prohibited from making public statements or public references to Sollio Agriculture without prior approval. This restriction applies to all forms of public communication, including, but not limited to, press releases, social media posts, marketing materials, the Sollio Agriculture logo, the use of comments, and interviews with the media.

Prior approval must be obtained from designated Sollio Agriculture representatives to ensure accuracy and compliance with legal and contractual obligations.

### 5.3 Information sharing

Sollio Agriculture may request information on Supplier practices or results concerning the criteria identified in this Code. The information requested may include, but is not limited to, carbon footprints, the countries of origin of any marketed products, internal documents and policies, and the results of audits.

### 5.4 Non-compliance and audits

In the event of any breach of this Code by a Supplier, the Supplier shall, following a written request from Sollio Agriculture, promptly rectify the situation so as to ensure compliance with the Code. Such breaches may include, but are not limited to, violations of applicable laws, regulations or standards, as well as any failure to meet contractual obligations or demonstrate a genuine commitment to ethical behavior.

Depending on the severity of the breach, Sollio Agriculture may apply or require the implementation of any corrective measures it deems appropriate, including, but not limited to, enhanced monitoring or auditing procedures or additional training to ensure future compliance.

In the event of a material breach, Sollio Agriculture may terminate its contractual and business relationship with the Supplier.

Sollio Agriculture expects all Suppliers to deal promptly with any cases of non-compliance, conduct thorough internal investigations, apply corrective measures, and communicate the findings in a transparent manner.

**Audit** – Sollio Agriculture reserves the right to evaluate, monitor, and verify Supplier practices with respect to this Code on a regular basis or as required. Sollio Agriculture may also require a Supplier to complete a self-assessment questionnaire. Sollio Agriculture or a third party designated by Sollio Agriculture may conduct on-site audits of the facilities of selected Suppliers that provide Sollio Agriculture with products or services. On-site audits may include a review of relevant Supplier records, policies, and work practices, as well as an inspection of facilities to verify compliance with this Code. In the event of any observed non-compliance with this Code, Suppliers must take all reasonable measures to diligently comply with the standards expressed in this Code.

# SCHEDULE A

## SUPPLIER'S COMMITMENT

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### Sollio Agriculture's Supplier Code of Conduct

Commitment form for all Suppliers

**The undersigned Supplier hereby declares and agrees that:**

1. They have read and understood this Code and undertake to comply with all its provisions;
2. They understand the rules and obligations to which they are subject by entering into a business relationship with Sollio Agriculture and undertake to comply with them;
3. They understand the standards and values that Sollio Agriculture expects of its Suppliers and undertake to uphold them;
4. They understand and undertake to uphold the ethical principles and the sense of integrity that must guide Sollio Agriculture's Suppliers;
5. By signing below, the undersigned Supplier representative declares that they have the necessary authority to bind the Supplier.

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Name

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Job title

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Name of Supplier

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Signature

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Date

