

# Modern Slavery Report

*Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)*

2024



## 1. ABOUT THIS REPORT

Canpotex Limited has prepared this report (the “**Report**”) pursuant to the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “**Act**”) for the financial year ended December 31, 2024. Canpotex Limited has determined that none of its subsidiaries are required to report pursuant to the Act and this Report is only being prepared in respect of Canpotex Limited. All references in this Report to the “**Company**”, “**Canpotex**”, “**we**”, “**us**”, “**our**” and similar terminology refer to Canpotex Limited.

Based on updated guidance released by Public Safety Canada on November 15, 2024, Canpotex is not required to report under the Act for the financial year ended December 31, 2024. Nonetheless, for transparency and continuity of reporting, Canpotex has opted to voluntarily prepare this Report.

Canpotex does not report under similar legislation in any other jurisdiction. This Report has not been externally assured.

## 2. INTRODUCTION

Canpotex markets and delivers Canadian potash, an essential crop nutrient and industrial ingredient, exclusively to international potash markets outside of Canada and the United States. The potash that Canpotex markets and delivers is independently and exclusively produced in Saskatchewan by its two Shareholders (as defined below) or their respective affiliates. Given the importance of Canadian potash to global food security, Canpotex is committed to being a reliable supplier of high-quality potash to Canpotex markets, conducting our business with the highest level of integrity, ethics, and respect for our employees, customers, stakeholders, and communities. Guided by our core value of integrity, we are committed to operating responsibly and safely whenever and wherever we do business. Accordingly, at Canpotex, it is important that our directors, officers, employees, brokers, agents, contractors and sales representatives uphold the highest standards of integrity and foster a culture of honesty and accountability in all our relationships. We also endeavour to hold our third-party suppliers to the same standards to which we hold ourselves.

By operating with integrity, we comply with all applicable laws, including those related to human rights, and we respect cultural differences and the dignity and rights of individuals. We also recognize that Canadian entities such as Canpotex can assist in the global fight against child and forced labour (“**Modern Slavery**”) by reviewing and addressing Modern Slavery risks in its business and supply chains.

## 3. STRUCTURE, ACTIVITIES AND OPERATIONS, AND SUPPLY CHAINS

### A. Our Structure

Canpotex, a *Canada Business Corporations Act* (“**CBCA**”) corporation, is a privately held joint venture between its two shareholders (“**Shareholders**”): Mosaic Canada Crop Nutrition, LP (a Manitoba limited partnership that is an indirect wholly-owned subsidiary of The Mosaic Company, a Delaware corporation listed on the New York Stock Exchange headquartered in Tampa, Florida) and Potash Corporation of Saskatchewan Inc. (a CBCA corporation that is an indirect wholly-owned subsidiary of Nutrien Ltd., a CBCA corporation listed on each of the Toronto Stock Exchange and New York Stock Exchange headquartered in Saskatoon, Saskatchewan, Canada). Each Shareholder owns 50% of Canpotex and has equal

representation on the Canpotex Board of Directors. We create value by leveraging more than 50 years of expertise in global potash sales and transportation, efficiently supplying markets outside of Canada and the United States with high-quality Canadian potash independently and exclusively produced in Saskatchewan by our Shareholders or their respective affiliates.

Canpotex's head office is in Saskatoon, Saskatchewan and has other office locations in São Paulo, Brazil, Singapore, and Shanghai, China. As at December 31, 2024, Canpotex employed 183 individuals, with 153 of those employees based in Saskatoon (including a limited number of employees working remotely from other locations in Canada), and the remainder spread out between our other three offices, predominantly in São Paulo and Singapore.

## ***B. Our Activities and Operations***

Canpotex markets and delivers various agricultural and industrial grades of potash destined for markets outside of Canada and the United States to customers in approximately 40 overseas countries. Canpotex only supplies Canadian potash independently and exclusively produced by its Shareholders (or their respective affiliates) at their Saskatchewan potash mines, and only markets and delivers that potash to international destinations. With our extensive marketing and logistics expertise and integrated logistics network of rail, port terminals, and ocean vessels, we strive to ensure that potash is transported responsibly and safely from mine site to overseas export.

### *I. Inland Transportation*

The majority of Canpotex's potash moves in unit trains west, from Saskatchewan potash mine sites of the Shareholders or their respective affiliates through to port facilities in Vancouver, British Columbia and Portland, Oregon. A smaller portion of our potash is transported east to Thunder Bay, Ontario for shipment through the Great Lakes and the St. Lawrence Seaway or to the terminal facility in Saint John, New Brunswick.

Each year, trains carrying Canpotex potash make approximately 700 trips to these ports, carrying approximately 13 million tonnes of potash annually. Canpotex utilizes the services of Canada's two major freight railway companies to transport our product inland, as well as the services of a major American freight railway company for rail movement to our terminal facility in Portland, Oregon. Through lease-financing arrangements, Canpotex – through one of its CBCA subsidiaries – leases the more than 8,000 specialized railcars that make up its current fleet, which it supplies to these railways to transport its potash to the various port facilities. Our longest trains are up to 205 railcars in length, carrying approximately 21,200 tonnes of potash.

A unique feature of Canpotex's supply chain is our Railcar Maintenance Facility located near Lanigan, Saskatchewan, which is owned by one of our CBCA subsidiaries. This facility enables us to provide all-weather inspection, repair and maintenance, automated washing, wheel repair and replacement, and on-site storage for our railcars.

### *II. Terminals*

Canpotex regularly accesses four marine terminals that load our potash into ocean vessels. These terminal facilities are located in Vancouver, British Columbia; Portland, Oregon; Saint John, New Brunswick; and

Thunder Bay, Ontario. Through the terminals in Vancouver, Portland, and Saint John, we have access to storage warehouses that can hold varying amounts and grades of potash, allowing Canpotex to maintain a variety of potash inventory at port, which aids in facilitating timely delivery to customers in peak periods of demand and mitigating certain seasonality factors. On occasion, Canpotex accesses certain other terminal facilities in Canada and the United States.

### *III. Ocean Transportation*

Canpotex's in-house ocean transportation team works from our Saskatoon and Singapore offices, managing approximately 60 vessels at any given time. Through an exclusive chartering and brokerage network, we manage time-charter and voyage-charter vessels, as well as other types of chartering arrangements. Each year, Canpotex oversees (via one of our CBCA subsidiaries) approximately 305 vessel voyages, making over 600 port calls to over 100 ports worldwide.

Our responsibilities and requirements at the various international disports where our product is discharged – which responsibilities and requirements are carried out by third-party service providers – vary depending on a number of factors, such as the nature of the charterparty arrangement, the terms of sale with the customer, whether the product is being warehoused or transloaded, and the disport location.

### **C. *Our Supply Chains***

Canpotex only sells and delivers potash that is independently and exclusively produced in Canada by its Shareholders or their respective affiliates at their Saskatchewan potash mines. Specifically, Canpotex takes title to potash produced by its Shareholders or their respective affiliates when the product is loaded onto Canpotex's railcars at these potash mines. Canpotex is responsible for arranging ocean transportation for the majority of its sales. The timing at which risk and title transfers to Canpotex's customers varies, and the transportation and delivery of product to customers is effected through the logistics infrastructure system discussed above.

In 2024, Canpotex Limited was not a producer or importer of goods for the purposes of the Act, and Canpotex's potash suppliers – being our Shareholders or their applicable respective affiliates – independently and exclusively produce the potash we sell and represent 100% of our key direct suppliers. Accordingly, the scope of Canpotex Limited's supply chain is quite limited for the purposes of the Act.

In addition to the potash produced by our Shareholders or their respective affiliates, some of the key goods procured in 2024 by Canpotex Limited include information technology equipment and software for use in our business operations, and office furniture, furnishings, equipment and supplies for our Saskatoon office – all from third-party suppliers.

## **4. POLICIES AND DUE DILIGENCE**

Canpotex is committed to conducting itself with integrity. As a global business, we strive to operate with integrity and in an ethical manner across all areas of our business. To help foster that commitment, the following codes and policies form part of the culture of accountability and transparency at Canpotex – a culture that includes respecting human rights and aspiring to identify and appropriately address the limited Modern Slavery risks in our operations and supply chains.

### ***A. Code of Business Conduct and Ethics***

Canpotex has established a Code of Business Conduct and Ethics (the “**Code**”), which is publicly available on our website, [here](#). The Code sets out Canpotex’s expectations with respect to, among other things, fair business practices, compliance with laws, and reporting of illegal or unethical behaviour.

### ***B. Supplier Code of Conduct***

Canpotex has also established a Supplier Code of Conduct, which is publicly available on our website, [here](#). It sets out certain minimum standards that Canpotex expects its suppliers to adhere to in an effort to ensure that Canpotex’s core values are upheld throughout its supply chain. Among those minimum standards are prohibitions on the use of Modern Slavery. We strongly encourage suppliers to exceed these minimum standards and use their best efforts to promote best practices and continuous improvement throughout their own operations.

If a supplier fails to comply with the Supplier Code of Conduct or shows signs that it is not committed to improving its practices to ensure compliance with the Supplier Code of Conduct, then Canpotex will review its relationship with the supplier. This review may result in consequences up to and including the termination of our relationship with the supplier.

### ***C. Procurement Policies and Procedures***

We have policies and procedures that provide guidance on evaluating the qualifications of existing and potential suppliers to Canpotex. The primary objective of these policies and procedures is to ensure that suppliers retained by Canpotex meet Canpotex’s corporate standards, including core values, business ethics, and commercial competitiveness. Certain of the selection criteria forming part of the evaluation of existing and potential suppliers include compliance with our Supplier Code of Conduct and being reliable and reputable.

### ***D. Reporting Hotline***

At Canpotex, reporting of ethical or legal issues is encouraged. To support such reporting, Canpotex maintains a 24-hour, confidential and anonymous incident reporting hotline, available to all Canpotex employees and business partners and to the public. To promote awareness of the reporting hotline, Canpotex frequently includes information about the reporting hotline as part of our regular communications and employee training.

Canpotex has extensive whistleblower protections in place, including zero tolerance for retaliation of any kind by or on behalf of Canpotex and its officers or employees against (a) good-faith reports or complaints of violations of the Code or Canpotex policies, or other illegal or unethical conduct, or (b) good-faith cooperation in an investigation by a governmental authority or by Canpotex.

In 2024, Canpotex received no reports related to Modern Slavery through this reporting hotline.

## 5. POTENTIAL RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAINS

### A. *Potential Risks in Our Operations*

Canpotex considers the risk of Modern Slavery occurring within its operations to be low considering our workforce and our policies and procedures that govern recruitment / labour sourcing, working conditions and the ethical treatment of our employees.

From a geographical risk perspective, approximately 84% of our employees are based in Canada (as at December 31, 2024), which is generally known to have a low prevalence of Modern Slavery, a low risk of vulnerability to Modern Slavery, and a fairly robust governmental response addressing Modern Slavery. With the exception of three employees based in Shanghai, China, all of our remaining employees are based in either São Paulo, Brazil or Singapore. Each international office and their respective international employees have significant oversight by and involvement with our Human Resources Department based in Saskatoon. Moreover, due to the nature of our operations, our workforce primarily consists of skilled, qualified, and experienced individuals, who are inherently less vulnerable to be at risk of Modern Slavery.

### B. *Potential Risks in Our Supply Chains*

Canpotex also views the risk of Modern Slavery occurring in its supply chains as low. While many of Canpotex's competitors operate in regions with less stringent legal and ethical standards, Canpotex takes pride in the fact that our potash comes exclusively from our Shareholders or their respective affiliates in Canada, which has an independent and robust legal system where environmental standards and labour protections are among the highest in the world.

Additionally, Canpotex has considered its supply chains and supplier arrangements to enhance its understanding of the potential risks of Modern Slavery that may be present in its supply chains. Most goods procured by Canpotex Limited are supplied by entities operating in Canada or the United States, with the vast majority of our procurement spend taking place in Canada.

When measured by spend, most procurement is directed to the purchase of potash independently produced by our Shareholders or their applicable respective affiliates, all of which are considered to be low risk suppliers. The ultimate corporate parents of the Shareholders – The Mosaic Company and Nutrien Ltd. – are public companies based in the United States and Canada, respectively. Canpotex understands that both Shareholders or their affiliates have robust policies and procedures in place, including, but not limited to, Supplier Codes of Conduct and Codes of Business Conduct and Ethics. It is our understanding that the Shareholders or their affiliates will be preparing and filing reports pursuant to the Act if they have not done so already.

Modern Slavery risk potentially exists within the ocean transportation services segment of Canpotex's supply chain, particularly with respect to the labour supplied on the vessels we charter and in respect of activities conducted by third-party service providers at the international disports where our product is discharged, with certain regions inherently being more likely to give rise to such risks than others.

In 2024, Canpotex took the following steps as part of its effort to prevent or reduce the risk of Modern Slavery in its supply chains:

- Consideration of governmental advice and guidance with respect to the Act and its reporting requirements, and external legal advice with respect thereto;
- Consideration of our risk management infrastructure, including, but not limited to, applicable governance, policies, procedures and legal obligations;
- Continued management of our Supplier Code of Conduct;
- Certain due diligence in respect of our potash suppliers;
- Consideration of our supply chains and supplier arrangements to enhance our understanding of the potential risks of Modern Slavery that may be present in our supply chains;
- Preferring reliable, responsible and reputable suppliers;
- Certain ordinary course due diligence processes and screening in respect of certain service providers; and
- Certain annual compliance training and certifications, as noted elsewhere in this Report.

### ***C. Management and Mitigation of Potential Risks***

Through our assessment of our operations and supply chains regarding the risk of Modern Slavery being used, we did not identify any instances of Modern Slavery. Accordingly, no steps were required to remediate Modern Slavery, or the loss of income associated with remediation efforts.

In addition to mitigating potential risks inherent to our supply chains as described throughout this Report, Canpotex believes its impact socially, both inside and outside the Company, helps to support and strengthen communities, including by contributing to food security and prosperity in the markets we serve, and supporting certain community programs in Saskatoon, São Paulo and Singapore aimed at challenging inequality and addressing food security issues in vulnerable populations.

## **6. TRAINING**

We require annual certification of the Code by all directors and actively employed employees, including senior leadership. Certification will be required again in 2025. In 2024, Canpotex achieved 100% certification. Additionally, we require all our actively employed employees to review certain key policies annually and participate in annual training modules related to those key policies and the Code.

## **7. ASSESSING EFFECTIVENESS**

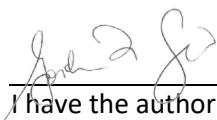
In 2025, we will continue to track the number of employees that commit or recommit to our Code. We also periodically review our policies and procedures to continue to evaluate their appropriateness in light of any identified risks.

Additionally, as Canpotex continues to consider the development of its program to prevent or mitigate Modern Slavery risks in 2025, it intends to consider and implement measures to assess the effectiveness of the relevant processes where it has determined it is appropriate to do so.

## 8. APPROVAL AND ATTESTATION

This Report was approved by the Board of Directors of Canpotex Limited pursuant to section 11(4)(a) of the Act on March 27<sup>th</sup>, 2025.

In my capacity as a Director of Canpotex Limited and not in my personal capacity, I make this attestation in accordance with the requirements of the Act in respect of Canpotex Limited, the entity listed above.



I have the authority to bind Canpotex Limited

J. Gordon McKenzie

President and Chief Executive Officer, and Director, Canpotex Limited

May 14, 2025