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Corporate Office
#8 Fifth Concession East
Waterdown, ON L8B 1K5
Phone: 905.689.8665

Annual Report - Fighting Against Forced Labour and Child Labour in Supply Chains Act

Legal Name: Terra Greenhouses Ltd.

Financial reporting year: 2023

Business number: 130406564

Entity categorization: Corporation

Sector/industry: Retail Trade/Agriculture, forestry, fishing and hunting

Location: Southwestern Ontario, Canada

Steps taken to prevent and reduce risks of forced labour and child labour (Subsection 11(1)):

1. Terra has assessed areas of high risk for forced or child labour in our activities and supply chains by considering factors such as geographic location, industry sector, product, and prevailing socio-economic conditions.
2. We maintain a database of worker recruitment and maintain internal policies and controls to ensure that all workers are recruited voluntarily, including standardized recruitment processes and audits.
3. Terra has implemented a Forced and Child Labour Policy against the exploitation of children or their engagement in unacceptably hazardous work and the physical punishment, abuse, or involuntary servitude of any worker within our activities or supply chains.
4. Terra has drafted a Supplier Code of Conduct that sets forth the standards and expectations for ethical conduct that Terra Greenhouses Ltd. requires of all its suppliers, and that reaffirms our commitment to ensuring that our supply chain operates in a socially responsible manner, free from the use of child and forced labour.
5. Terra has distributed a questionnaire to suppliers to report on their policies, procedures and actions regarding the eradication of forced or child labour in their supply chains.
6. Terra maintains a priority list of suppliers who have a Forced and Child Labour Policy and/or Code of Conduct and who take measures to eradicate forced and child labour from their supply chains.
7. Terra directors, senior leaders, procurement and procurement support personnel have all participated in forced and child labour awareness training.

Supplementary information (Subsection 11(3)):

A) Structure, activities and supply chains

I. Structure:

- Legal structure: Corporation
- Organizational structure: Shareholders, Senior leaders, Managers, Middle Managers, support staff
- Organizational mandate or role: Retail Garden Centre and Greenhouse Growing Facility
- Number of employees: 150-400
- Partner organizations, or membership in a group: n/a
- Control of other entities: n/a

II. Activities

- Producing goods in Canada
 - Greenhouse growing of annual and ornamental flowers
- Sale of goods within Canada
 - Locally grown plants, patio and garden furniture, and décor.
- Importing into Canada goods produced outside of Canada



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- Patio furniture, patio accessories, and pottery
 - III. Supply Chain
 - 85% of gross sales were of goods grown or produced by Terra, locally in Ontario, or within North America from trusted vendors.
 - 15% of gross sales were of goods produced overseas and purchased from a Canadian distributor.
 - B) Policies and due diligence processes in relation to forced labour and child labour:
 - I. Policies and Procedures
 - i. Forced and Child Labour Policy and Procedure
 - II. Due Diligence
 - i. Supplier Code of Conduct
 - ii. Vendor Self-report Questionnaire
 - iii. List of Vendors with forced and child labour policies, active monitoring, and remediation plans.
 - iv. List of goods originating from areas of high risk for forced and child labour.
 - III. Remediation
 - i. Providing for and cooperating in remediation when appropriate
 - C) Parts of business and supply chains that carry a risk of forced labour or child labour being used and the steps taken to assess and manage that risk:
 - I. Risks:
 - i. Overseas Containers (patio furniture, patio accessories, pottery, décor) - based on the socio-economic and geo-political conditions in the locations where these products are manufactured.
 - ii. Agricultural products (live plant material) - based on the industry's use of migrant labour.
 - II. Steps taken:
 - i. Developed and implemented forced and child labour protection policies and processes.
 - ii. Developed and implemented anti-forced and/or -child labour Supplier Code of Conduct.
 - iii. Ongoing monitoring of suppliers by way of a questionnaire.
 - iv. Awareness training for all procurement staff and senior leadership.
 - D) Measures taken to remediate any forced labour or child labour
 - I. To date, we have not identified any instances of forced or child labour in our activities or supply chains.
 - E) Measures taken to remediate the loss of income to the most vulnerable families that result from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains
 - I. Not applicable. To date, we have not identified any instances of forced or child labour in our activities or supply chains.
 - F) Training provided to employees on forced labour and child labour
 - I. Terra implemented mandatory training for employees who make contracting or purchasing decisions, their support staff, along with all senior leaders and ownership.



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- G) Methods to assess effectiveness in ensuring that forced labour and child labour are not being used in business and supply chains
- I. Terra has set up a regular review and audit of the our policies and procedures related to forced labour and child labour.
 - II. Terra tracks relevant performance indicators, such as levels of employee awareness, suppliers with forced and/or child labour policies and procedures, and contracts with anti-forced labour and -child labour clauses.



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Attestation

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act), and in particular section 11 thereof, we attest that we have reviewed the information contained in the report for Terra Greenhouses Ltd. Based on our knowledge, and having exercised reasonable diligence, we 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 2023 listed above.

I have the authority to bind Terra Greenhouses Ltd.

Andrew Pepetone
Director

May 15/2024
Date

Chris Pepetone
Director

May 10th 2024
Date

Clinton Pepetone
Director

May 10 2024
Date

Andy Broadbent
Director

May 3, 2024
Date

Nicole Roynon
Director

May 3, 2024
Date