

## 2023 Modern Slavery Report

### 1. Introduction:

This is the joint Modern Slavery Report (“Report”) prepared by TerraLink Horticulture Inc. (“TerraLink”) for the financial year ending November 30, 2023 (“Reporting Period”), as required by Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (S.C. 2023, c. 9) (the “Act”). This joint Report covers the actions of TerraLink and companies under its management, namely BioFert Manufacturing Inc., 6993567 Canada Inc., and TerraLink USA Inc. (collectively the “Reporting Entities”).

### 2. Steps Taken to Prevent and Reduce Risks of Forced Labour and Child Labour

Information on steps the Reporting Entities have taken to prevent and reduce risks of forced labour and child labour in their activities and supply chains is not available for the Reporting Period.

### 3. Structure, Activities and Supply Chains

#### *Structure*

Legal Structure: The Reporting Entities are organized as individual corporations. Control of these corporations is through a board of directors which is responsible for overseeing the management of the corporations.

Management, located in Abbotsford, British Columbia is responsible for overseeing the operations of each of the Reporting Entities both in Canada and the United States.

The Reporting Entities have a total of 133 employees in Canada and 6 employees in the United States. These employees work in various departments within the respective Reporting Entity, such as operations, sales, marketing, finance, and administration.

#### *Activities*

##### *TerraLink*

TerraLink operates as a wholesaler within the agriculture sector and is headquartered in Abbotsford, British Columbia with locations within British Columbia and Alberta. Since 1973, TerraLink has helped farmers and professional growers in Western Canada to get the best out of their crops. TerraLink manufactures organic and conventional fertilizers and sells a wide range of crop protection products, seed and other crop inputs that a growing business may need, providing farmers, production managers and professional growers with a wide range of agricultural products and equipment.

##### *BioFert Manufacturing Inc. (“BioFert”)*

BioFert is located in Chilliwack, British Columbia and is managed by TerraLink. As TerraLink's organic brand, BioFert is a leading brand for manufacturing of organic fertilizers, soil amendments and biostimulants.

*6993567 Canada Inc. ("Quality Seeds")*

Quality Seeds is located in Abbotsford, British Columbia and is managed by TerraLink. The Quality Seeds branded products, manufactured by TerraLink, are a longstanding reliable source of premium seeds through their popular Forage Seed Mixes products.

*TerraLink USA Inc. ("TerraLink USA")*

TerraLink USA is located in Lynden, Washington and is managed by TerraLink. Incorporated in 2018, TerraLink USA manufactures and distributes granular and liquid fertilizers as conventional and organic blends. Through their activities, TerraLink USA aims to provide farmers, production managers and professional growers with a wide range of fertilizers, seeds, crop protection products, growing media and hard goods.

### ***Supply Chain***

The Reporting Entities' global supply chain consists of domestic and international vendors providing both raw materials for the manufacturing of products and finished goods for resale.

Goods and services to support operations are mainly sourced within Canada and the United States. Raw materials are sourced both domestically and internationally (including but not limited to the United States, Europe and Asia) and are used to manufacture products in Canada. Many of these products that are manufactured are sold in Canada with a smaller percentage shipped internationally.

Supplier relationships are long-term relationships where trust has been built over many years. Trusted vendors include world leaders in biostimulant solutions; international, inter-governmental, not-for-profit organizations; and manufacturers of high-quality soluble fertilizers.

### **4. Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour**

The Reporting Entities did not have policies and due diligence processes in relation to forced labour and child labour in place during the Reporting Period.

### **5. Areas of Risk for Forced Labour and Child Labour**

The Reporting Entities are aware that forced labour and child labour is a risk in supply chains. In the Reporting Period, the Reporting Entities started the process of identifying

areas of risk for forced labour and child labour, as discussed below. Going forward, the Reporting Entities will continue to identify and assess these risks accordingly.

### *Supply Chain*

Domestic: The risk level for forced labour and child labour assessed for domestic product is low at the direct first level. As indirect levels of the supply chain are examined, it becomes more difficult to assess the risk level. Domestic markets at all levels are held to the same forced labour or child labour standards, so the Reporting Entities remain satisfied that the risk level remains low at all levels of the domestic supply chain.

International: In assessing international suppliers, certain geographic locations carry more risk for forced labour and child labour than others. Risk is increased with indirect supply chains for these markets, as oversight processes are reduced. Going forward, the Reporting Entities will continue to monitor the international supply chain to better identify forced labour and child labour risks.

The assessment of the agricultural market does carry a risk due to the employment of temporary foreign workers. The Reporting Entities will make efforts to investigate employment practices of temporary foreign workers.

## **6. Remediation Measures**

Information on measures the Reporting Entities have taken to remediate forced labour or child labour in their activities and supply chains is not available for the Reporting Period.

This said, the Reporting Entities take their role to fight forced labour and child labour seriously. Going forward, TerraLink, on behalf of the Reporting Entities, intends to develop the following measures:

- **Procurement:** TerraLink's procurement department, which manages procurement for the Reporting Entities, will continue to play a strategic role in aligning its governance strategy with its sourcing policy.
- **Collaboration:** In the future, TerraLink, on behalf of the Reporting Entities, will use its influence to collaborate with its main suppliers to enact practices that prevent the risk of forced labour and child labour.
- **Internal:** TerraLink's human resources department will continue to be diligent in ensuring employees under all Reporting Entities are aligned with and up to date on current policies regarding working hours and rate of pay.
- **Relationships with vendors:** When required, TerraLink, on behalf of the Reporting Entities, will request that a supplier provide a creditable certification or written declaration that forced labour and child labour does not occur within their supply chain. Use of third-party certification bodies to assess supplier risk could also be implemented.

The Reporting Entities also intend to perform a risk profile for suppliers in use during the Reporting Period. If appropriate, written declarations will be requested from these suppliers.

## **7. Remediation of loss of income**

The Reporting Entities have not taken any measures with respect to remediating any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in their activities and supply chains, as no specific measures are necessary at this time. If forced or child labour is identified within the Reporting Entities' operations going forward, appropriate strategies will be considered.

## **8. Training**

The Reporting Entities did not provide training to employees on forced labour and child labour in the Reporting Period.

## **9. Effectiveness Assessment**

In the Reporting Period, the Reporting Entities did not take any actions to assess their effectiveness in preventing and reducing risks of forced labour and child labour in their activities and supply chains.

## **10. Approval and Attestation**

This Report was approved by the board of directors of TerraLink for the financial year ended November 30, 2023, pursuant to paragraph 11(4)(b)(ii) of the Act.

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 entities 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.

I make the above attestation in my capacity as a director of TerraLink for and on behalf of the board of directors of TerraLink.

Neil de Gelder  
Director  
May 27, 2024

DocuSigned by:  
  
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*I have authority to bind TerraLink*