



REPORT ON FORCED LABOUR AND CHILD LABOUR RISKS

1. Introduction

The first modern slavery report of TerraVest Industries Inc for the fiscal year, concluding on September 30, 2023, is a combined report for all companies under the group (see all company details in appendix A).

2. Steps to prevent and reduce risks of forced labour and child labour

At TerraVest Industries, we are committed to conducting business with integrity and compliance with the highest ethical standards. We expect our suppliers to share these values and demonstrate responsible and ethical behavior in all their business practices.

During the Reporting Period, we had not implemented measures to prevent and mitigate the risk of forced labour or child labour in our operations and supply chains. However, we developed a "Supplier Code of Conduct and Ethics" with which all suppliers will be required to comply, pursuant to the terms of our purchase order with the goal to fully implement in 2024.

We will comprehensively review our supply chain activities in the coming years.

3. Structure, activities, and supply chains

Structure and activities:

TerraVest is a diversified industrial company that manufactures and sells goods and services to various end-markets including: agriculture, mining, energy production and distribution, chemical, utilities, transportation and construction, among others. TerraVest is focused on acquiring and operating market leading businesses that will benefit from TerraVest's financial and operational support. These opportunities generally center on manufactured products and services that complement TerraVest's existing operations and provide integration benefits.

TerraVest is comprised of four operating segments as follows: Home Heating and Cooling Products and Containment Equipment ("HVAC and Containment Equipment"), Compressed Gas Storage and Distribution Equipment ("Compressed Gas Equipment"), Energy Processing Equipment ("Processing Equipment") and Service.

HVAC and Containment Equipment:

TerraVest's HVAC and Containment Equipment segment is a provider of products and services to a variety of industries across Canada and the United States. The HVAC and Containment Equipment segment manufactures and distributes products including commercial and residential refined fuel tanks, furnaces, boilers, air conditioning equipment and controls as well as chemical storage tanks, wastewater treatment systems, grease removal systems and other custom built steel storage products. This segment sells its products through various distribution networks and direct to end users. The end users of the



products are fuel distributors, commercial, residential and industrial consumers, municipalities and government agencies.

Compressed Gas Equipment:

TerraVest's Compressed Gas Equipment segment is a provider of products and services to a variety of industries across Canada and the United States. The Compressed Gas Equipment segment manufactures engineered products for the storage, distribution and dispensing of compressed gases including liquid propane gas ("LPG"), natural gas liquids ("NGL's"), liquified natural gas ("LNG"), anhydrous ammonia ("NH₃"), carbon dioxide ("CO₂") and various other gases. The products include bulk storage vessels, transport trailers, delivery units, dispensers, commercial and residential storage tanks and other custom vessels. This segment also services the various products it manufactures. This segment's products and services are primarily sold to gas distributors, fertilizer distributors, farmers, midstream energy companies and transportation companies and are used by industrial, commercial and residential consumers.

Processing Equipment:

TerraVest's Processing Equipment segment is a fabricator of equipment for various end-markets including upstream and midstream oil and gas production, renewable natural gas ("biogas") production, water treatment and mining. The Processing Equipment segment manufactures and sells a wide array of equipment such as: wellhead processing equipment and tanks, desanding equipment, biogas production equipment, water treatment equipment and various other custom process equipment. This segment's products and services are primarily sold to oil and gas producers, midstream companies, utilities, municipalities and engineering companies.

Service:

TerraVest's Service segment provides a wide range of services to the energy sector in Western Canada including water management, environmental solutions, heating, rentals and well servicing. TerraVest's Service segment is well recognized for its technological innovation and industry-leading ESG program. This segment services many of the largest energy producers in Canada.

Supply chains:

A significant majority of Terravest purchases are being done with suppliers located in Canada and United States of America, where labour laws are very strict regarding ethical behavior of companies. We understand that our Canadian/American suppliers may be sourcing from abroad, but, they will nonetheless be required to comply with our Supplier Code of Conduct and Ethics. For the purchases done outside Canada and USA, before placing any purchase order, the supplier needs to be visited by Terravest Industries or a third party in order to make sure all activities done at potential supplier are meeting Canadian ethical standards. Finally, beginning September 1st, 2024, all suppliers accepting a purchase order from Terravest industries or a Subsidiary Terravest company, will be requested to meet all elements of the Terravest Industries Supplier Code of Conduct and Ethics.

4. Policies, governance, and due diligence processes

For this section of the report, we note that Terravest Industries did not have any formal policies or diligence procedures during the reporting period although certain initiatives are currently being developed, as described herein.

4.1. Centralized supplier approval process

Beginning September 1, 2024, all new suppliers will be required to adhere to our supplier code of conduct and ethics before being approved to do business with us. Supplier setup requests will be centrally managed and authorized by a director of Procurement.

Specifically, beginning September 1, 2024, our existing suppliers will also be required to adhere to the “Supplier Code of Conduct and Ethics” by accepting a clause that will be introduced on each new purchase order that will stipulate that by accepting this new purchase order, the supplier agree to comply to the “ Supplier Code of Conduct and Ethics” available on the website. If a supplier states that it is not in compliance or the supplier declines to comply, it will automatically be reported to the Terravest VP of Procurement and a new status will be given to this supplier:

- 1- Pending Approval status: With this status, an action plan with the supplier will have to be developed to require compliance within 6 months;
- 2- Not approved status: No new purchase orders may be placed with the supplier for all Terravest Companies until it can confirm compliance with the Supplier Code of Conduct and Ethics.

4.2 New supplier code of conduct and ethics

Our new supplier code of conduct and ethics will explicitly addresses forced and child labour within Section 3. *Labour, Human Rights, and Non-discrimination*, which states that:

The Supplier is expected to protect the human rights of its employees and provide a workplace free of discrimination, harassment, and abuse. Compliance with labour laws, including prohibiting forced or child labour, is mandatory. Fair compensation, reasonable work durations, and a secure occupational environment are fundamental and requisite components.

Once finalized, the supplier code will be accessible on the Terravest Industries website: <https://terravestindustries.com>

4.3 Supplier certificate of compliance

Our supplier certificate of compliance declaration will be implemented in 2024. It will cover key compliance points below:

1. Modern Slavery and Child Labour Policy: The supplier has established a formal policy explicitly addressing modern slavery and human trafficking.
2. Communication: The supplier effectively communicates its forced labour and child labour policy to its employees and stakeholders throughout its supply chain.

3. Supply Chain Due Diligence: The supplier has implemented robust processes to identify, assess, and address the risk of forced labour and child labour within its supply chain.
4. Training and Awareness: The supplier provides regular training on forced labour and child labour awareness to its employees, ensuring a well-informed workforce.
5. Reporting Mechanisms: The supplier maintains confidential reporting mechanisms for employees to report concerns related to forced labour and child labour, fostering a transparent and accountable environment.
6. Compliance with Legislation: The supplier ensures compliance with forced labour and child labour legislation and regulations in all its jurisdictions.
7. Continuous Improvement: The supplier is committed to constantly monitoring and improving efforts to combat forced labour and child labour.

5. Identifying risks

We have identified the risk of our supply chain based on the geographical location of our tier one suppliers. The vast majority of our supply chain is located in Canada and USA. Considering the labor laws in effect in those countries we believe that the risk is low. For the suppliers outside Canada and USA, we are visiting their operations on a regular basis to testify that their working behaviors meet our requirements. Over the next 2 years, we will make a formal assessment on the suppliers outside Canada and USA.

6. Remediation measures

While no instances of forced labour or child labour requiring remediation have been identified in our operations or supply chains, suppliers and purchasing personnel are encouraged to address any related concerns via email to our head of procurement at fmorin@terravestindustries.com. TerraVest Industries is committed to collaborating with suppliers to rectify any instances of non-compliance should they arise.

7. Training

For this section of the report, we note that TerraVest Industries did not have any formal training during the reporting period. But, in 2024, key sourcing personnel (all employees involved directly in the creation of a new purchase order, the heads of procurement for each TerraVest division and the TerraVest VP of Procurement) will be required to complete an online course on modern slavery.

8. Assessing effectiveness of policies and procedures

We have yet to evaluate the efficacy of our policies and procedures; however, we will initiate this process in 2024.

9. Approval and attestation

This Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of TerraVest Industries Inc.



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 or 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 have the authority to bind TerraVest Industries Inc.

Per: _____

Full Name: Dustin Haw

Title: Chief Executive Officer

Director of TerraVest Industries Inc.

Date: May 31, 2024



Appendix A: List of TerraVest Companies covered by this report

Name of entity	Business Number
Granby Industries Limited Partnership	860290238
Pro-Par Inc.	144455847
MaXfield LP	797322260
Green Energy Services inc.	831826177
TerraVest Industries LP	855641346
NWP Industries LP	802182170
Argo Sales LP	766204879