

# Ontario Plants Propagation Limited’s fighting against forced and child labour report

Re: Canada’s new modern slavery legislation, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”)

Prepared for the financial year ending December 31, 2023

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## 1. INTRODUCTION

This report (the "Report") was prepared pursuant to the *“Fighting Against Forced Labour and Child Labour in Supply Chains Act”* (the "Act"). This Report focuses specifically on the topic of Forced and Child Labour and covers the period January 1, 2023, to December 31, 2023. The Report outlines the steps taken by Ontario Plants Propagation Limited ("Ontario Plants") during the reporting period to prevent and reduce the risk of child and forced labour in its operations and supply chains.

## 2. ABOUT ONTARIO PLANTS PROPAGATION LIMITED

Ontario Plants is headquartered in Canada and is a leading supplier in North America of high-quality plants for hydroponic and organic greenhouse growers. Ontario Plants specializes in the propagation of greenhouse vegetable and soft fruit plants. The company is headquartered in St. Thomas, Ontario.

Ontario Plants is a wholly owned subsidiary of COFRA Holding AG (“COFRA”), a Switzerland-based, sixth-generation family enterprise aspiring to leverage the power of business to do good. Through its commercial endeavors, COFRA works toward supporting flourishing communities and ecosystems, where the dignity of all is nurtured.

COFRA operates in industries that support transitions towards livable cities, a more circular production and consumption system, cleaner energy and sustainable food, underpinned by the move towards more responsible capital. They look to do so as responsible business owners, investors, employers and partners.

Ontario Plants is committed to respecting internationally recognized human rights and preventing and reducing the risk of forced and child labour in our operations and supply chains.

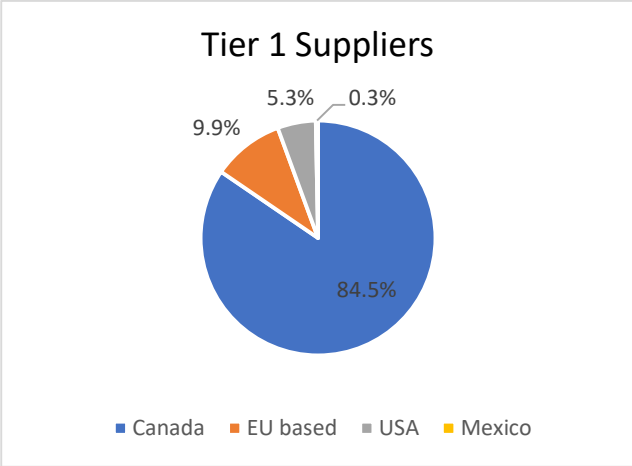
### 3. OVERVIEW OF ACTIVITIES AND SUPPLY CHAIN

#### Activities

Ontario Plants is a North American leading supplier of high-quality plants for hydroponic and organic greenhouse growers. We specialize in the propagation of greenhouse vegetable plants, including tomatoes, cucumbers, peppers, eggplants, potted herbs and berry plants. From its greenhouse located in St. Thomas, ON, Ontario Plants services greenhouse growers across North America. The company has a deep understanding of agronomy and plant health, and with world class infrastructure, enables us to be a reliable and professional supplier of greenhouse plants. As a critical supplier to the horticulture sector, Ontario Plants plays an essential role in improving sustainability across the value chain and minimizing environmental impact.

#### Supply Chain

Ontario Plants procures a variety of goods and services used directly, or in support of, the main propagation activities of the business. Goods are procured from a variety of countries globally; however, the large majority of suppliers are located within Canada. There are also suppliers from the USA, Mexico, and Europe. A breakdown of suppliers is shown in the graphic below.



The largest portion of goods procured relate to materials and supplies used within the greenhouse. The most material items include rockwool blocks, plastic trays, soil, bamboo stakes, elastics, plastic clips, fertilizer, agro-chemicals and seeds. Ontario Plants’s procurement activities

are centralized out of the company's head office in St. Thomas Ontario. Procurements are carried out by a dedicated purchasing team with oversight of the procurement process performed by the company's Chief Financial and Administrative Officer.

#### **4. DUE DILIGENCE AND ADDRESSING FORCED AND CHILD LABOUR IN THE SUPPLY CHAIN**

##### **Governance**

Ontario Plants board oversees the company's approach to risk management, which includes risks related to human rights. Ontario Plants' President and Chief Executive Officer (CEO) has ultimate responsibility for risk management, including forced and child labour risk. The CEO is assisted by the Chief Financial and Administrative Officer (CFAO), who is responsible for the management and governance of forced and child labour risks and compliance with applicable laws. Ontario Plants' CEO & CFAO work together with the procurement & human resource teams to identify, assess, and manage forced and child labour risks in our supply chains and our operations. Ontario Plants' board includes representation from COFRA and, through an authority matrix and monthly reporting, COFRA works alongside Ontario Plants to monitor compliance with applicable laws and COFRA policies.

##### **Training**

Ontario Plants is committed to continuous improvement in all aspects of our business operations, and this extends to our commitment to take meaningful steps to prevent and reduce forced and child labour and maintain responsible and transparent supply chains.

After the Act was passed in May 2023, Ontario Plants performed a review of its internal policies and procedures in its commitment to fighting against forced and child labour. A project team was established to ensure compliance with the Act and the team was trained by both COFRA and external advisors in assessing the risks of forced and child labour.

In addition, to comply with the Act and to do our part to reduce and prevent the risk of forced and child labour, the following internal policies were drafted. Although not finalized in the reporting year, the policies are in-process and expected to be completed in 2024.

##### **Employee Code of Conduct**

The Employee Code of Conduct of Ontario Plants will establish the ethical rules and professional conduct for Ontario Plants' personnel. It will serve as a guide in and outside the workplace as well as in professional relations. It will indicate to third parties, government organizations, and the general public the high standards that all members of the Ontario Plants team undertake to meet in fulfilling their duties and responsibilities. The Employee Code of Conduct will explain the fundamental values and standards of behaviour that Ontario Plants expects in all aspects of its activities and business, and will have a section that specifically addresses forced and child labour.

## **Third Party Code of Conduct**

The Third Party Code of Conduct will affirm and document the ethical rules and professional conduct applicable to Ontario Plants' third parties. The Third Party Code of Conduct will apply to situations that Ontario Plants Third Parties may encounter while conducting business with or on behalf of Ontario Plants or engaging in related activities. The Third Party Code of Conduct will include a section that specifically addresses forced and child labour.

## **5. RISK ANALYSIS OF MODERN SLAVERY IN OPERATIONS AND THE SUPPLY CHAIN**

In the company's commitment to addressing and mitigating the risk of child and forced labour, a risk assessment was performed to establish if there is reasonable ground to suspect child or forced labour within Ontario Plants' supply chain. For 2023, the assessment was focused on Ontario Plants' own operations as well as Tier 1 suppliers. The company used a three-step risk weighted approach (the "risk assessment") that is outlined below.

### **Step 1: Understanding our products and sourcing countries**

The first step was determining the scope of the risk assessment performed by Ontario Plants which involved understanding the products procured by the business, and the sourcing countries of those products. An analysis was performed to determine all countries from which "made in" products/services were sourced. Further analysis was then performed to understand the types of key materials as well as the suppliers' and their activities.

### **Step 2: Identifying potential high-risk countries, sectors, and materials**

The next step of the risk assessment involved identifying potential high-risk countries, sectors, and materials. A country-level supplier risk assessment was performed utilizing the UNICEF Index and ILAB (International Labor Affairs Bureau of the U.S.A. Department of Labour) to evaluate countries based on their forced and child labour risk level. Potential high-risk countries were identified, which include countries with an 'Enhanced' risk level, 'Heightened' risk level, and 'Basic' risk level, but with clear evidence of forced or child labour.

A sector and materials risk assessment were also performed to identify potential high-risk sectors or materials sourced within the supply chain. Sector reports from reputable international organizations (such as the International Labour Organization, UNICEF, and the Rainforest Alliance) were gathered that track and report on forced and child labour issues. An analysis was then performed to establish the likelihood of forced or child labour in the relevant parts of the supply chain based on these reports and the materials sourced.

### **Step 3: Determine if there is a reasonable ground of suspicion**

The final step of the risk analysis involved determining if there is a reasonable ground of suspicion of forced or child labour based on the country-level and sector and material risk assessments performed. This included supplier-specific and industry level-assessments (given available supplier data) for suppliers identified as potentially high-risk. If data on suppliers was available, a

review of reports from NGOs and the suppliers' ESG reports was done to investigate any mention of child or forced labour.

## **6. FINDINGS & REMEDIATION**

Based on the company's risk assessment of forced labour and child labour within its operations and supply chains, it was determined that there is an absence of any reasonable grounds of suspicion. As such, no remedial actions had to be taken over the reporting period, including those relating to the remediation of the economic impacts that arise from remediation efforts.

## **7. MEASURING OUR EFFECTIVENESS**

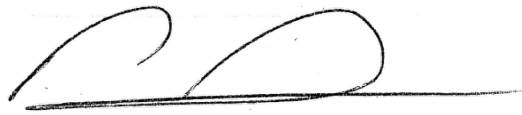
At present, we do not have any processes in place to measure the effectiveness of the policies and procedures we have in place. However, we intend to continue to reconsider the need to implement measures to assess the effectiveness of the processes we have in place based on the evaluation of our risks as described in this Report.

## **8. APPROVAL AND ATTESTATION**

This report was approved by the Board of Directors of Ontario Plants Propagation Limited pursuant to subparagraph 11(4)(a) 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 entity 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 Ontario Plants Propagation Limited.



Robert Poultney  
CFAO & Director  
Date: May 31, 2024



Mathieu van de Sande  
President and CEO & Director  
Date: May 31, 2024