



Seed the Difference.™

CANTERRA SEEDS

Forced Labour and Child Labour Report

A. Introduction

This Forced Labour and Child Labour Report (this “**Report**”) for the financial year ending September 30, 2023 is made pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada), also known as the Modern Slavery Act (the “**Act**”).

This Report is a joint report which applies to, and describes the reasonable steps taken by, the following reporting entities to mitigate forced labour and child labour in our organization’s operations and supply chains:

	<u>Reporting Entity</u>	<u>Abbreviation</u>
1.	CANTERRA SEEDS HOLDINGS LTD.	CANTERRA HOLDINGS
2.	CANTERRA SEEDS (2002) LTD.	CANTERRA SEEDS

In this Report, CANTERRA HOLDINGS and CANTERRA SEEDS are hereinafter referred to collectively as “**CANTERRA**” or “**we**”, “**us**” or “**our**”, except where the context otherwise requires.

B. Respect for Human Rights

CANTERRA fully supports the objectives of the Act and opposes the use of all forms of forced labour and child labour in our operations and our supply chain. Respect for human rights is fundamental to our values, the long-term stability and growth of our business and to the wellbeing of the communities in which we operate.

As set out in the United Nations Guiding Principles on Business and Human Rights (“**UNGPs**”), business enterprises have a responsibility to respect internationally recognized human rights. The responsibility to respect human rights requires that business enterprises: (a) avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur; and (b) seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts. In applying the lens of the UNGPs, we have assessed the potential for our operations to cause, contribute to, or be directly linked to adverse human rights impacts, including forced labour and child labour. For the reasons described in this statement, we remain of the view that there is low risk that our operations have caused or contributed to adverse human rights impacts. We have started to review our policies and procedures to assess whether the operations of our suppliers who provide goods used in our production and distribution processes cause or contribute to adverse human rights impacts.

The Act came into force on January 1, 2024; as of the end of our last financial year CANTERRA had not taken any material steps to identify and assess the risk of forced labour and child labour in our operations and in our supply chain. However, following a risk-based approach, we are committed to continuous improvement in our policies and processes.

C. Corporate Structure, Activities and Supply Chain [Section 11(3)(a) of the Act]

(1) Corporate Structure

CANTERRA HOLDINGS and CANTERRA SEEDS are corporations incorporated pursuant to *The Business Corporations Act, 2021* (Saskatchewan). CANTERRA SEEDS is a wholly owned subsidiary of CANTERRA HOLDINGS. CANTERRA HOLDINGS does not have any other subsidiaries. CANTERRA SEEDS has one subsidiary, but it is not a reporting entity under the Act.

CANTERRA has established a set of core values that are communicated to all new members of the board of directors for CANTERRA HOLDINGS (the “**Board**”), as well as business associates and staff of CANTERRA SEEDS. The aim of our core values is to encourage a culture of ethical business conduct and corporate success. Our core values are comprised of:

1. Passion for everything we do.
2. Committed to the success of our customers.
3. ***Respect for all.***
4. Deliver the very best, always.
5. Positive team with the spirit of community.
6. Partner for mutual success.
7. Pioneer change, internally and externally.

(2) Activities

CANTERRA HOLDINGS is not itself involved in the production, selling or distribution of goods, nor does it have any employees. CANTERRA HOLDINGS controls CANTERRA SEEDS and, therefore, we have elected to submit this Report as a joint report for CANTERRA HOLDINGS and CANTERRA SEEDS pursuant to paragraph 11(2)(b) of the Act.

CANTERRA SEEDS is a recognized leader in the agriculture seed industry. Headquartered in Winnipeg, Manitoba, with team members of our business situated throughout Manitoba, Saskatchewan, Alberta, and British Columbia, CANTERRA SEEDS is committed to developing, acquiring, producing, marketing, and selling market-leading seed varieties to our customers throughout Western Canada.

CANTERRA SEEDS business currently consists of selling agriculture seed of several different crop types throughout Western Canada. We have two structures of seed distribution:

1. For our canola business, CANTERRA SEEDS is involved in the production of canola seed crops for the purposes of conditioning and selling to farmers. The production of the seed crops is completed by suppliers located in Canada, the United States and Chile, and the conditioning and processing of the seed crops is completed by our business partners located throughout Western Canada, utilizing seed treatment and packaging products manufactured by global entities.

2. For the pedigreed seeds (cereals and pulse crops) business, most of the multiplication of breeder seed occurs in Canada, although some multiplication of breeder seed does occur outside of Canada in countries such as Sweden, The Netherlands, Germany and the United States. CANTERRA SEEDS rarely takes direct participation in the purchase and sale of the pedigreed seed product; instead, a shareholder of CANTERRA HOLDINGS owns the pedigreed seed product and sells it to one of its customers. CANTERRA SEEDS holds the license to sell the pedigreed seed products and, in turn, the shareholder of CANTERRA HOLDINGS pays CANTERRA SEEDS a tech fee royalty for every sale made by a shareholder to its customers.

As of September 30, 2023, CANTERRA SEEDS had approximately 37 team members directly employed in the business, all of whom were resident in Canada. Employees of CANTERRA SEEDS are paid semi-monthly, on the 15th and the last day of every month.

CANTERRA SEEDS has established compensation policies, the main objective of which is to maintain a competitive employee compensation structure at all levels of our organization. The salaries and compensation paid to employees of CANTERRA SEEDS are reviewed annually based on the individual's performance and the financial position of CANTERRA SEEDS. Subject to certain minimum length of service requirements, every full-time employee of CANTERRA SEEDS is eligible for employer-paid benefits and to participate in an employer-matched pension plan.

In addition to the compensation policies described above, CANTERRA SEEDS has established organizational guidelines and policies which govern our operations, including policies with respect to hours of operation, overtime, training and development and health and safety.

(3) Supply Chain and Operations

CANTERRA is committed to complying with all applicable laws and regulations, including in respect of forced labour and child labour, and we expect our suppliers to demonstrate the same commitment in the regions in which they operate. We acknowledge the risk of forced labour and child labour existing in any complex supply chain, particularly in the agriculture industry and in instances where raw materials are procured by our suppliers from one or more other entities that we do not have direct interaction with or where limited information is available regarding the operations of that supplier.

Goods procured directly by CANTERRA SEEDS for use in its Products

For the financial year ended September 30, 2023, the cost of sales for CANTERRA SEEDS was \$46,791,152. Our cost of sales includes amounts spent on bare seed and seed treatment, as well as the bags / totes and labels used in packaging our products. Most of our procurement spend on bare seed is with our top three (3) bare seed suppliers located in Canada, the United States and Chile. Similarly, most of our procurement spend for seed treatment is with our top (2) treatment suppliers – Bayer CropScience and Syngenta – both of which are global entities subject to reporting obligations under modern slavery legislation in other jurisdictions. Our main supplier of bags / totes used in packaging our products is located throughout Canada and the United States. We are

in the process of identifying the country of origin for the labels and stickers that are used in packaging our products.

Goods and services procured to support our Operations

CANTERRA procures various services and goods (other than goods which are incorporated into products that are manufactured and sold by CANTERRA SEEDS) to support our operations. In this regard, our supply chain profile for goods and services remains largely the same year-on-year. The types of goods (other than goods which are incorporated into products that are manufactured and sold by CANTERRA SEEDS) and services procured by CANTERRA to support its effective operations are listed below. We also provide a general description of the key forced labour and child labour risks that are likely to exist in each of those categories by virtue of the industry risk profiles and provision of goods or services.

Type of goods / service	Description	Generally known forced labour and child labour risks
Office equipment / consumables / marketing	Coffee, tea, other beverages, food, cleaning products, office furniture, printing, stationery, merchandise suppliers	<p><i>Food Services</i> – Food-related supply chains have a high risk of forced labour and child labour due to the reliance on ingredients sourced globally, often from countries with a higher prevalence of, and vulnerability to forced labour and child labour. For example, coffee, tea, cocoa, rice, palm and derivative products and seafood are some of the many products linked to forced labour and child labour.</p> <p><i>Corporate Merchandise</i> - Mass-produced items and garments, particularly if produced in countries with a greater prevalence of, and vulnerability to and have a higher risk of child labour and forced labour.</p> <p><i>Furniture</i> - There are increased forced labour and child labour risks associated with producing and sourcing raw materials such as timber, bricks, PVC in flooring, fabrics, metals and glass as well as risks in the manufacturing industry located in countries with a greater prevalence of, and vulnerability to, forced labour and child labour.</p>
Technology and IT	Electronics, tablets, laptops, desktops, mobile phones	Forced labour and the worst forms of child labour are present in the supply chains that provide IT companies with the necessary raw materials to produce electronic goods, and parts of those goods. The manufacture of electronics has been associated with labour exploitation, including child labour and forced labour.
Transport	Airlines, hotels and lodging	The hospitality and food services industry, irrespective of jurisdiction, has elevated risks driven by parallel factors described below in relation to the cleaning sector.

Facilities management	Cleaning and janitorial services	<p>The cleaning industry is considered a higher risk industry for forced labour and debt bondage due to factors such as employers withholding wages, excessive working hours, complex and opaque subcontracting arrangements, and workers on temporary visas with limited bargaining power and awareness of their rights at work.</p> <p>Like the cleaning sector, the prevalence of subcontracting in the facilities maintenance industry can lead to contractual liabilities and obligations diminishing to the point where the human rights of workers on site may go unnoticed due to a lack of transparency.</p>
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Our suppliers of those goods and services that support our operations are primarily domiciled in Canada, and we are of the view that our supply chains and activities for the types of goods and services procured by CANTERRA (other than goods which are incorporated into products that are manufactured and sold by CANTERRA SEEDS) carry a low risk of the use of forced labour and child labour.

D. Preventing and Reducing the Risk of Forced Labour and Child Labour

(1) Steps taken during last financial year to prevent and reduce risk that forced labour and child labour used in supply chain [Section 11(1) of the Act]

Other than monitoring ongoing compliance with the policies and procedures contained in the CANTERRA SEEDS Employee Handbook, CANTERRA did not take any steps during the last financial year to prevent and reduce the risk that forced labour and child labour is used at any step of our supply chain. CANTERRA is currently in the process of conducting a review of its internal policies and processes, as well as the supply chain for CANTERRA SEEDS, as further described in the remainder of this Report.

(2) Policies and due diligence processes in relation to forced labour and child labour [Section 11(3)(b) of the Act]

CANTERRA SEEDS has internal policies and processes in place to promote and ensure compliance with applicable laws (including in respect of employment and human rights) in Canada, where CANTERRA SEEDS has its operations. These policies include the Employee Handbook, which is provided to each employee at the commencement of their employment with CANTERRA SEEDS and is thereafter generally available to all our employees, although these policies do not currently specifically reference forced labour or child labour.

CANTERRA SEEDS employs best practice methods during the recruitment and hiring process for prospective candidates to ensure that CANTERRA SEEDS hires individuals in accordance with applicable laws. These checks include confirmation of a candidate’s age to ensure they meet the minimum age requirements and a right to work check, such as a birth certificate, passport or visa, to ensure they have the right to work in Canada.

As required by the Employee Handbook for CANTERRA SEEDS, any overtime hours worked by employees must be voluntarily and mutually agreed to in advance by the employee and their departmental director. Further, any overtime work for employees is compensated for in accordance with applicable employment standards legislation. All employees are paid their wages via an electronic transaction and receive a pay slip. It is through a combination of these methods that we have assessed our operational risk of child labour and forced labour as low.

CANTERRA does not currently have any formal external policies or processes in place that are specific to the prevention of forced labour and child labour in the supply chain for CANTERRA SEEDS; however, the Board has recently directed the Director of Operations & Product Strategy and the Chief Financial Officer for CANTERRA SEEDS to review and recommend to the Board policies for CANTERRA SEEDS to establish and maintain moving forward, such as a supplier code of conduct.

(3) Risk assessment and management [Section 11(3)(c) of the Act]

As of the end of the last financial year, CANTERRA had not completed its assessment and identification of which parts of its supply chain may carry a risk of forced labour or child labour. Based on our assessment to date, we view our operational risk for our own employees of forced labour and child labour as low. Moreover, since the end of our last financial year, we have begun to take steps to assess and identify parts of our supply chain which may carry a risk of forced labour or child labour, however, we acknowledge we are still in the preliminary stages of doing so.

The information that we currently have on the operations of the suppliers to CANTERRA SEEDS is limited. With that said, the two (2) main seed treatment suppliers for CANTERRA SEEDS are global entities subject to modern slavery reporting obligations in other jurisdictions and which have publicly declared policies aimed at protecting human rights. Additionally, we are aware of the geographical location of most of the direct suppliers of other goods to CANTERRA SEEDS. Based upon the data contained in Walk Free's Global Slavery Index 2023 (in particular, the estimated prevalence and number of people in modern slavery, by country), we believe the geographical location of our direct suppliers of bare seed for our canola business (namely, Canada, United States and Chile) presents a low risk for the use of forced labour and child labour, relative to other countries in North America and South America.

While the modern slavery policies adopted by our main seed treatment suppliers and the geographical location of our direct suppliers of bare seed for our canola business suggest that there is a relatively low risk of forced labour and child labour being utilized in our supply chain, we are aware that the agriculture industry in which CANTERRA SEEDS operates carries with it an increased risk of the use of forced labour or child labour, including within higher-income countries such as Canada and the United States. With the objective of further understanding the potential risk of forced labour or child labour being used in our supply chain, the Board has recently directed the Director of Operations & Product Strategy and the Chief Financial Officer for CANTERRA SEEDS to review and recommend to the Board potential risk mapping and risk assessment tools which we may utilize moving forward to further identify, assess and reduce the risk of forced labour and child labour being used in our supply chain.

(4) Forced Labour and Child Labour Remediation Measures [Section 11(3)(d) of the Act]

CANTERRA is not currently aware of any forced labour or child labour practices occurring within its own operations or in its supply chain. Accordingly, we have not undertaken any measures to remediate any forced labour or child labour to date.

(5) Loss of Income - Remediation Measures [Section 11(3)(e) of the Act]

CANTERRA is not currently aware of any forced labour or child labour practices occurring within its own operations or in its supply chain. Accordingly, we have not undertaken any measures to remediate any loss of income relating to any forced labour or child labour to date.

(6) Training [Section 11(3)(f) of the Act]

As set out in the CANTERRA SEEDS Employee Handbook, we understand that education is vital to our continued knowledge and growth and, therefore, employment training and development is a priority to CANTERRA SEEDS. We encourage the employees of CANTERRA SEEDS to enhance their skills and knowledge in areas of learning that support our statement of purpose, mission statement and core values. The Board recently directed the Chief Financial Officer for CANTERRA SEEDS to review and recommend to the Board potential training programs and materials that could be provided to employees of CANTERRA SEEDS to help raise awareness of, and reduce and prevent, the risk of forced labour and child labour being used in our activities and in our supply chain.

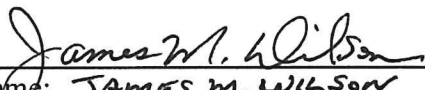
(7) Assessing Effectiveness [Section 11(3)(g) of the Act]


CANTERRA currently does not have any policies or procedures in place to measure and track CANTERRA's success in preventing and reducing risks of forced labour and child labour in our activities and our supply chain. In connection with the preparation of this Report, the Board has committed to reviewing our internal and external policies annually and more frequently, if the circumstances require it. Further, the Board has recently directed the Director of Operations & Product Strategy and the Chief Financial Officer for CANTERRA SEEDS to review and recommend to the Board potential tools and indicators that can be utilized moving forward to assess the effectiveness of our policies, processes and other actions aimed at reducing the potential for forced labour and child labour within our activities and supply chains.

E. Approval and Attestation [Section 11(4) and (5) of the Act]

This Report has been approved by the Board of Directors of CANTERRA SEEDS (2002) LTD. in accordance with subparagraph 11(4)(b)(i) 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 CANTERRA SEEDS (2002) LTD. 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.

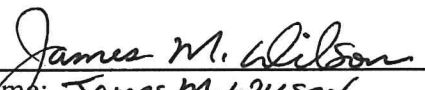
CANTERRA SEEDS (2002) LTD.


Per: 
Name: JAMES M. WILSON
Title: CHAIRMAN / DIRECTOR
Date: MAY 23/24

Per: 
Name: BRENT DERKATCH
Title: PRESIDENT + CEO
Date: MAY 27, 2024

This Report has been approved by the Board of Directors of CANTERRA SEEDS HOLDINGS LTD. in accordance with subparagraph 11(4)(b)(i) 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 CANTERRA SEEDS HOLDINGS LTD. 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.

CANTERRA SEEDS HOLDINGS LTD.

Per: 
Name: James M. Wilson
Title: CHAIRMAN / DIRECTOR
Date: May 23/24

Per: 
Name: BRENT DERKATCH
Title: PRESIDENT + CEO
Date: MAY 27, 2024