



May 6, 2024

## Sylvite Holdings Inc. 2023 Annual Report on Forced and Child Labour in Supply Chains

This Report published pursuant to the 2023 Government of Canada Bill S-211 *“Fighting Against Forced Labour and Child Labour in Supply Chains Act”*, provides an overview of the approach and governance Sylvite Holdings Inc. (“Sylvite”), including its subsidiaries, have taken to understand and address forced and child labour in our businesses and supply chains. This Report outlines the activities of Sylvite and its subsidiaries during the previous calendar year, ending December 31, 2023, in consideration of the issue of forced labour and child labour.

### Introduction

At Sylvite, we are committed to our customers in each of our wholesale, agriculture, transportation, and industrial chemical industries. We respect human rights and ethical labour practices in everything we do. We recognize that forced and child labour are grave violations of human dignity and have no place in our business and supply chains. To this end, we are committed to taking proactive steps in collaboration with our stakeholders to prevent and address the risks of forced and child labour across our business and supply chains.

### Our business and supply chain

Sylvite is a 100% independently owned Canadian wholesaler of farm fertilizer in Ontario and Eastern Canada dedicated to serving the agriculture industry.

Sylvite has four divisions which includes:

1. **Sylvite Agri-Services:** As a trusted partner in agriculture, Sylvite serves farmers from 15 retail locations across Ontario. Sylvite offers premier products from leading industry suppliers and comprehensive farm services to help farmers achieve their agronomic goals. Sylvite’s certified agronomists, sales representatives and agricultural consultants are committed to providing farmers with tailored solutions for their crops, including optimal nutrients and crop protection products.
2. **Sylvite Transportation:** Our transportation and logistics division services the needs of customers using modern tools and technologies like two-way satellite tracking to monitor shipment progress and inventory levels in real time. Sylvite transportation provides transportation services across North America with over 135 tractor units and over 400 trailers to support customers' logistical requirements.
3. **Sylvite Sales:** A full-service wholesale supplier servicing the agricultural retail trade across Eastern Canada and the Southern United States.



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4. **Sylvite Industrial Chemical:** With expertise in producing, sourcing, and packaging products, Sylvite focuses on serving customers' needs with quality chemicals from our seamless distribution network. We support diverse partners within the agriculture, bulk chemical, construction, energy, forestry, mining, and water treatment industries.

We are a recognized specialist in fertilizer markets around the world. We secure high quality products from world markets for agricultural and industrial applications which are distributed in Canada via the Company's port, terminal storage and distribution network.

As the largest independently owned Canadian wholesaler of farm fertilizer in Ontario and eastern Canada, Sylvite is dedicated to serving the diverse agriculture industry.

### **Policies and due diligence processes**

We uphold a high standard of ethical practice in every part of our business. As such, we will actively work with our suppliers to address the issue of forced and child labour.

In line with our commitment to the quality of our products and services, and with respect for human rights and ethical practices, Sylvite has developed internal policies and guidelines including:

1. **Employee Handbook**

The Sylvite Employee Handbook includes a code of ethics which establishes basic principles which lays out expectations regarding the behaviors of all Sylvite employees. The code directs that the business and professional activities of Sylvite and all its employees must be based on integrity, preventing all types of corruption, and avoiding conflict of interest.

2. **Anti-harassment Policy**

We have adopted a policy outlining a zero tolerance of harassment in the workplace or during work-related function and/or activities whether engaged in by employees, officers, directors, customers, suppliers, or independent operators of the company. Our anti-harassment policy aims to create a work environment that is free of harassment of any nature, offensive behavior, discrimination, and workplace violence. The policy outlines steps to take in case of harassment or discrimination at work.

3. **Whistleblower Policy**

We have an established whistleblowing policy that targets the reporting of various forms of misconduct, including any wrongdoing that may adversely impact the company, our customers, shareholders, employees, investors, or



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public at large. The reporting mechanism under this policy is accessible to all employees and allows for anonymous submission and protection against retaliation. Reports of workplace wrongdoing may be made to the appropriate authority, management / supervisory staff, human resources, internal audit and/or audit committee or anonymously.

#### 4. **Violence free Workplace Policy**

We are committed to providing a safe workplace. Our violence free workplace policy aims to minimize the risk of personal injury to employees and damage to property. Threats, threatening language or any other acts of aggression or violence made toward or by any Sylvite employee will not be tolerated.

The health and safety of employees and others on Sylvite property are of critical concern to us. We have developed safe work practices designed to enhance the working environments of all employees; control unsafe acts, unsafe conditions, and the occurrence of work-related accidents; and minimize employee injuries and other property losses.

In 2024, we will review existing policies and create new policies as needed to show our commitment to combat instances of forced and child labour. This will include reviewing and updating existing policies to address the seven specific requirements of the Act. We will establish a supplier code of conduct which will target forced and child risks. Existing and new suppliers must attest to their adherence to this code of conduct.

#### **Forced labour and child labour risks**

We have used an independent third party to undertake a forced and child labour risk assessment using our procurement data. The assessment focused on identifying relative risk based on the country of origin for the labour and/or materials, and the potential of that type of material and/or labour being connected to forced or child labour based on independent lists.

The results of this assessment will allow us to identify and proactively engage with our suppliers with an elevated risk of exposure to forced labour and child labour. In 2024, Sylvite will work to enhance the supplier data availability and the risk analysis process to better understand the associated risks.

#### **Remediation measures**

We have established a whistleblower policy accessible to all employees and provides both confidentiality and protection against retaliation. We will continue to assess if there are third parties that may be appropriate to include in our whistleblower policy. In 2024, Sylvite will work to establish a governance structure related to forced or child labour.



## **Training**

We are committed to making training, development, and progression opportunities available to all employees whose roles may encounter this critical issue. In 2024, we will implement training for relevant employees specific to the risks of forced labour and child labour in our supply chains.

## **Assessing effectiveness**

We recognize the importance of maintaining constant vigilance to identify and address any instances of forced and child labour throughout our businesses and supply chains. We will continue to monitor the issue and gain further understanding in order to identify and track our organization's exposure points that may be associated with forced and child labour.

## **Plans for the future**

In line with our commitment to respect and protect human rights throughout our operations and supply chains, our actions for 2024 will enhance our efforts to prevent any instances of forced and child labour in our operations and supply chains. In 2024, we intend to accomplish the following;

- € Review and update current policies as needed to address the seven specific requirements of the Act, including an enhanced supplier code of conduct.
- € Implement internal guidance on remediation process where appropriate to address incidents of forced and child labour.
- € Provide employee training on the risks of forced and child labour.
- € Enhance our framework for continuous monitoring and oversight, focusing on the risks of forced and child labour within our business and supply chain.





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.

**Full name:** Shaun Trahan

**Title:** Vice President Finance

**Date:** May 6, 2024

**Signature:**

"I have the authority to bind 'Sylvite Holdings Incorporated.'"



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