



This report (the “Report”) constitutes TerrAscend Corp.’s first report prepared under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”). The Report is a joint report of TerrAscend Corp. and each of its wholly-owned or controlled subsidiaries. The Report outlines the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere or of goods imported into Canada during the financial year ending December 31, 2023 (the “Reporting Period”).

Supplementary Information:

### **1 - Company Structure:**

TerrAscend Corp. (the “Company”, and together with each of its wholly-owned or controlled subsidiaries, “TerrAscend”) was incorporated under the laws of Ontario and is a publicly traded issuer on the Toronto Stock Exchange that owns and manages cannabis operations throughout the United States and in Canada.

### **2 - Company Activities & Supply Chain:**

The Company is a holding company that provides oversight and shared services support on behalf of its local operations in each state or province. TerrAscend operates independently in each state or federal jurisdiction in which it manufactures and sells products, including in New Jersey, Pennsylvania, Maryland, Michigan, California and Ontario, Canada, through its subsidiaries. The Company’s subsidiaries operate cannabis cultivation, processing, distribution and retail sites in jurisdictions that have enacted medical or adult-use cannabis regulations. Each of the Company’s subsidiaries operate in compliance with local cannabis regulations, as enacted by each state or province.

The Company’s business model depends primarily on its own internalized facilities and labour, though it does rely on third party suppliers for various materials and services, including but not limited to: cultivation supplies, packaging supplies, third party manufacturing, cleaning and sanitation services, finished goods supplies (packaging, stickers, etc.), and various other components required to manufacture and sell its products. All of the Company’s labour is located in North America, though some of its supplies are sourced from international markets.

### **3 - Policies & Due Diligence of Supply Chain:**

The Company has a Code of Business Conduct (“Code”) that all employees have certified that they have received, that they have read and that they agree to abide by. The Company has trained all of its employees on the principles in the Code. Although the Company’s Code does not directly address modern slavery, it does provide a broad requirement to conduct business

activities in an ethical manner, which would indirectly include prevention and reporting of labour related concerns, including modern slavery. This includes demonstrating honest and ethical conduct, as well as adhering to local laws, regulations and Company policies. Employees are expected to report potential violations of laws, regulations, Company policies (including the Code) and any other serious wrongdoing within the Company. To facilitate disclosures and help protect anonymity, employees can report concerns through the Company's Ethics Hotline that is made available to all Company employees. Each employee is provided education and training on use of the Ethics Hotline as part of their employment onboarding. The Company investigates all allegations of misconduct and circumstances that implicate potential violations of law, regulations or Company policies. Violations are not tolerated and can lead to disciplinary action, including termination of employment or reporting such conduct to law enforcement. Furthermore, most employees undergo criminal record verifications upon hire, which provides an additional opportunity to confirm the identity of any prospective employees and to identify concerns pertaining to modern slavery. Finally, the Code details that the Company has a no tolerance policy for retaliation against anyone for raising a good faith concern.

In addition, the Company has implemented comprehensive measures at each of its facilities and retail stores to monitor employee and customer conduct, investigate potential theft, and ensure a safe environment for all. The security capabilities of the Company also provide for an enhanced ability to monitor its operations for forced labour and other illegal conduct. As a company that manufactures and sells controlled substances, TerrAscend's supply chain is subject to enhanced risk of theft and diversion, and as a result, the Company has implemented enhanced capabilities to mitigate such risks. Such mitigation efforts provide a foundation for the Company to implement enhanced modern slavery prevention programs based on the Company's existing due diligence efforts, security infrastructure and controls.

More recently, the Company has begun to implement additional policies and procedures that govern the conduct of its suppliers, as further outlined in this Report.

#### **4 - Supply Chain Risk Analysis:**

The Company believes that the risk of modern slavery in its directly employed workforce is low. This is due in part to the highly regulated nature of the cannabis industry, the training and policies deployed by the Company and also due to the fact that work is undertaken in controlled environments such as the Company's offices, retail stores and cultivation facilities.

The Company also believes that the risk of modern slavery in its supplier network is low. The Company is not aware of any present or historical non-compliance by its suppliers. The Company believes its risk to be low since the Company does business with well-known companies and has contracts with suppliers in which suppliers represent that they comply with all applicable laws. Although the Company believes that the risk of modern slavery in its supply chain is low, the Company believes that the area(s) of highest risk emanate from suppliers or

distributors that source materials or components from international markets, though the Company is not aware of any concerns or violations relating thereto.

To bolster its understanding, the Company recently implemented procedures to build greater accountability of its suppliers with respect to their compliance with forced labour or child labour laws. This includes the addition of an obligation for the supplier to comply with the Code in its form contract template. Furthermore, the Company has initiated a certification process by way of a Supplier Questionnaire with all of its suppliers. These questionnaires will further assist the Company in understanding forced labour risk levels to specific suppliers, as well as various segments of its supply chain.

#### **5 - Steps Taken to Mitigate Forced Labour or Child Labour:**

In 2023, the Company took a number of steps to improve its compliance environment. These include but are not limited to: (1) launching the Code, (2) requiring each employee to confirm their compliance with the Code, (3) adding compliance with the Code to its form supplier template and (4) training all of its employees on the principles in the Code.

While these measures are important, they were not solely focused on compliance with modern slavery laws. As mentioned, recently, the Company commenced a Supplier Questionnaire process that requires each supplier to warrant that they are not aware of any conduct or circumstances within any part of their business or supply chain that could constitute forced labour or child labour as defined in the Act.

In anticipation of continued compliance with the Act, the Company will implement a standard operating procedure that mandates the collection of required information and certain undertakings necessary to evaluate the conduct of its suppliers in connection with the Act.

#### **6 – Remediation:**

##### ***Measures taken to remediate any forced labour or child labour***

The Company did not identify in the Reporting Period any instances of forced labour or child labour or have any complaints related to forced labour or child labour, and so no remediation measures were required.

##### ***Remediation of the loss of income***

As the Company did not identify any instances of forced labour or child labour or have any complaints related to forced labour or child labour in the Reporting Period, no remediation of the loss of income was required.

#### **7 - Training for Workforce:**

The Company had formal training on the Code of Business Conduct for all employees but did not have any standalone training related to forced labour and child labour in the Reporting Period. Effective April 2024, the Company implemented mandatory training related to the

identification and mitigation of forced labour in its supply chain for all employees that are engaged in the management of the Company's suppliers. Furthermore, the Company has appointed its Senior Director, Supply & Demand as the functional lead to oversee each supply chain risk analysis.

#### **8 - Assessment of Effectiveness:**

The Company conducts an annual risk assessment process which is reviewed with its Board of Directors. The Company intends to expand its risk assessment to include the effectiveness of due diligence processes and policies ensuring modern slavery within the Company's supply chains and operations.

The Company believes the measures it has taken to date with the addition of the Supplier Questionnaire and risk assessment will help it better assess the effectiveness of its efforts and identify areas for continued improvement.

#### **9 - Approval and Attestation**

This Report was approved by the board of directors of TerrAscend Corp. pursuant to subparagraph 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 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.

/s/ Jason Wild

*I have the authority to bind TerrAscend Corp.*

Name:

Title: Executive Chairman

Date: May 31, 2024