

FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

Introduction

Bevo Agtech Inc. is committed to preventing the occurrence of forced labour and child labour in our operations and supply chains. We do not tolerate child labour, forced labour or any other form of slavery and we expect our suppliers to share our commitment to ethical and responsible business practices and to support our values.

This report (the “Report”) has been prepared pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) and outlines the actions we have taken during the year ended December 31st, 2023, towards reducing and eliminating the risk that forced labour or child labour occurs in our business or its supply chain.

This Report has not been prepared as financial or investment advice or to provide any guidance in relation to our future performance. Readers should review the disclaimers on page five of the report.

Neither Bevo Agtech Inc nor the other Reporting Entities presently have reporting obligations under similar legislation in other jurisdictions.

Our Structure and Business

Bevo Agtech Inc is a privately held corporation headquartered in Langley, British Columbia, Canada. Bevo Agtech Inc is an innovative supplier of choice for wholesale vegetable growers and retailers of floral plants. We are the largest supplier of propagated vegetables and ornamental plants in North America. We have three sites in the province of British Columbia and two in Alberta. Each location operates as a separate entity under Bevo Agtech Inc. We currently have an employee base of 138 people which includes 50 temporary foreign workers that work with us under the LMIA – Ag-stream program. We also contract labour from licensed Canadian labour companies to support our daily operations.

Our Activities

We specialize in cultivating high-quality plants through the germination of vegetable seeds and floral cuttings. Utilizing our state-of-the-art greenhouse facilities, we nurture these plants to maturity. Our primary clientele includes other greenhouse operations and retailers who rely on us for a diverse range of healthy and vibrant plants. In 2023, we propagated over nine million vegetables, two million geraniums, and 350,000 hanging baskets. Our vegetable seeds and floral cuttings are sourced from across the globe, including the Americas, Europe, and Asia – a more detailed breakdown of countries sourced is included below.

Our Supply Chains

Bevo Agtech Inc receives raw materials through primary suppliers based out of the United States and Netherlands (NL). We source items through our suppliers including plant cuttings and plugs (live tissue/seed/young plants) as well as hard goods including blocks, pots, sleeves, trays, planters, that are used as grow medium/containers.

Vegetable seeds are sourced primarily from suppliers in North America and Europe.. Floral cuttings are sourced from suppliers in Canada, United States and the Netherlands, however, these suppliers use secondary suppliers located in, Mexico, Nicaragua, Guatemala, Costa Rica, Colombia, El Salvador, Uganda, Ethiopia, Kenya, Spain, Israel and Canada. Our hard goods are sourced primarily from suppliers located in Canada, United States, the Netherlands, and Italy.

Our Policies and Due Diligence Processes

Bevo Agtech Inc has policies in place for employee code of conduct, whistleblowing, and health and safety policies that support the right to refuse unsafe work and contribute to responsible business conduct.

Our code of conduct requires employees to maintain the highest standards of integrity and trustworthiness. Examples of expected behaviours include reporting illegal or unethical behaviour; acting in good faith, with responsibility and with due care and diligence. Conduct that compromises our reputation for honesty, trustworthiness, and competence is not acceptable. Our health and safety policies allow employees to refuse unsafe work.

Our Whistleblower policy requires employees to report any violations they become aware of in the course of their employment including but not limited to:

- Criminal conduct
- Fraud or other questionable accounting practices
- Failure to follow legal or regulatory obligations
- Failure to follow, or efforts to bypass, internal compliance policies or internal controls
- Actions that endanger health and safety, or might cause environmental damage
- Theft
- Bullying, harassment, or any other unprofessional or unethical behaviours

Due Diligence

Our due diligence process starts with our employee code of conduct policy, requiring employees to consistently exercise honesty, good work ethics and common sense; acting in good faith, with responsibility and due care and diligence; and reporting illegal or unethical behaviours. These policies

and expectations have built responsible business conduct practices into our company policy and management systems. We maintain a list of approved suppliers with whom we have long standing relationships. New suppliers are vetted based on reference and reputation within the industry.

All employees receive a background check prior to onboarding and the company must be satisfied that the employee will meet the conduct requirements expected of our team.

We have also instituted a new Supplier Agreement for ethical practices that we will have all new suppliers review and agree to prior to conducting business with them.

Risks of Forced Labour and Child Labour in our Business and Supply Chains

As part of this report, our company has mapped the activities of our direct and indirect suppliers and conducted a risk assessment on countries at risk of using child and forced labour in the production of goods. Our primary suppliers are based in Canada, USA and the Netherlands. Our direct suppliers utilize a chain of suppliers/vendors from across the globe (12 countries), which do include sourcing materials from countries that have a history of child and forced labour in certain industries, most notably palm oil. However, on review of the US Bureau of International Labour Affairs, and their list of goods produced by child/forced labour, none of our sourced materials are listed as produced by child/forced labour. The 2022 list can be reviewed at the following link: [2022-TVPRA-List-of-Goods-v3.pdf \(dol.gov\)](#)

Measures Taken to Remediate Forced or Child Labour

To date, we have not had to take any remediation efforts for child/forced labour within our business or supply chain practices.

Measures Taken to Remediate the Loss of Income to the Most Vulnerable Families that Result from any Measures taken to Eliminate the Use of Forced or Child Labour in our Activities or Supply Chains

To date, we have not had to take any remediation efforts for child/forced labour within our business or supply chain practices.

Employee Training

We have not conducted any formal training or awareness as they relate to child/forced labour within our supply chains to date. Our intent is by the end of 2024 to provide awareness training to our team members with authority to enter into supply arrangements and/or purchase materials.

Measuring Our Effectiveness

This hasn't been a concern to date within our supply chains therefore no actions have been taken to assess our effectiveness in preventing and reducing the risks of child and forced labour. In completing this reporting requirement and learning that some of the countries we source materials from have a history of child/forced labour, we will work to establish a year-over-year review process of our supply chains to ensure that we don't draw on vendors/suppliers who use child/forced labour.

Disclaimers

This Report does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities.

Board Approval

The contents and delivery of this Report were approved under s. 11(4)(a) and s. 11(4)(b)(ii) by the Board of Directors of Bevo Agtech Inc on May 1st, 2024.

Attestation

In my capacity as director of Bevo Agtech Inc and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in the Report for the entity or entities listed in above. Based on our knowledge, and having exercised reasonable diligence, we 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 authority to bind Bevo Agtech Inc.

BY ORDER OF THE BOARD OF DIRECTORS



[_____]
Leo Benne
Director
Bevo Agtech Inc.