

Darvonda Nurseries Ltd et al

Modern Slavery Report

For the year ended May 31, 2023

Structure, Activities and Supply Chains

Darvonda Nurseries et al (the “Company”) is a grower of greenhouse products for sale at large wholesalers or smaller retail shops across Western Canada and United States. The Company also grows greenhouse vegetables that it sells in BC and Alberta.

The Company has facilities in BC and Alberta that all produce similar products via the same supply chains.

The Companies supply chain is relatively simple and has four major components: acquisition of hard goods, labour, utilities and transportation. The business is quite seasonal and turns over most of its inventory within six months. The components are acquired from the suppliers, assembled and then grown in the greenhouse facilities. Once completed, the products are shipped to customers primarily in Western Canada and to a much smaller degree, the United States.

Policies and Due Diligence Processes in relation to forced and child labor

The Companies supply chain has four major components:

Hard Goods

The vast majority of hard goods (plant containers, seeds/cuttings and soil) are sourced from Canadian and American suppliers that either domestically produce or import these goods to Canada. The Company is rarely the primary importer of any hard goods and takes possession of goods when they get to its main facility.

- A point of improvement to be implemented is that the Company is going to develop and distribute a supplier code of conduct as it relates to forced and child labour.
- A point of improvement to be implemented is that the Company seeks to increase its visits to suppliers and their supply chains.

Labour

The majority of the dollars spent on cost of goods are on wages for both temporary foreign workers and locals that reside near the Companies facilities.

- Temporary foreign workers are hired through the government of Canada administered programs. Age is verified through passport verification.

- Local workers are verified to have valid Social Insurance Numbers and are required to report their age.
 - o A point of improvement going forward for the Company will be verifying age against government issued photo ID

Utilities

The third and final significant component of the companies products is utilities. All of the Companies utility needs are domestically sourced. The Company perceives minimal risk of forced or child labour associated with the procurement of utilities.

Transportation

All of the companies transportation needs are met internally (through its own truck drivers and trucks) or through established Canadian transportation companies.

- A point of improvement to be implemented is that the Company is going to develop and distribute a supplier code of conduct as it relates to forced and child labour.

Business Segments that carry risk of forced or child labor

The largest risk of forced or child labor comes from the Companies hard goods component of the supply chain. While the company is not the primary importer of the vast majority of its hard goods, the risk remains that forced or child labor is present before the goods get to Canada. The company intends to implement a supplier code of conduct and increase supplier visits/tours. We believe minimal risk lies with our tier one suppliers. We intend to develop close relationships with our tier one suppliers to assess the risk of our tier two, three and beyond suppliers.

Measures taken to remediate any forced or child labour

Not applicable, we have not identified any forced labour or child labour in our activities and supply chains.

Measures taken to remediate the loss of income to vulnerable families

Not applicable, we have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

Training provided to employees

The Company is going to add to its employee handbook policies and procedures related to forced and child labour.

Methods for assessing effectiveness

The Company will monitor effectiveness of its forced labour policies and procedures by investigating any found instances of forced labour or child labour in our activities and supply chains. The Company will review its tier one supplier social audits and forced labour policies for possible instances of non-compliance. The Company will also follow any guidelines or policies the government of Canada recommends in the future.

Darvonda Nurseries Ltd

Subsidiaries:

1265787 BC Ltd

1337236 BC Ltd

Horizon Growers Ltd

1405567 Alberta Ltd

The subsidiaries named above all operate within the same management processes and people as the parent company. They are primarily holding companies with significantly decreased risk profiles as it relates to forced or child labor, as the parent company Darvonda Nurseries Ltd.

Attestation:

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.

Lawrence Jansen

CEO

May 31, 2024



I have the authority to bind "Darvonda Nurseries Ltd" and its subsidiaries.