

Flower Group Operating Inc (One Floral) 2023 Forced Labour in Canadian Supply Chains Report

This document serves as the annual submission for compliance reporting in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act)*. It presents a comprehensive overview of the measures undertaken during the initial reporting year, concluding on October 31, 2023.

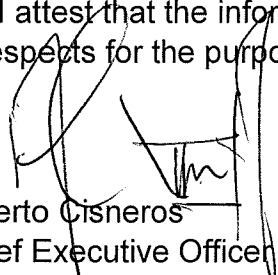
Aligned with the stipulations of this legislation and our steadfast commitment to ethical procurement, our primary suppliers—representing the bulk of One Floral’s product acquisitions—are certified and/or regulated entities robust compliance mechanisms and esteemed reputations within the industry.

The commitment outlined below pertaining to Modern Slavery and Forced Child Labour is hereby integrated into this report.

Throughout the current reporting period, One Floral has not been made aware of any instances of forced or child labor within our own operations or those of our suppliers. Consequently, no remedial action has been necessitated.

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.”



Alberto Cisneros
Chief Executive Officer
May 31, 2024

“I have the authority to bind Flower Group Operating Inc.”

Flower Group Operating Inc. (One Floral) Commitment to Ethical Sourcing

Our Business and Structure

Flower Group Operating Inc. (One Floral) has been an established agricultural grower since the merger of Seacliff and Lakeshore Inc. in 2010. Since this strategic merger One Floral has grown to be the largest floral consumer product business in Canada. We are a proudly Canadian company with ethical employment practices including compliance with all local, provincial, and federal health and safety, environment, human rights, labour and employment laws and regulations. We do not practice forced or child labour and we strictly condemn and prohibit any form of forced, child or illegal labour or slavery from our partner and vendor's supply chains.

Supply Chain and Due Diligence

The primary suppliers of One Floral, responsible for most of our procurement, are certified and/or regulated manufacturers and distributors renowned for their compliance mechanisms and sterling industry reputations. One Floral prioritizes suppliers committed to sustainability, endangered forest preservation, biodiversity conservation, and securing free, prior, informed consent (FPIC) from Indigenous Communities linked to these areas. In most cases, goods are purchased from Canadian-based suppliers. We persist in influencing our supply chain towards socially and environmentally sound practices, actively collaborating with those who embody such principles. Continual compliance with local, provincial, and federal regulations—including laws concerning health, safety, environmental protection, human rights, labor, and employment—is an ongoing expectation for our suppliers. This encompasses all statutes pertinent to human trafficking, forced labor, child labor, and other manifestations of modern slavery throughout the supply chain.

Policies and Due Diligence

One Floral is dedicated to conducting our business affairs with ethics, integrity, and transparency. We demonstrate this commitment by fostering safe, healthy, respectful, and inclusive workplaces for our employees, and by contributing to the betterment of the communities where we operate. Our values and practices align with all human rights regulations, and we vigorously oppose modern slavery, human trafficking, and child labor throughout our supply chains. All employees undergo training in Human Rights in Canada, with management and supply chain personnel receiving additional or periodic training as needed.

We encourage all employees to report any suspected violations of our code of conduct, either directly to their manager, the One Floral team, or anonymously to the Office of the CEO. Should any instances of forced or child labor in our supply chain be reported, One Floral will promptly and decisively intervene with the implicated supplier. We are committed to remedying non-compliance and, if necessary, severing ties with suppliers who fail to address such issues promptly.

One Floral is currently evaluating opportunities to enhance or establish measures for the forthcoming year concerning its policies and due diligence procedures for mitigating supply chain risks. These include:

- Enhancing the Procurement Risk Questionnaire to comprehensively identify all sourcing activities involving goods upfront.
- Enhancing the Vendor Risk Assessment by incorporating specific controls for contracts involving goods.
- Modifying the vendor attestation to mandate disclosure of compliance practices concerning the Act, where applicable.
- Reviewing and revising contract templates to integrate vendor representations regarding forced labor and child labor.
- Reviewing and updating the Vendor Code of Conduct to encompass provisions addressing forced labor and child labor.

Forced Labour and Child Labour Risks

One Floral has initiated a thorough examination of its procurement operations and supply chain to gain a deeper understanding of areas within its activities or supply chain that may pose elevated risks of forced labor and child labor. This ongoing assessment involves identifying specific sectors and industries at risk. Insights gleaned from these evaluations will inform the implementation of suitable measures to mitigate any identified risks of forced labor and child labor across its activities and supply chains.

Remediation Measures

One Floral currently has no indication of forced labour or child labour in the organization supply chain thus no remediation measures to report.

Remediation of Loss of Income

One Floral currently has no indication of forced labour or child labour in the organization supply chain thus no remediation of loss of income to report.

Monitoring

Each year, a thorough review will be undertaken, incorporating insights from key stakeholders, to implement requisite adjustments informed by emerging information and evolving supply chain assessments.