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RE: BILL S-211

Statement for the Fiscal Year ended June 30, 2023

This statement is made pursuant to Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act* and to amend the Customs Tariff. This statement outlines the approach and initiatives by HAP Farm Holdings Inc. and its subsidiary, to identify and address the risks forced labour and child labour in its business operations and supply chains during the financial year commencing July 1, 2022 and ending June 30, 2023.

Group Structure

HAP Farm Holdings Inc. (the “Company”) and its subsidiary, Pioneer Flower Farms Limited (“Pioneer”) was established in October 1972. The Company and its subsidiary are subject to the provisions of the Ontario Business Corporations Act.

The Company owns the land and buildings, and Pioneer grows horticultural products in the City of St. Catharines, Ontario. Pioneer is a family-owned business.

Head office of operations is at 1900 Seventh Street, St. Catharines, Ontario, L2R 6P9

The corporate business no. for the Company is: 87438 0926 RC0001

NAICS Code: 551113 Holding Companies

The corporate business no. for Pioneer is: 10420 8285 RC0001

NAICS Code: 111422 Floriculture Production

Supply Chain

Pioneer buys its raw materials, i.e. flower bulbs and plant cuttings locally, within Canada or internationally such as the Netherlands and New Zealand.

Most materials and supplies purchased for the planting and growing cycles, are also purchased locally, within Canada and the USA, and at times internationally.

All flowers are grown locally at our St. Catharines farm. Production, sleeving and shipping of flowers are also from our St. Catharines farm.

Employees are hired locally (either part-time, full-time, or seasonal). The Company also participates in the Temporary Foreign Worker Program (TFW).

Risks in Supply Chain

Some key business risks identified related to the Company supply chain include:

- procurement of flower bulbs, cuttings and plants and related supplies to meet production demands;
- maintaining labour force needs, ie use of seasonal workers, temporary foreign workers; and
- disruptions in the business due to supply shortages, transportation issues or delays, weather.

At minimum, the Company requires its suppliers comply with the labour laws and regulations that apply in the jurisdiction in which it operates. It is recognized that certain jurisdictions that supply the Company with products and services do not have such laws or that there are gaps in existing laws and their enforcement. The Company considers it important to guide its suppliers' practices to ensure respect for workers in its supply chain.

The Company expects suppliers to adhere to the several standards and principles, including:

- complying with national labour laws or industry or international standards,
- refraining from child labour,
- refraining from relying on forced or compulsory labour,
- to establish open, respectful dialogue with its employees, thus fostering a healthy work environment,
- refrain from discriminating against their employees for any reason,
- provide employees with a healthy and safe work environment and must take all measures to prevent work- related injuries, illnesses and accidents,
- implement clear occupational health and safety procedures and provide training on a regular basis

Actions Taken

The Company is a family-run business and has many long-term working relationships with its suppliers. Process in place for new suppliers where a basic application is completed and are checked against references.

Employee orientation is provided regularly (at minimum annually) to communicate and discuss Company policies, including health and safety, harassment.

The Company is a member of the following associations: OFA (Ontario Federation of Agricultural) and FCO (Flowers Canada Organization).

Risk Assessment

No actions have been taken.

The current Company policies are reviewed on an annual basis. The Company is continuing to enhance its policies by implementing a formal supplier code of conduct to share with its suppliers. The Company also plans to seek annual questionnaires for suppliers to complete.

The Company plans to seek insight from associations it belongs to, such as the OFA and FCO, for any initiatives that these organizations may have undertaken.

Remediation

No issues of child/forced labour identified.

The Company is determined to carry out its activities lawfully and ethically by adopting responsible social and environmental practices. Should a supplier fail to comply with the Company's supplier code of conduct, the Company reserves the right to require corrective actions. If the supplier fails to comply with the corrective actions, the Company will reconsider its business relationship with the supplier.

Training

Employee orientation is provided regularly (at minimum annually) to communicate and discuss Company policies, including health and safety, harassment to all employees. Employee training is prepared internally and revised/reviewed at least annually, approved by the Management team.

Throughout the year, staff meetings are held at the Company on the production floor. Any new awarenesses are brought forward and discussed with the staff in a timely manner.

Assessing Effectiveness

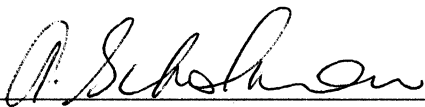
No actions have been taken to assess the Company's effectiveness in preventing and reducing risks of forced labour and child labour.

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.

Name: Anita Scholman

Title: Chief Financial Officer

Date: May 31, 2024

Signed: 

I have the authority to bind HAP Farm Holdings Inc. and its subsidiary.