



FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

Introduction

This report is made in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chain Act* for Windset Holdings 2010 Ltd., Windset Farms (Canada) Ltd., and Greenhouse Grown Foods Inc. (collectively, “Windset”, “we” or “us”). The report, for the fiscal year ending December 31, 2023 (“Fiscal 2023”), includes steps taken to prevent and reduce risks that child labour or forced labour is used at any step of the production of goods or import of goods into Canada by Windset.

Business Structure and Supply Chain

Windset is one of North America’s largest vertically integrated producers and marketers of greenhouse grown produce. Windset has greenhouses in Delta, BC and Santa Maria, CA. Every year we ship premium quality tomatoes, cucumbers, peppers and specialty produce across the globe. Our produce supply chain is predominantly from Canada, the United States and Mexico.

As a family business, Windset is committed to maintaining the highest respect for our workforce and believe in treating our employees with high regard to their health, safety and well-being.

Our employees include a diverse mix of foreign and local farm workers representing multiple cultures and backgrounds. This has granted us profound understanding of the labour world while also awakening our sense of duty to safeguard their labour rights. Windset’s facilities have been certified with Equitable Food Initiative (EFI) since 2015. This has empowered us to implement a gold standard of social responsibility within our organization, alongside improved working conditions and fostering positive systemic change. Windset is constantly devoting efforts to prevent and reduce the risk of child labour and forced labour throughout our operations and supply chain, moreover our supply chain partners are held to similar standards.

Policies and Due Diligence Processes

At Windset, we believe that continuous improvement is the backbone of our organization. Our commitment to upholding Social, Ethical, and Labor Laws is evident through the programs and policies (Employee Code of Conduct, Forced/ Prison Labour Policy, Employee Age, Wage and Hour Policy, Labor contractor rules of engagement, Foreign Supplier Verification Program) we have put in place. These initiatives show our commitment to complying with legal regulations, fostering a positive workplace culture and safeguarding the well-being of our employees. By continuously striving for improvement in this area, we reaffirm our dedication to ethical standards and our desire to make a positive impact in our community.



We conduct annual risk assessment to verify the effectiveness of our program and undergo third party Ethical / Social audits yearly to help validate compliance with laws and standards.

Additionally, we are EFI certified. EFI's social standards include prohibitions against the use of both forced labour and child labour as well as other labour standards related to worker health and safety, working conditions, fair compensation, non-discrimination, non-retaliation, and compliance with the law, among others. Our farm operations undergo annual EFI social and ethical audits.

Our recruitment process has been designed to identify and prevent hiring of children and forced labour through document verification and personal interviews prior to hiring. All documentation is retained in a confidential manner by the HR department.

Windset employees are also able to raise concerns and complaints using a grievance mechanism. All complaints and concerns are treated in confidence without the fear of retaliation.

In addition to this, our suppliers go through a rigorous approval process while onboarding wherein Social / Ethical documentation is assessed for compliance. All suppliers also undergo an annual review for their commitment to Social/ Ethical standards.

We use third party certification audits to evaluate our grower suppliers to confirm our standards and local labour regulations related to labour standards, including forced labour, as well as other standards such as workplace safety, fair wages, clean facilities, and employee living conditions, are met. Additionally, our private label customers may also conduct social/ ethical audits.

Forced Labour and Child Labour Risks

We recognize that there is an inherent risk of forced labour or child labour in any supply chains. To manage that risk and to demonstrate the respect we have for our workforce, we have enacted the policies and procedures described above and we continue to be committed to continual improvement of our processes.

Remediation Measures

Windset has not identified any instances of forced labour or child labour in its activities or supply chains and the questions of remediation measures regarding forced labour or child labour or for loss of income to the most vulnerable families have not arisen. Regardless, we are committed to continuing our processes described above to prohibit forced labour or child labour in our business and supply chains and to respond in the event instances are discovered.

Training

Windset has an extensive training program designed to facilitate seamless communication and implementation of our policies and procedures across diverse departments. All employees receive training upon hire and annually as a refresher on our established



policies. Additionally, monthly tailgate trainings serve as brief yet impactful recaps for all employees.

On an annual basis in preparation for our Social and Ethical audits we conduct training that includes Health and Safety, HR Policies and Procedures and Food Safety Policies. As part of the HR Policies, we re-train our Discrimination, Bullying and Harassment policy, our Freedom of Association policy, and our Age, Wage, and Hour policy.

Assessment of Effectiveness

Our Social, Ethical, and Labor Policies are comprehensive and necessitate periodic revisions to ensure their continued effectiveness and alignment with the evolving local laws and standards. On an annual basis, we conduct a thorough risk assessment of our program to validate the effectiveness of our policies and training initiatives. Additionally, Windset engages Third Party audit firms to conduct various Social, Ethical, and Sustainability audits of Windset facilities, to ensure our ongoing compliance with regulatory requirements and our standards.

This Report was approved and attested in accordance with subsection 11(4)(b)(ii) and subsection 11(5) of the *Fighting Against Forced Labour and Child Labour in Supply Chain Act*.

I have the authority to bind Windset Holdings 2010 Ltd.

A handwritten signature in black ink, appearing to read "John Newell", written over a horizontal line.

JOHN NEWELL

Chief Operating Officer
May 30, 2024