



2021

Environmental, Social, and Governance

Inaugural Report



Moon Valley Nurseries Overview

Founded in 1995, Moon Valley Nurseries (Moon Valley) is a vertically integrated nursery that grows the highest quality trees, palms, and other plants on our own farms from premium specimens.

Our business began with one small location in downtown Phoenix, Arizona known as “Moon Valley” and, over the past 27 years, has grown into the largest seller of box trees in North America. In October 2021, expanding on our founder’s original vision, we formed a strategic partnership that will allow Moon Valley to grow our business and serve our customers on a larger scale.

Exceptional customer service and competitive pricing form the foundation of our industry-leading business model. Selecting from our 1,500+ varieties of trees, palms, and other plants, our professional designers and expertly trained planters collaborate with our customers to create beautiful landscapes. We pride ourselves on the “you buy it, we plant it”[®] service offering and our free professional planting on all specimen-sized trees.

Our teammates go the extra mile and aim to bring the “Moon Valley difference” to our customers:

Bigger trees, better service and always the best price... guaranteed.



**19 farms &
40+ retail
locations**

operating in AZ,
CA, TX, & NV



**2,200+
employees**
company-wide



**2,000+
acres**
of tree farms
and production
facilities



**~300,000
trees**
sold per year



27+ years
of shaping the
industry

Moon Valley operates under the following North American Industry Classification System (NAICS) codes:

444220 Nursery, Garden Center, and Farm Supply Stores
111421 Nursery and Tree Production

Company information is as of July 15, 2022.



Message from Our CEO



Moon Valley Nurseries, at its core, is centered around doing the right things—for the environment and for our people, our communities, our suppliers, our investors, and our many loyal customers throughout the country.

While Moon Valley has always operated in a sustainable manner, I am excited and proud to share our current sustainability efforts as well as our future vision in this inaugural 2021 Environmental, Social, and Governance (ESG) Report.

For over 27 years, Moon Valley has been operating and expanding locally throughout the Southwest region with the goal of providing the best products while maintaining the highest levels of integrity. Our daily operations are focused on being good environmental stewards and providing a safe workplace for our employees, and we are continuously striving to improve our processes to support this goal. We value our teammates and provide them with an industry-leading work environment and competitive compensation and benefits. We also aim to serve our customers by delivering the highest quality trees, palms, shrubbery, and service.

The last two years brought unprecedented times for all of us; a worldwide pandemic, supply chain disruptions, and labor shortages. Our team tackled these obstacles head on, and through hard work and mindful advanced planning, our business continued to excel.

I am proud of the progress we have made with this first report, including calculating our greenhouse gas emissions, sharing our workforce demographics, and identifying goals for each of our ESG pillars. We will continue to make progress towards those goals while still seeking more ways to improve the communities in which we live and work. This annual ESG report highlights not only our accomplishments but also our commitment to the future of our environment, our employees, and our communities.

It's our hope that you will join us on this journey as we aim to create a greener and more sustainable world for all our stakeholders.

A handwritten signature in black ink, appearing to read 'B. Flood'.

Brian Flood

Chief Executive Officer



Our 2021 Sustainability Highlights



Our trees (sold and currently growing) sequester ~18x Moon Valley's carbon emissions



Conducted 1st Materiality Assessment



30% increase in company-sponsored health plan participation



80% of trees sold were grown on our farms



Hired Sr. ESG Manager to lead sustainability efforts



Installed 1st on-site solar array in Escondido, CA



2021 Inaugural ESG Report published

Our Approach to Sustainability

In 2021, Moon Valley formed a cross-functional team comprised of departmental representatives and Executive Leadership with the goal of developing our corporate ESG strategy.

We engaged with our stakeholders and leveraged third-party sustainability frameworks such as the Global Reporting Index (GRI), the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-Related Financial Disclosures (TCFD), and the United Nations Sustainable Development Goals (UNSDGs) to understand and identify the ESG topics that are most material to our business. This activity identified the foundation of our sustainability strategy, which is comprised of the three pillars and ten focus area topics described within this report. As we continue to implement our strategy in 2022, we will position our resources to drive innovation, growth, and progress towards building an even more sustainable organization.



Prioritizing People and Communities

- Employee Health and Safety
- Employee Engagement, Diversity, Equity, and Inclusion
- Community Relations

Cultivating Sustainable Operations

- Water Management
- Climate Impact
- Waste and Recycling

Conducting Business Responsibly

- Product Stewardship
- Supply Chain Management
- Business Ethics
- Cybersecurity and Data Privacy

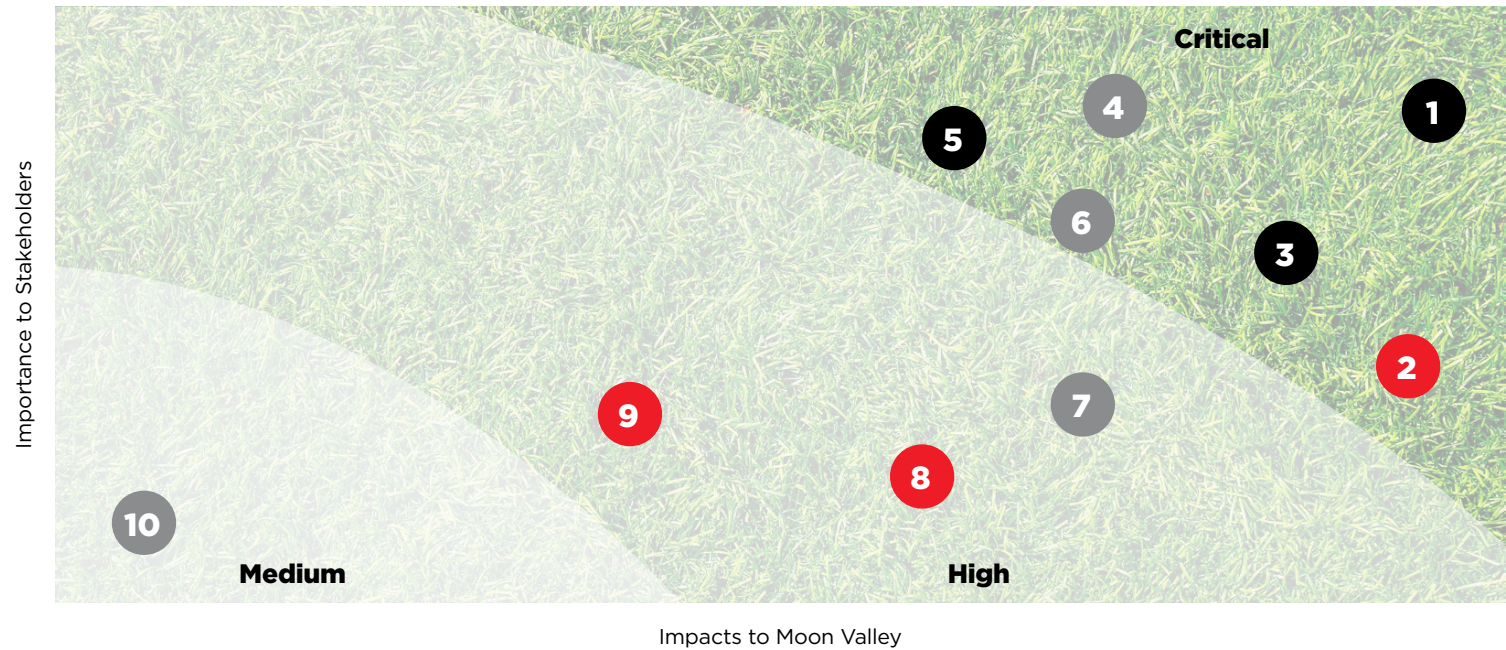
ESG Materiality Assessment

In developing our sustainability strategy, we executed a comprehensive ESG materiality assessment to identify our most significant economic, environmental, and social impacts.

We interviewed employees, Executive Leadership, customers, industry associations, and strategic business partners to determine the topics most important to our stakeholders.

Based on the insights collected during the interviews and review of the sustainability frameworks, Moon Valley developed a customized materiality matrix to identify current material ESG topics and categorized each topic across a spectrum of critical, high, and medium priorities. The identification and subsequent ranking of these topics enables our organization to prioritize our growth strategy and investments and better formulate meaningful disclosures in our ESG reporting. We consider this materiality matrix a living document, and we intend to regularly assess the position and relevancy of these material topics to most accurately represent ESG materiality for Moon Valley and our evolving business operations. As we make adjustments to this matrix, we commit to publishing the updated version in our annual ESG report and communicating the logic for the respective adjustments.

Materiality Matrix 2021



Prioritizing People and Communities	Cultivating Sustainable Operations	Conducting Business Responsibly
1 Water Management	6 Supply Chain Management	
2 Employee Health and Safety	7 Business Ethics	
3 Climate Impact	8 Employee Engagement, Diversity, Equity, and Inclusion	
4 Product Stewardship	9 Community Relations	
5 Waste and Recycling	10 Cybersecurity and Data Privacy	

Sustainability Governance

Moon Valley’s ESG program is focused on doing the right things, the right way for our environment, customers, employees, communities, suppliers, investors, and future generations.

Our dedicated focus on ESG initiatives starts at the top, with guidance and direction from our Nominating, Governance, and Corporate Responsibility (NGCR) Committee. Formed in January 2022, the NGCR Committee is comprised of members of the Board of Directors, Executive Leadership Team, Executive Vice President (EVP) of Operations and Retail Development, Vice President (VP) of Marketing, and Sr. ESG Manager. This Committee oversees Moon Valley’s ESG matters and compliance and is updated at least quarterly on ESG-related priorities by the Sr. ESG Manager. The Board of Directors receives regular ESG updates on key topics at each quarterly meeting.

While the NGCR Committee determines our corporate ESG strategy, the ESG Core Team, which is comprised of key Moon Valley team members, ensures broad organizational awareness and drives cross-functional collaboration around our ESG priorities. Our ESG Core Team currently includes our:

Sr. ESG Manager	PCM Director
Chief Financial Officer (CFO)	VP of Operations and Wholesale
Chief Technology Officer (CTO)	Benefits Administrator
EVP Finance	Safety Administrator
EVP General Counsel	Corporate Recruiter
EVP Director of Operations and Retail Development	Fleet Manager
VP of Human Resources (HR)	VP of Accounting
VP of Marketing	Landscape Project Manager
Safety Director	Sr. Workers’ Compensation Specialist



Our ESG strategy includes goals and targets which are established by our ESG Core Team with yearly companywide ESG program management and reporting conducted by our dedicated Sr. ESG Manager. All ESG-related activities are ultimately reported to our Chief Executive Officer who oversees the execution of our ESG priorities and ensures our business strategy considers and optimizes our ESG work.

Execution of our ESG strategy and achievement of our established ESG goals is a focus of both our retail and farm operations teams, who share responsibility for Moon Valley’s overall ESG success. Each retail and farm location, led by their Regional Manager and/or General Manager, is responsible for ensuring adherence of its activities to the company’s ESG strategic plan. Each retail and farm location leader provides routine ESG progress updates to the Sr. ESG Manager.

Prioritizing People and Communities

Moon Valley believes that our team members are truly our greatest asset.

Our dedicated employees enable us to grow, care for, and deliver the highest quality products and services to our valued customers. We aim to foster a safe, inclusive, and engaging workplace where all employees feel empowered to develop and succeed professionally. Equally, we take great care to engage with and support our local communities to promote a healthy, equitable, and sustainable future for all.



Employee Health and Safety

Moon Valley emphasizes health and safety as a top priority and every employee is responsible for maintaining a safe and healthy work environment by adhering to our Environmental, Health, and Safety (EHS) programs and policies. At each of our farm and retail sites, we have employee representatives that oversee safety practices including but not limited to mandated and voluntary EHS employee trainings, operational equipment certifications, facility safety audits, inspections for hazard identification, incident reporting and EHS metrics tracking, pesticide safety trainings and certifications, daily PPE compliance audits, and ergonomics activities. In addition to maintaining an EHS compliance grading system for all site managers, we routinely assess our EHS performance including conducting root cause analyses and launching continuous improvement activities through proactive and reactive training.

An integral component to maintaining a safe workplace is to embed programs that support employee health and wellbeing. Since 2017, Moon Valley has partnered with Healthcare Solutions Centers to deliver free health services to all employees, including wellness and preventative care, workplace safety, chronic disease management, vaccinations, employee assistance programming, triage care, and, most recently, tele-health services.

In 2021, Moon Valley employees and their families avoided co-payments, deductibles, and other health-related expenses 1,621 times by receiving direct health care services from Healthcare Solutions Centers.

During the course of the COVID-19 pandemic, Moon Valley was classified as an essential business, pursuant to state-wide executive orders in multiple jurisdictions as well as federal guidelines, and remained open while simultaneously prioritizing the health and safety of our employees and customers. Our COVID-19 Illness Prevention Program included enforcement of social distancing, providing access to masks/face coverings, enhanced sanitation and hygiene protocols, temperature screening, and other protocols and safeguards. We engaged outside professional cleaning services to sanitize our facilities regularly as well as developed a COVID-19 hotline for employees to utilize if they were experiencing symptoms, believe they were exposed, needed assistance in arranging testing, or other required support services. Medical staff provided tracking and reporting on COVID-19 cases and provided a roadmap for return-

to-work procedures. We are proud that these efforts prevented any closures to our business and kept employees gainfully employed throughout the pandemic while providing a safe experience for our customers and their families.

Near-Term Goals

Workplace health and safety is an on-going priority for Moon Valley and we commit to continually improving our Employee Health and Safety performance by:

- Conducting a 360-degree evaluation of all aspects of our safety program including all policies and procedures, resources, monitoring, certifications, environmental, personnel, experience modification factors, trainings, and many performance metrics

Employee Engagement

Moon Valley takes great care to attract and retain superior talent which is evident in the tenure and career progression for many of our veteran employees as well as in the characteristics of our outstanding newcomers. We strive to ensure our 2,200+ employees feel valued, appreciated, and empowered to influence not only their own career development, but also the growth of the Moon Valley organization as a whole. To assist our employees with career development and progression, we offer an array of development and training programs on topics ranging from leadership to sales to skilled labor courses. We are proud that many of our employees choose to remain with the Moon Valley organization for the long term and we seek to identify opportunities to promote from within.

We are committed to offering competitive compensation and generous benefits, and we review these programs regularly to verify that they meet or exceed industry standards.

In 2021, we adjusted our 401K eligibility to a shorter waiting period and hosted related educational seminars in English and Spanish. We also revamped our employee health benefits program to offer increased employee plan options, company-paid life insurance for all employees, and increased percentages of company-paid coverage for individuals and families. These improvements resulted in an approximate 30% increase in company sponsored health plan participation. Additionally, Moon Valley demonstrates our appreciation to high-performing employees via employee recognition programs, bonuses, and other incentives.

Moon Valley employs 700+ seasonal workers through the Federal H2A/H2B Visa Program and, in the case of the H2A Temporary Agricultural Program, provides lodging for approximately 600 workers annually. To support these critical, seasonal employees, we maintain career pathing programs which includes promotion programs for return workers and opportunities for role advancement upon completion of appropriate trainings.

Near-Term Goals

Moon Valley will continue to engage and support all our employees, with goals to achieve:

- The development and launch of a new quarterly employee training program, both online and in-person, covering company policies and procedures, workplace ethics, professional development, and safety
- The implementation of a company-sponsored employee wellness program



Diversity, Equity, and Inclusion (DEI)

Moon Valley is committed to maintaining workplaces that are free from discrimination and harassment on the basis of race, sex, color, national origin, ethnicity, religion, age, physical or mental disability, sexual orientation, gender identification or expression, citizenship status, veteran status, marital status, genetic information, or any other status protected by applicable federal and state law. **We seek to attract a diverse talent pool as we shape an inclusive and innovative organization.** We also aim to maintain a diverse group of vendors and partners. Currently, several of our vendors are active members of the Women’s Business Enterprise, an organization comprised of female-owned businesses. We realize the opportunities we have to expand and broaden the diversity of our network and we will make conscious efforts to do so.

We understand and value the importance of a diverse workforce across all levels of our organization. We look forward to communicating our progress and successes in future reports as it relates to attracting diverse candidates across our organization.

Near-Term Goals

Moon Valley is committed to advancing our DEI efforts, and we have near-term goals to:

- Establish a People and Culture Committee which will aim to ensure that our culture remains positive and inclusive, where all employees have the opportunity to participate in identifying issues, providing feedback, and solving problems collectively
- Develop and launch a suite of DEI trainings for all employee levels
- Conduct a formal review of our talent processes including employee recruitment, onboarding, performance management, and promotions to ensure they are fair and equitable

2021 Workforce Demographics

		Executive Leadership	Senior Management	Non-Management*	Total Workforce*
Racial Diversity	White	86%	67%	19%	24%
	Hispanic/Latinx	14%	26%	75%	70%
	Black	0%	1%	3%	3%
	Asian	0%	2%	1%	1%
	Indigenous	0%	1%	1%	1%
	Multiracial	0%	3%	2%	2%
Gender Diversity	Male	100%	76%	90%	89%
	Female	0%	24%	10%	11%

*Total does not equal 100% due to rounding

Community Relations

Moon Valley supports the local communities in which we operate by participating in community events, contributing to local charities, and sponsoring youth organizations. Despite pandemic-related restrictions on large events and social gatherings, **2021 was an active and successful year of community engagement and support.**

2021 Community Donations and Sponsorship Total Value

\$29,535

Near-Term Goals

Moon Valley will continue to support our local communities, and we plan to expand our efforts by way of:

- Establishing a formalized Moon Valley Employee Volunteer Program
- Exploring strategic opportunities to support events and organizations that align closely with the Moon Valley mission, including those focused on climate-related initiatives such as municipal commitments to reduce heat island effect, addressing human health and safety-related concerns related to warming temperatures, and generally improve urban spaces via tree plantings



Cultivating Sustainable Operations

At Moon Valley, we acknowledge the responsibility we have to be good stewards of the environment.

There are basic elements of nature that we rely on to serve as the foundation of our business, such as **healthy soil, clean air, and water**. We remain proactive in doing our part to preserve and protect these most precious shared resources, now and for generations to come.

Water Management

Moon Valley recognizes that water access, use, consumption, and conservation are some of our most critical business priorities as our business relies heavily on water while operating primarily in the Southwest region of the United States. Our team remains proactive in developing effective strategies, using best practices, following regulations, and adopting innovative technologies designed to ensure that we manage our water shares responsibly.

Moon Valley secures water supplies from a variety of sources, including municipal water, canal/basin water, and well water. We completed a comprehensive water use inventory in 2021 including data for all of our farms and retail locations. Much of our water use is tracked via billing such as for municipal water sources and existing well metering, and we are in the process of integrating sub-metering and flow meters at our retail and farm locations to track our water use more accurately. Various local county water authorities routinely conduct audits and inspections for proper water management including the verification that we are producing water runoff. Many of these water authorities also require that we monitor, track, and report our water use on a regular basis.

Currently, we implement many water conservation strategies including:

- Adoption of water-smart irrigation technology, including drip irrigation
- Use of automated water management systems to reduce operator error, reduce instances of over-watering, and increase labor efficiencies related to watering activities
- Exploration and use of alternative methods of water use for dust-suppression such as use of natural grindings and gravel
- Careful attention to minimize or eliminate water runoff in addition to capturing and reusing any monitored runoff via catch basins
- Consistent employee engagement and training around proper water use and conservation strategies
- Communication of water-saving tips and strategies to customers
- Conducting routine internal inspections at all farm and retail locations to validate that proper water management strategies are in place and well-maintained
- Offering a vast selection of low-water and drought-tolerant species
- Installation of water sub-meters and flow meters to accurately track water use

Near-Term Goals

Moon Valley will continue to work at conserving our overall water use, and we have near-term goals of:

- Installing sub-meters to 50% or more of all points of connection including municipal, canal, and well water at all active sites, including both farm and retail, by the end of 2022 and 100% of all active sites by the end of 2023. This metering goal will also include the adoption of real-time digital cloud-based water use monitoring technology where data is housed in a central location with alerts for outliers, overflows, etc.
- Reviewing our initial 2021 water use inventory to identify any gaps in data to improve future metrics reporting and enable goal setting activities
- Exploration of opportunities to expand our use of reclaimed water at retail or farm locations



Climate Impact

Moon Valley understands that taking proactive steps to reduce our energy consumption, source renewable energy, and improve the efficiency of our fleet are critical to reducing our climate impact.

We will continuously look for innovative solutions and to deploy best practices across our farm and retail sites to enable more energy efficient operations to reduce our impact. We also are taking steps to build systems to measure, track, and monitor the data as we seek opportunities for improvement. Prior to and throughout 2021, Moon Valley implemented several environmentally responsible business improvements to decrease our energy usage and reduce our environmental impact, including:

- Maintained a fleet of all-electric golf carts for use at retail locations
- Developed a procurement policy focused on converting our 2-cycle gas-powered handheld equipment to rechargeable electric powered equipment, starting with California locations
- Installed our first on-site solar array in Escondido, CA which provides approximately 50% of that site's power
- Engaged a third-party partner to track, monitor, and analyze driving habits, idle time, and fuel consumption to reduce the GHG emissions from our vehicle fleet
- Procured new delivery trucks (36% of our trucks) which automatically turn off after 5 minutes of idle time
- Upgraded employee housing with more energy-efficient HVAC units
- Converted conventional lighting to more energy-efficient LED lighting in offices and employee lodging
- Replaced manual light switches with motion sensors in offices



Green waste is diverted from landfills to create mulch used in our operations

Carbon Footprint

Moon Valley’s carbon footprint is comprised of greenhouse gas (GHG) emissions from the energy and fuel associated with our core business operations of growing, selling, transporting, and planting trees and shrubs.

To better understand our climate impact and help identify future reduction strategies, Moon Valley conducted a baseline carbon footprint in 2021. This carbon footprint measured the total amount of GHG emissions generated from our operations at both our retail and farm locations. We calculated our operational carbon footprint by collecting data for the following GHG emissions sources associated with our business:

Scope 1	<ul style="list-style-type: none">Stationary Combustion of natural gas for heating at applicable locationsMobile Sources of combustion, primarily diesel fuel and gasoline to power our fleet vehicles (delivery trucks, yard trucks, water trucks, etc.) and equipment
Scope 2	<ul style="list-style-type: none">Purchased Electricity across our portfolio of retail locations and farms
Scope 3	<ul style="list-style-type: none">Employee Business Travel emissions associated with airfare, transportation, and seasonal worker lodging

The results of our operational carbon footprint analysis revealed that during calendar year 2021, Moon Valley emitted approximately **11,000 metric tons CO₂e (MT CO₂-e)**. The breakdown of our baseline carbon footprint by source is illustrated in the figure to the right, which demonstrates that the majority of our carbon footprint can be attributed to fuel consumption associated with our current fleet vehicle and equipment operations. Moon Valley intends to further investigate additional ways in which we can efficiently and economically reduce our carbon footprint.

Scope 1 Emissions

Stationary Combustion	17 MT CO ₂ -e
Mobile Sources	9,372 MT CO ₂ -e

Scope 2 Emissions (Location-Based)

Purchased Electricity	1,168 MT CO ₂ -e
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Scope 3 Emissions

Employee Business Travel	352 MT CO ₂ -e
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Total Organization Emissions

Total Scope 1, Scope 2, & Scope 3	10,909 MT CO ₂ -e
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Carbon Intensity

Per (\$MM) Revenue	37.9 MT CO ₂ -e/\$1MM
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Carbon Handprint

Moon Valley's core business operations are growing and planting trees and shrubs. **Trees are a powerful tool in combating climate change as they remove carbon dioxide from the air and store the carbon.** Our carbon 'handprint' is an attempt to better understand the GHG emissions that are sequestered by the trees that we sell each year and by the trees that are currently growing at our farms and nurseries.

In 2021, we sold approximately 311,000 trees which, based on their sizes, currently sequester over 1,800 MT CO₂-e. We also have over 1,500,000 trees growing at our farms and nurseries which equates to another 195,000 MT CO₂-e currently sequestered.

In 2021, Moon Valley's trees sequestered a total of approximately 197,000 MT CO₂-e, or almost 18x the amount of carbon dioxide that our operations produced.

These trees, both sold and growing on farms in 2021, have the potential to sequester approximately 1.9MM MT CO₂-e over their lifetimes.¹

Near-Term Goals

Moon Valley is committed to ongoing exploration and adoption of strategies to reduce our GHG emissions by way of:

- Assessing our baseline carbon footprint calculations to identify feasible strategies to achieve GHG reductions year over year
- Tracking, monitoring, and analyzing the energy consumption data of our owned assets
- Continuing the phase-out of 2-cycle gas-powered handheld equipment to all-electric, prioritizing California sites and eventually expanding to all sites. This effort will include procurement or retrofit for mobile/vehicle charging infrastructure to support equipment charging needs.
- Expanding renewable energy projects to more of our existing sites and prioritizing renewable energy considerations when signing new leases

¹ This carbon figure assumes a typical lifespan of 50 years for each tree.



Waste and Recycling

Operating in a sustainable manner is a job we take seriously at Moon Valley, and waste minimization is one of our core competencies.

We currently have various programs in place to reduce the amount of waste we generate as well as the amount of waste we send to landfill. We encourage employee-driven innovation to discover new ways to reduce, reuse, recycle, and eliminate waste and we are proud to share our accomplishments:

- Reusing or recycling 100% of used wood tree boxes in California by refurbishing and reusing them or shredding them in-house and using the resulting mulch to plant new trees
- Reducing waste-related to merchandising items by eliminating printing specific dates on signs so that they can be reused
- Converting the majority of our generated green waste such as plant trimmings into mulch which is used onsite for ground cover
- Reusing over 90% of our plastic plant pots to plant new seedlings
- Maintaining single-stream recycling programs at various locations and actively working to expand to more locations each year
- Reducing printing and increasing paperless documentation, both internally and with external vendors
- Maintaining programs for recycling, reusing, and/or properly disposing of hazardous waste such as oil and hydraulic fluids as well as universal waste such as batteries and light bulbs
- Promoting the procurement of products that contain post-consumer recycled content (PCR)

Near-Term Goals

Moon Valley will continue our efforts to minimize waste generation by:

- Developing and launching metrics tracking of total tonnage diverted from landfills annually via recycling and beneficial reuse programs
- Continued exploration into the viability of expanding our used wood box shredding program beyond our California locations



Wood tree boxes are shredded and turned into mulch to plant new trees

Conducting Business Responsibly

Moon Valley is committed to upholding high standards for sustainability, quality, safety, and ethics throughout every facet of our business.

Product Stewardship

Moon Valley stands behind all of the products we sell to our customers, and we take great care to consider the environmental impacts throughout every stage of product development. From growing and cultivating to planting and maintaining, we recognize that we have a responsibility to uphold strict quality, safety, and environmental standards to provide our customers with the product and service assurances they expect. Our employees work hard to maintain these standards on our farms and at our retail locations, including abiding by all federal, state, and local regulations. We monitor the regulatory landscape and maintain a robust suite of quality assurance and control measures internally and require the same from our suppliers.

Within our employee base, we have field experts trained in the identification of quality and safety-related risks or concerns, from pests and disease transmission to invasive plant species and pesticides. We have implemented streamlined systems and technology for recordkeeping related to chemicals in fertilizers, weed abatement, as well as fertilizer and pesticide application rates at specific sites as required by law, including required reporting to government agencies.

Our employees participate in job-based professional and skills development, certification and training courses including but not limited to chemicals of concern, pesticide management, professional landscaping, arboriculture, soil sciences, and water efficiency. This allows us to best equip our employees and, in turn, provide our customers with the knowledge and resources

they need to help their trees, palms, and plants to thrive. This also enables us to offer our customers standard warranties on all delivered and planted products as well as offer options for extended warranties.

When customers visit a Moon Valley retail site, they can see firsthand the extent to which **we prioritize quality, safety, and sustainability**. We label all our products to educate our customers on factors they will want to consider, including species identification, water consumption, drought tolerance, feeding requirements, ideal sun exposure, and more. Additionally, all our fertilizers and soil conditioners follow the required guidelines for product labeling and sales, such as listing all ingredients and potential hazards as well as directions for safe and proper use and application.

Near-Term Goals

- Developing external communication plan which addresses our actions, both proactive and required, with respect to reducing or phasing out specific chemicals or ingredients of concern, such as those that can be found in certain pesticides or insecticides
- Continuing to expand our stakeholder education and engagement on environmental topics such as commercial and residential best practices related to increasing and maintaining soil health, water conservation strategies, reducing the spread of invasive species, and the importance of native species of bees and other pollinators



Supply Chain Management

Maintaining a resilient supply chain is vital to the success of our business.

Maintaining a resilient supply chain is vital to the success of our business. **We are proud to be one of the largest vertically integrated nursery and tree growers and retailers in the industry. Annually approximately 80% of our trees sold are grown and sourced directly from our own farms.** This enables our organization to guarantee that our products are grown on environmentally conscious farms that maintain safe and ethical practices.

Annually approximately 80% of our trees sold are grown and sourced directly from our own farms.

For products that are sourced from external suppliers, we work to ensure they meet Moon Valley's standards for quality. When establishing a new relationship with a grower, a Moon Valley representative visits the farm site to inspect whether the quality standards are upheld at that location. We also work to identify and prioritize local suppliers to reduce GHG emissions related to transportation.

Near-Term Goals

Moon Valley will continue to incorporate additional relevant environmental impact evaluations into our supplier selection process as we continue to evolve in our approach to reducing our overall environmental footprint, including the following strategic goals:

- Implementing a Supplier Code of Conduct and a Supplier Management Plan, which outlines the requirements and processes relating to our supplier partnerships
- Building new propagation houses in Southern California where we will grow more of our own inventory to ensure a robust supply of our own high-quality products
- Establishing new or renewed supplier relationships to include long-term contracts and locked-in pricing for products such as fertilizer and lumber



Business Ethics

Moon Valley expects that all employees conduct business with high professional and ethical standards.

Each employee commits to abiding by all outlined policies, standards, and expectations within the Moon Valley Employee Handbook including the “Business Conduct and Ethics” policy and the “Standards of Conduct” policy. We maintain and strictly enforce a zero-tolerance policy for harassment, discrimination, and retaliation. We also have systems in place to ensure employee protections for reporting of any violations as well as processes for appropriate investigative and corrective actions. Moon Valley maintains strict compliance with labor laws and nationally accepted norms and standards. We maintain strict protocols for compliance with all federal and state-mandated employee trainings, including annual sexual harassment trainings. We also host trainings on a quarterly and annual basis for management on a myriad of topics including, but not limited to, timekeeping requirements, employee leave, preventing discrimination and harassment, personal standards, standards of conduct, business conduct, and company and vendor ethics.

Near-Term Goals

Moon Valley will continue to build upon our existing business ethics platform by:

- Enhancing and expanding our annual employee ethics trainings

Cybersecurity and Data Privacy

Moon Valley prioritizes the privacy and security of customer, supplier, and employee information as well as confidential and proprietary company information.

We understand that we have a responsibility to manage risks associated with the collection, use, and retention of confidential or sensitive information. Our efforts to ensure cybersecurity and data privacy are outlined in a confidentiality clause within our Employee Handbook. All applicable employees are required to acknowledge their obligations to confidentiality during and subsequent to their service at Moon Valley. We also engage a third party to conduct regular phishing drills throughout the year. In 2021, we updated the software used to maintain customer credit card security as well as adopted secured authentication software for employees who require access to company digital networks such as email. Our data privacy program adheres to all legislation in locations where we operate, including the California Consumer Privacy Act (CCPA) and the General Data Protection Regulation (GDPR).

Near-Term Goals

Moon Valley will continue to maintain proper oversight of all customer data to ensure privacy, and we have near term goals of:

- Incorporating data security employee trainings applicable to anyone with access to Moon Valley digital networks. These trainings will be required to be completed by all levels of Moon Valley employees annually, with completion rates tracked.
- Conducting annual cybersecurity penetration testing with tracking of identified issues and issues closed to completion
- Developing and launching an Acceptable Use Policy for anyone with access to a Moon Valley digital network



About This Report

Moon Valley Nurseries' 2021 Environmental, Social, and Governance Inaugural Report includes the company's ESG strategies, current actions, goals, and performance metrics for the fiscal year ended December 31, 2021, unless otherwise noted.

We are pleased to share our ESG achievements and successes throughout 2021 with our stakeholders through this inaugural ESG Report. We also recognize our opportunity and responsibility to continuously improve upon our ESG program and be accountable for our short and long-term goals in support of a more sustainable future. We are committed to communicating updates and progress with full transparency by publishing an annual ESG report. We are especially grateful to each of our exceptional employees for their tireless dedication to making Moon Valley a successful organization with a bright future.

To all our stakeholders that have and continue to support Moon Valley Nurseries, we say, "Thank You!"





Moon Valley Nurseries is dedicated to supporting our customers in building the landscapes of their dreams. We are proud to be the industry's leading grower and seller of the highest-quality trees, palms, and plants accompanied by best-in-class expertise and customer service across every step of the process.

For the best trees on Earth, go straight to the Moon!™

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For any media inquiries, Company ESG-related data or any questions related to this Report, email us at: ESG@mvncorp.com

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