



AURORA[®]

Fighting Against Forced Labour and Child Labour in Supply Chains Act

ANNUAL REPORT
For the financial year ended March 31, 2024

May 16, 2024

AURORA CANNABIS INC.

ANNUAL REPORT For the financial year ended March 31, 2024

Fighting Against Forced Labour and Child Labour in Supply Chains Act

Introduction

Aurora Cannabis Inc. (the "**Company**") and each of its subsidiaries is committed to preventing the occurrence of forced labour and child labour in its operations and supply chains. We do not tolerate child labour, forced labour or any other form of slavery and we expect our suppliers to share our commitment to ethical and responsible business practices and to support our values.

This report (the "**Report**") has been prepared by the Company's management pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") and outlines the actions the Company and its subsidiaries have taken during the fiscal year ended March 31, 2024 towards reducing and eliminating the risk that forced labour or child labour occurs in our business or supply chain. Unless stated otherwise, all information provided in this Report is for the fiscal year ended March 31, 2024.

This Report is a joint report made on behalf of the Company and its subsidiaries, Aurora Cannabis Enterprises Inc. and 1770415 Alberta Ltd. (collectively, the "**Reporting Entities**"), which we have determined are reporting entities under the Act for the reporting period. The use of the words "Aurora", "the Company", "we", "us" and "our" refers to the Company and its subsidiaries. The information provided in this Report generally applies to the Company and its subsidiaries, except where differences are noted.

In addition, the Company owns a 50.1% controlling interest in Bevo Agtech Inc., the sole parent of Bevo Farms Ltd. (together, "**Bevo**"). Bevo is a reporting entity under the Act and has separately filed a report, which can be found at [Careers \(bevo.com\)](https://www.bevo.com/careers).

Neither Aurora nor the other Reporting Entities presently have reporting obligations under similar legislation in other jurisdictions.

Our Structure and Activities

The Company was incorporated under the *Business Corporations Act* (British Columbia) on December 21, 2006, and is headquartered in Edmonton, Alberta. The Company's shares are listed on the Nasdaq Capital Market and the Toronto Stock Exchange under the trading symbol "ACB", and on the Frankfurt Stock Exchange under the trading symbol "21P".

The Company conducts its operations through the Reporting Entities and other subsidiaries of the Company. The Company's principal strategic business lines are focused on the production, distribution and sale of cannabis and cannabis-derivative products in Canada and internationally, as well as the propagation of vegetables and ornamental plants through Bevo's business. The Company's primary cannabis market opportunities are described below:

- **Global medical cannabis market:** Production, distribution and sale of pharmaceutical-grade cannabis products in countries around the world where permitted by government legislation. The Company's current principal medical markets are in Canada, Germany, UK, Poland, and Australia.
- **Global consumer use cannabis market:** Currently, only Canada and Uruguay have implemented federally-regulated consumer use of cannabis regimes and the Company has primarily focused on the opportunities in Canada.

As of March 31, 2024, the Company (including its global subsidiaries) had approximately 1,073 employees.

Supply Chains

The Company strives to work with suppliers, agents, consultants, and other third parties and business partners, as well as their respective employees, directors, and officers who share our commitment to social and ethical responsibility.

The Company's procurement team is a centralized function that supports our global operations. The role of procurement is to source and qualify new suppliers, manage cost controls and supplier relationships, issue purchase orders, manage inventory levels and negotiate contracts and costs with suppliers who meet our qualification standards and corporate requirements. The procurement team also tracks key supplier metrics including spend, legal agreements, service levels, capabilities, capacity and non-compliance.

As part of the Company's cannabis operations, it sources supplies, ingredients and bulk inputs, and packaging components primarily through six (6) countries, being China, India, Indonesia, the United States, Germany, and Canada.

The Company sources packaging components from approximately forty-one (41) suppliers, ingredients and bulk inputs from approximately seventeen (17) suppliers, consumables from approximately twelve (12) suppliers and flower from approximately eight (8) suppliers. In total, the Company deals with approximately four hundred and fifty (450) suppliers across the entire supply chain when you include additional categories such as equipment, IT, professional services, maintenance and capex.

The Company structures its arrangements with suppliers based on the needs of the business, and these can be either short or long-term relationships. Purchases are governed either by negotiated supply contracts (i.e., for flower), or purchase order terms and conditions. In all cases, suppliers are assessed thoroughly.

Policies

Aurora operates in an ethical and socially responsible way that respects and manages human rights impacts. We have in place a number of policies that address forced labour and child labour, which are described below and can be found on our website at <https://www.auroramj.com/investors/corporate-governance/>.

Code of Business Conduct and Ethics (the "Code of Conduct")

Our Code of Conduct establishes the values and expectations that underpin the ethical approach to the Company's business. The Code of Conduct applies to all employees, directors, and officers of the Company and directly speaks to issues of child and forced labour, and further affirms our commitment to ensuring everyone working on behalf of the Company adheres to the highest ethical standards. Leaders are expected to build and maintain a workplace where employees feel comfortable raising issues and voicing their concerns. Our employees have a duty to report in good faith any real or potential violation of the Code of Conduct.

The Code of Conduct is reviewed at least annually to ensure it continues to adhere to our core values of integrity and respect and that it remains consistent with industry standards and trends. Those covered must certify annually their compliance with the Code of Conduct.

To learn more, download our [Code of Conduct](#).

Supplier Code of Conduct ("Supplier Code")

Our Supplier Code is an extension of the Code of Conduct, reflecting our values and expectations, both of ourselves and our suppliers. The requirements in the Supplier Code provide suppliers with a clear understanding of how they can meet our ethical standards and conduct their business activities in compliance with law, including with respect to the prohibition of the use of child, forced or enslaved labour or human trafficking at any level of its supply chain.

The standards set forth in the Supplier Code operate as a benchmark for acceptable conduct. Where applicable local laws impose less restrictive obligations on a supplier, the supplier is expected to adhere to the higher standards of the Supplier Code. Where applicable local laws impose greater obligations on a supplier, the supplier must comply with such laws.

To learn more, download our [Supplier Code](#).

Environmental, Social and Governance Policy ("ESG Policy")

Our ESG Policy was adopted to hold the Company accountable to building environmental sustainability, social responsibility, and effective corporate governance into all aspects of the business. Under this policy, we highlight our continued commitment to support internationally recognized human rights principles that promote and protect human rights, including as related to the prohibition of forced, bonded or illegal labor, including child labor, in any part of our operations, as well as modern forms of slavery and human trafficking.

To learn more, download our [ESG Policy](#).



Whistleblower Policy

Our Whistleblower Policy addresses our commitment to integrity and ethical behavior by helping to foster and maintain an environment where employees can raise concerns without fear of any discrimination, retaliation, or harassment. The policy provides a mechanism for the confidential and anonymous submission of concerns through an independent third party, "NAVEX Global's EthicsPoint" ("**EthicsPoint**"). EthicsPoint provides a website and telephone hotline that is accessible in all countries in which the Company operates, 24 hours a day, 7 days a week.

To learn more, download our [Whistleblower Policy](#).

Due Diligence Processes

Our due diligence process starts with our Code of Conduct and Whistleblower Policy which together require employees to consistently exercise honesty, good work ethics and common sense, acting in good faith, with responsibility and due care and diligence, and require them to report illegal or unethical behaviours. These policies and expectations have built responsible business conduct practices into our company policy and management systems.

The Company has in place a thorough process for assessing and onboarding new suppliers with which the Company sources packaging, ingredients, third-party growing and co-manufacturing and co-packing services. As part of this process, the Company requires that suppliers review and sign our Supplier Code in order to ensure that they will meet our ethical standards and conduct their business activities in compliance with applicable laws. If a supplier refuses to sign the Supplier Code, we will not do business with them.

The Company also leverages a credit risk monitor as part of the assessment process which is expanded to flag potential ESG-related risks.

The Company is focused on continuous improvement, and will continue to seek ways to further improve our internal processes and find opportunities to leverage third parties as part of our broader risk management framework.

Risks of Forced Labour and Child Labour in our Business and Supply Chains

The Company's greatest risk exposure to forced labour and child labour is through suppliers, and the primary sources of these risks come from procuring goods in higher-risk geographies and sectors. We recognize the potential risks of forced labour and child labour in our supply chain. The Company has taken steps to identify the areas of the business and supply chains that may carry a risk of forced labour or child labour, which include:

1. products sourced directly from China (vapes), India (sweeteners), and Indonesia (cones); and
2. products sourced through distributors located in the U.S. or Canada who source materials from China, India or Indonesia (ingredients, packaging, and supplies).
3. suppliers who provide third-party products and services such as growing flower, co-packaging or co-manufacturing.

The Company's internal workforce is mainly comprised of full-time, part-time and contract employees. Temporary labour is utilized at facilities and is carefully vetted by the procurement, legal, and facilities teams. As such, we consider there is a low risk of forced labour or child labour in our direct operations.

The Company has worked to implement measures to prevent and reduce the risk of forced labour and child labour in its supply chains. The Company continues to monitor supplier activities efficiently and effectively with respect to modern slavery, and high-risk categories and countries and such measures and processes may change in the future as we learn more.

Remediation Measures

As the Company has not identified any forced labour or child labour in its business or supply chain, it has not had to take any measures to remediate any forced labour or child labour or to remediate any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities or supply chains.

Training

To date, we have not conducted any formal training or awareness as they relate to child or forced labour within our supply chains. Our intent is by the end of fiscal 2025 to provide awareness training to our team members with authority to enter into supply arrangements and/or purchase materials.

Measuring Our Effectiveness

The Company is committed to addressing the risks of forced labour and child labour in our business and supply chains. While we have introduced certain measures over the last financial year aimed at reducing the risk that forced labour or child labour will be used in its activities and supply chains, we have not yet taken any measures to assess the effectiveness of these measures. As the Company continues the development of its policies and processes to prevent the use of forced labour and child labour in its business and supply chains, it will consider and implement measures to assess the effectiveness of these policies and processes.

Disclaimers

This Report has not been prepared as financial or investment advice or to provide any guidance in relation to our future performance.

Forward-Looking Information

Certain information in this Report may constitute forward-looking information within the meaning of applicable securities legislation. Specific forward-looking information in this Report includes, without limitation, statements relating to the Company's compliance with the Act, including supply chain activities, training and risk assessment. Forward-looking information may also include information regarding our respective future plans or objectives or other information that is not comprised of historical fact and includes statements that contain words such as "could", "should", "anticipate", "expect", "believe", "plan", "propose", "estimate", "intend", "project", "will", "may", "forecast", "outlook" and similar expressions suggesting future outcomes or events.

These forward-looking statements are only predictions. Forward looking information or statements contained in this Report have been developed based on assumptions management considers to be reasonable. Material factors or assumptions involved in developing forward-looking statements include, without limitation, publicly available information from governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. Forward-looking statements are subject to a variety of risks, uncertainties and other factors that management believes to be relevant and reasonable in the circumstances could cause actual events, results, level of activity, performance, prospects, opportunities or achievements to differ materially from those projected in the forward-looking statements. These risks include, but are not limited to, the ability to retain key personnel, the ability to continue investing in infrastructure to support growth, the ability to obtain financing on acceptable terms, the continued quality of our products, customer experience and retention, the development of third party government and non-government consumer sales channels, management's estimates of consumer demand in Canada and in jurisdictions where the Company exports, expectations of future results and expenses, the risk of successful integration of acquired business and operations (with respect to the Transaction and more generally with respect to future acquisitions), management's estimation that SG&A will grow only in proportion of revenue growth, the ability to expand and maintain distribution capabilities, the impact of competition, the general impact of financial market conditions, the yield from cannabis growing operations, product demand, changes in prices of required commodities, competition, and the possibility for changes in laws, rules, and regulations in the industry, epidemics, pandemics or other public health crises, and other risks, uncertainties and factors set out under the heading "Risk Factors" in the Company's annual information from dated June 14, 2023 (the "AIF") and filed with Canadian securities regulators available on the Company's issuer profile on SEDAR+ at www.sedarplus.com and filed with and available on the SEC's website at www.sec.gov. The Company cautions that the list of risks, uncertainties and other factors described in the AIF is not exhaustive and other factors could also adversely affect its results. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such information. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.

Board approval

The contents and delivery of this Report were approved by the Board of Directors of Aurora Cannabis Inc. on May 16, 2024, on behalf of itself and the other Reporting Entities.

Attestation

In my capacity as director of Aurora Cannabis Inc. and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

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 this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have authority to bind Aurora Cannabis Inc. and the other Reporting Entities.

**BY ORDER OF THE BOARD OF DIRECTORS
of Aurora Cannabis Inc.**



MIGUEL MARTIN
CEO and Director

May 16, 2024