



Forced Labour and Child Labour Reporting - 2023

Introduction

Ayr Wellness Inc. (“Ayr” or the “Company”) is a vertically integrated cannabis multi-state operator in the United States of America (“U.S.”); through its operating companies in various states throughout the U.S., Ayr is a leading cultivator, manufacturer, and retailer of cannabis products and branded cannabis packaged goods. The Company has one operating segment: cannabis sales. The Company is a reporting issuer in the U.S. and Canada and is trading on the Canadian Stock Exchange (“CSE”), under the symbol “AYR.A”. and the OTCQX® Best Market in the U.S. under the symbol “AYRW” Ayr’s headquarter office is 2601 South Bayshore Drive, Suite 900, Miami, FL 33133.

The Company is incorporated under the Business Corporations Act (British Columbia) however the Company does not have any operations or employees located in Canada and is not subject to reporting requirements under supply chain legislation in another jurisdiction.

This statement has been prepared pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) and outlines the actions taken during the year ended December 31, 2023 to prevent and reduce the risk of forced labour or child labour occurring in the Company’s business.

Policies and Training

The Company’s human resources, finance, operations, and legal teams seek to ensure compliance with laws and internal policies. Policies like the Code of Conduct, Employee Handbook, Employee Resource Groups and ERG Handbook promote ethical business practices across the organization. All employees, officers, and directors of the company are required to confirm their commitment to the Company’s Code of Conduct and are expected to act in alignment with the Company’s core values. The purpose of the Code of Conduct is to:

- 1) **Promote honest and ethical conduct**, including the ethical handling of actual or apparent conflicts of interest;
- 2) **Promote full, fair, accurate, timely and understandable disclosure** in reports and documents that the Company files with, or submits to, any government agencies and in other public communications made by the Company
- 3) **Promote compliance** with applicable governmental laws, rules and regulations;
- 4) **Promote the protection of Company assets**, including corporate opportunities and confidential information;
- 5) **Promote fair dealing practices**;
- 6) **Deter wrongdoing**; and
- 7) **Seek to ensure accountability** for adherence to the Code of Conduct.

The Company provides for confidential reporting of known or suspected breaches of the Code of Conduct or other concerns through good faith reporting through Human Resources, and allows for



anonymous reporting. Any disclosures reported are investigated internally and, where appropriate, with the assistance of external advisers.

The Employee Handbook outlines the following Company policies and practices:

- 1) At-Will Employment
- 2) Equal Employment Opportunity
- 3) Disability Accommodations
- 4) Religious Accommodations
- 5) Harassment Free Workplace
- 6) Retaliation is Prohibited

In addition, the Company offers an Employee Assistance Program, which is an employer-paid benefit available to help employees and their families, focused on providing mental health support as well as counseling for variety of other issues like legal, financial and even identity theft. This program can be accessed by employees free of charge through an 800 number or email address and is available 24/7 to speak with a licensed counselor or schedule in-person sessions or video chats.

At the time of employment, the Company verifies age through rigorous and detailed background checks. There is no additional training related to child and forced labour however we continue to review our approach.

Supply Chain and Assessment of Effectiveness

In accordance with US state cannabis laws, the Company cultivates, manufactures and sells cannabis products within various states in the U.S. The Company does not export any goods cultivated or manufactured by the Company. In addition, the Company is restricted to purchasing third party cannabis goods from within the same state that they will be selling those goods. **The only goods which are imported by the Company from outside of the U.S. are non-cannabis materials such as supplies (eg. packaging). As such, the Company considers that, due to the nature and location of its operations, the risk of forced labour or child labour practices in its supply chains is low. International vendors make up less than 2% of all vendors, based on a Q1-24 study by the procurement team. Nonetheless, the Company remains committed to taking steps to identify and address potential incidents of forced labour or child labour in our supply chains.**

The Company has not received any complaints relating to modern slavery issues or notifications from its suppliers that modern slavery practices had been identified.

While we have a very low number of suppliers operating in countries with a higher risk of forced labour or child labour, we continue to review our approach and seek to continuously improve our processes to respond to the risks of forced labour or child labour in our supply chains. We are in the process of putting in place measures designed to ensure the risk of modern slavery is managed by vendors in our supply chain, including a required addendum of the Vendor onboarding form to be completed by international vendors attesting to:



- 1) The vendor's standards on health, safety and security policies to ensure the safety of its employees.
- 2) In the past two years whether the vendor (or any of its officers or employees) has been subject to any investigation, inquiry or enforcement proceedings by any governmental or regulatory authority regarding any alleged human rights abuses, environmental malfeasance or financial malfeasance.

Remediation Measures

The Company did not identify any instances of forced labour or child labour in its supply chains during its previous financial year. Accordingly, no remediation measures were taken.



Approval and Attestation

This statement was approved the Board of Directors of the Company on April 2, 2024 pursuant to subparagraph 11(4)(a) of the Act.

In my capacity as a Director and Audit Committee Chair of Ayr Wellness 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 this statement 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.

Charlie Miles

DocuSigned by:

Charlie Miles

3645BBA5FFF24A5...

**Chair, Audit Committee
Ayr Wellness Inc.**

April 2, 2024

This statement was approved the Board of Directors of the Company on April 2, 2024 pursuant to subparagraph 11(4)(a) of the Act. In my capacity as Director and Audit Committee Chair of Ayr Wellness., Inc. I have ethe authority to bind Ayr Wellness Inc.