



Cannara Biotech Inc. Annual Report on Measures to Prevent and Reduce the Risk of Forced Labour and Child Labour in Supply Chains

Date of Report: May 28th, 2024

Reporting Period: November 30th, 2023, to November 30th, 2024.

Joint report for the following Entities:

- Cannara Biotech Inc. (Business Number - 789156288)
- Cannara Biotech (OPS) Inc. (Business Number - 768697310)
- GlobalShopCBD.com Inc. (Business Number – 713285310)
- Cannara Biotech (Quebec) Inc. (Business Number – 773613534)
- Cannara Biotech (Valleyfield) Inc. (Business Number – 794353300)

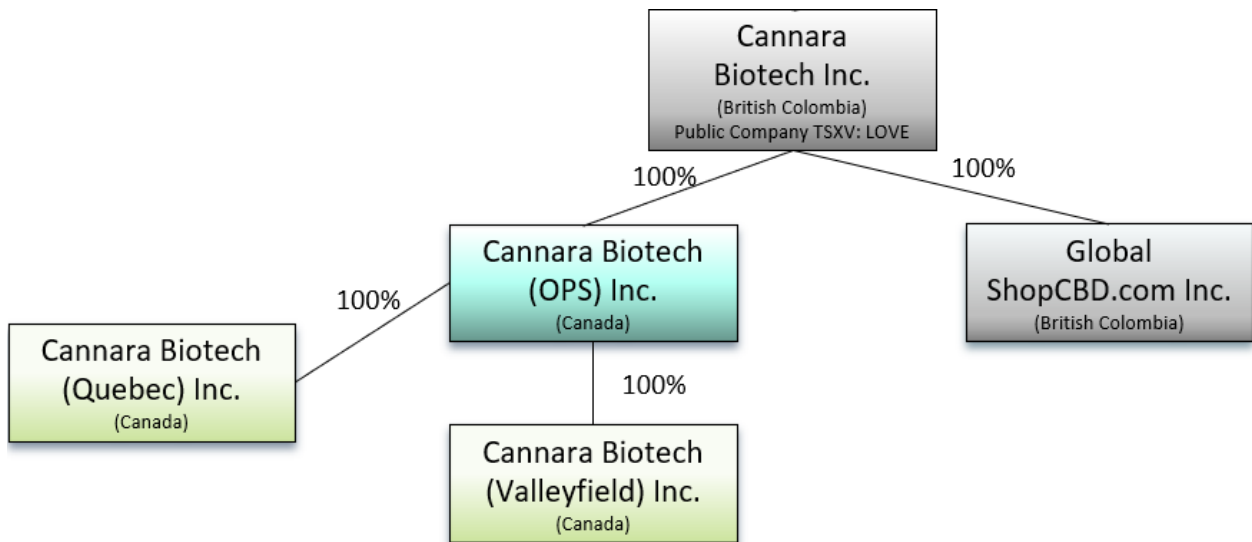
Entity Categorization: We are categorized as an Entity subject to reporting obligations according to *The Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff*

Sector: Cannabis Industry

Location: 333 Boulevard Decarie, Suite 200, Ville Saint-Laurent, Québec, H4N 3M9

1. Company Structure, Business, and Supply Chains

1.1 Company Structure Cannara Biotech Inc. is a leading producer of cannabis products in Canada, headquartered in Saint-Laurent, Quebec. Our operations include cultivation, processing, and distribution of cannabis for medical and recreational use. GlobalShopCBD.com Inc. and Cannara Biotech (Ops) Inc. are both wholly owned subsidiaries of Cannara Biotech Inc., and Cannara Bitoech (Quebec) Inc. and Cannara Bitoech (Valleyfield) Inc. are wholly owned subsidiaries of Cannara Biotech (OPS) Inc.



1.2 Business Activities Our core business activities include:

- Cultivation of cannabis plants
- Processing and manufacturing of cannabis products
- Distribution and sales of cannabis products and cannabis accessories across Canada and internationally

1.3 Supply Chains Our supply chains involve sourcing raw materials, packaging, equipment, and other inputs required for the production of cannabis products, mainly from suppliers in Canada and the United States. We source certain components, such as packaging materials as well as certain finished products from suppliers in China.

2. Policies and Procedures Related to Forced Labour and Child Labour

2.1 Supply Chain Transparency and Ethical Sourcing Policy During the reporting year, Cannara instituted plans to draft and enact a comprehensive Supply Chain Transparency and Ethical Sourcing Policy during their upcoming financial year, which will explicitly prohibit the use of forced labor and child labor. This policy shall be communicated to all suppliers, contractors, and business partners.

2.2 Supplier Code of Conduct During the reporting year, Cannara instituted plans to draft a Supplier Code of Conduct which shall include stringent provisions against forced labor and child labor. All suppliers will be required to adhere to our Supplier Code of Conduct as a condition of doing business with Cannara.

3. Due Diligence Processes

3.1 Risk Assessment We conduct regular risk assessments to identify and evaluate the risks of forced labor and child labor in our supply chains. This includes mapping our supply chains and focusing on high-risk regions and sectors, such as imports from China.

4. Measures Taken to Prevent and Reduce Risks

4.1 Supplier Engagement We actively engage with our suppliers to promote ethical labor practices. During the reporting period, we worked towards the implementation of our supplier code of conduct and we will engage with suppliers to ensure that they are acting in accordance with the policy.

4.2 Remediation Actions In cases where non-compliance is identified, we will take immediate corrective actions. During the reporting period, we did not identify any instances of non-compliance.

5. Training Provided to Employees

In the event that we begin to source additional goods from China or other higher risk regions, we will begin to provide regular training to our employees on the risks of forced labor and child labor and our company's policies to combat these issues.

6. Continuous Improvement

We are committed to continuously improving our practices to combat forced labor and child labor. In the reporting period, once our Supply Chain Transparency and Ethical Sourcing Policy is enacted, we will work to ensure its effectiveness and alignment with best practices.

7. Future Actions

We plan to enhance our efforts in the coming year by:

- Drafting and enacting our Supply Chain Transparency and Ethical Sourcing Policy
- Drafting and enacting our Supplier Code of Conduct
- Actively engaging Supply Chain Transparency and Ethical Sourcing Policy with Suppliers to ensure compliance with our policies and Supplier Code of Conduct related to forced labour.
- Introducing supplier audits in high-risk regions on an as needed basis
- Implement new mechanisms to monitor supply chain transparency
- Introduce training programs for suppliers and employees

8. Conclusion

Cannara remains dedicated to eradicating forced labor and child labor from our supply chains. We believe that transparency and accountability are key to achieving this goal and will continue to take proactive measures to uphold our ethical standards.

Contact Information

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Approved by:



Nicholas Sosiak
Chief Financial Officer
May 25th, 2024