

Fighting Against Forced Labour and Child Labour in Supply Chains Act

Cineplex Inc.

2023 Report

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01 INTRODUCTION

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) requires that businesses identify and report the actions they have taken during the prior fiscal year to prevent and reduce the risk of forced labour or child labour within their operations and supply chain.

This joint report by Cineplex Inc. and its subsidiaries, Cineplex Entertainment LP, Famous Players Limited Partnership, Galaxy Entertainment Inc., and Cineplex Digital Media Inc, collectively referred to as “Cineplex”, for the year ended December 31, 2023, describes steps taken by Cineplex in 2023 to reduce the risk and prevent use of child labour and forced labour in its operations and supply chains.

Modern slavery is a crime and a violation of fundamental human rights, and Cineplex takes its responsibility seriously to address any impact on human rights occurring in its activities and supply chains.

Cineplex is committed to acting ethically, transparently and with integrity in its business activities. Cineplex expects the same high standards from all its suppliers, contractors, and other business partners, and expects that its partners will hold their own suppliers to the same high standards.

02 CINEPLEX OVERVIEW – STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

Structure:

Cineplex Inc. is a publicly traded company in Canada, and is listed on the Toronto Stock Exchange (TSX:CGX). Cineplex Entertainment LP is a wholly owned subsidiary of Cineplex Inc. Famous Players Limited Partnership, Galaxy Entertainment Inc. and Cineplex Digital Media Inc. (“CDMI”) are subsidiaries of Cineplex Entertainment LP.

Cineplex started over 100 years ago as a progressive motion picture exhibitor. Today, Cineplex is a top-tier Canadian brand that operates in the Film Entertainment and Content, Amusement and Leisure, and Media sectors, all with the mission of passionately delivering exceptional experiences.

Cineplex offers a unique escape from the everyday to millions of guests through its circuit of movie theatres and location-based entertainment venues. In addition to being Canada’s largest and most innovative film exhibitor, the company operates one of Canada’s favourite destination for ‘Eats & Entertainment’ (The Rec Room®), complexes specially designed for teens and families (Playdium®), and a newly launched entertainment concept that brings movies, amusement gaming, dining, and live performances together under one roof (Cineplex Junxion™). As of December 31, 2023, Cineplex owned, leased or had a joint venture interest in 158 theatres from coast to coast as well as 13 location-based entertainment “LBE” venues in six provinces.

It also operates successful businesses in digital commerce (CineplexStore.com), alternative programming (Cineplex Events), motion picture distribution (Cineplex Pictures™), cinema media (Cineplex Media), and digital place-based media (Cineplex Digital Media). Providing even more value for its guests, Cineplex is a partner in Scene+™, Canada’s largest entertainment and lifestyle loyalty program.

Activities:

Cineplex values its relationships with suppliers because they help us achieve our business objectives and contribute to its overall success and recognizes the value of stability in its supply base, having long-term relationships in place across key categories.

In 2023, when selecting and introducing new suppliers, Cineplex ensured that they are aligned with our values and business ethics practice, by requesting them to work toward achieving the principles and ethical standards set forth in our [Supplier Code of Conduct](#).

Supply Chain:

Cineplex procures goods and services through an extensive and diverse supply chain that includes over 3,000 suppliers, in, but not limited to the following categories:

Category	Entity	Description
Food and beverage	Theatre/LBE	Purchase and re-sale of food and beverage products to consumers in our theatres and LBE venues; Purchase of consumable products, including but not limited to napkins, cups, paper straws, popcorn bags; Purchase of reusable dishes and cutlery for our Cineplex VIP theatre locations.
Merchandise	Theatre/LBE	Purchase and re-sale of movie and pop-culture related merchandise, including but not limited to, reusable cups and cup toppers, popcorn buckets, stuffed toys, apparel, blankets, novelty candy tins.
Operations & Maintenance	Theatre/LBE	Purchase and use of cleaning supplies, linen, and uniforms; Waste, facilities, cleaning and utilities management services; Use of third-party distributors to acquire and deliver goods to our theatres and LBE locations on our behalf.
Theatre and LBE Equipment and Furniture	Theatre/LBE	Purchase of equipment and furniture required to operate theatres and LBE venues, including but not

		limited to, screens, projectors, seats, tables, restaurant equipment.
Professional Services	All	Communications, marketing, legal, finance and accounting.
Real Estate	Theatre/LBE	Designing, construction of and renovating theatres and LBE venues.
IT services	All	Infrastructure, networks, software procurement and support services.
Media Sales	Cineplex Media	Sell and traffic advertising to theatres, LBE venues, and retail locations, including but not limited to shopping malls and urban pathways.
Digital Signage Solutions	CDMI	Purchasing and re-selling digital signage equipment, including but not limited to digital screens, media players, and related equipment; Maintenance and support of digital signage solutions.

While Cineplex collaborates closely with third-party suppliers for product development and manufacturing, it also directly engages with third-party distributors that purchase products on our behalf and distribute them to our locations. Most products procured by Cineplex are sourced within North America. However, Cineplex also procures products from suppliers in Asia, Australia, Europe and South America.

03 GOVERNANCE AND POLICIES

Cineplex recognizes that sound corporate governance is fundamental to its long-term success and contributes to Shareholder value through increased investor confidence. The Cineplex Board of Directors and management are committed to maintaining the highest standard of corporate governance and ensuring that Cineplex has the talent it needs to fulfill its goals and objectives.

In addition to its overall strong corporate governance practices, Cineplex affects positive social, cultural, and environmental change at the national and local levels. Cineplex recognizes the importance of having a strong ESG framework integrated across its operations, benefiting not only its employees, guests and partners but also driving and creating value for its Shareholders.

Cineplex is also dedicated to good stewardship in the communities it serves. Cineplex acts in accordance with, and is guided by, the Cineplex Values, Teamwork, Innovation and Excellence, and the policies set out below:

Code of Business Conduct and Ethics:

The [Code of Business Conduct and Ethics](#) (the “Code”) addresses the ethical business standards and practices for its Board of Directors, leadership team, employees and contractors, and outlines behaviors and practices to promote full compliance with laws as well as reaffirming Cineplex’s commitment to integrity, honesty and respect when dealing with its team, partners, suppliers and the community. Each full-time employee must read, understand and re-commit to the Code each year with training and sign-off.

Supplier Code of Conduct:

Cineplex’s [Supplier Code of Conduct](#) sets forth the principles and ethical standards that it expects its suppliers to work toward achieving throughout the course of their business relationship with Cineplex. This document provides, among other things:

- Ethical business practices;
- Responsible sourcing of its products;
- Responsible subcontracting;
- Responsible information security and adherence to best practices in privacy;
- Maintenance of human rights and labour standards;
- Provision of safe and healthy work environments; and
- Good stewardship.

Human Rights Policy:

Cineplex is committed to respecting human rights in all of our operations, in all geographic locations and in compliance with the laws of all countries in which we do business. Cineplex believes it is every employee’s responsibility to create and maintain a work environment that reflects respect for human rights and that their behavior is aligned with this policy.

Cineplex’s [Human Rights Policy](#) applicable to all its operations, and suppliers as set forth in our Supplier Code of Conduct. Cineplex does not accept or condone any aspect of forced or compulsory labour, and human trafficking. We strictly prohibit our employees, suppliers and other business partners from engaging in human trafficking-related activities or child labour.

In addition to those policies set out above, Cineplex maintains the Cineplex Board Diversity Policy; Diversity and Inclusion Policy; Environmental, Social and Governance (ESG) Policy; Harassment, Discrimination and Workplace Violence Policy; and Health and Safety Policy, among others. All Cineplex’s governance policies can be found at <https://corp.cineplex.com/investors/governance>.

04 RISK ASSESSMENT & DUE DILIGENCE

Cineplex employees

As of December 31, 2023, Cineplex had in excess of 12,000 employees throughout Canada, of whom 14% are full-time employees and 86% are part-time employees. We believe that the risk of forced or child labour among our employees is negligible. Through our recruitment process we ensure that we comply

with employment legislation and standards in Canada, and any jurisdiction where our employees work. In addition, Cineplex obtains parental consent to allow minors to work, where such consent is legally required.

Cineplex also recognizes its employees right to freedom of association. Of our over 12,000 employees, approximately 7% are represented by unions which are primarily located in the province of Québec and British Columbia.

Existing Suppliers

Cineplex is aware that there may be a risk of forced or child labour in certain segments of its supply chain, and in the supply chain of our suppliers. In order to assess the risk of forced or child slavery in our supply chain, Cineplex joined Sedex (as a Buyer), a service provider helping over 75,000 businesses worldwide manage sustainability practices in their supply chain.

In 2024, using Sedex's platform, Cineplex will start mapping its supply chain by conducting an initial risk screening of its key existing suppliers, asking them to complete a self-assessment questionnaire ("SAQ") related to labor standards, health and safety, business ethics & environment practices. Using the SAQ results, Cineplex will prioritize high-risk suppliers for immediate site audits, develop action plans for medium-risk suppliers and conduct bi-annual audits for low-risk suppliers.

New Suppliers

For new key suppliers, Cineplex will start using the Sedex Inherent Risk and Pre-Screen tool, Radar, to assess their risk scores across countries, and industry sector, identify high risks products in a particular country, and compare supplier risk data, alongside management controls and audit data. The new suppliers will be requested to join Sedex and complete the SAQ and provide the relevant supporting documents.

In addition, clauses will be added to contracts with new suppliers, including the requirement to adhere to our Supplier Code of Conduct.

05 REMEDIATION MEASURES TAKEN

As of December 31, 2023, Cineplex has not identified any incidents of forced or child labour in its supply chain. We therefore were not required to take remediation measures.

In 2024, upon receiving its key existing suppliers SAQ results, Cineplex will determine which suppliers require site audits (the high-risk suppliers audits will be scheduled in 2024). Once potential forced labour or child labour risks are identified in our supply chain, Cineplex will determine the appropriate remediation measures.

06 TRAINING

All Cineplex employees are trained annually on the Cineplex Code of Business Conduct and Ethics. Additionally, full-time employees are required to certify their understanding of and commitment to upholding this Code.

In 2024, Cineplex will start developing a human rights training module for its employees who may interact with our Suppliers. The training will focus our policies and practices to address forced or child labour in our supply chain, our obligations under applicable laws, and factors relating to human rights.

ATTESTATION

This Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of Cineplex Inc.

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

A handwritten signature in black ink, appearing to read "Ellis Jacob". The signature is written in a cursive style with a large, looping initial "E".

Ellis Jacob
President and CEO

Date: May 16, 2024

I have the authority to bind Cineplex Inc.