



FORCED LABOUR AND CHILD LABOUR REPORT

For the reporting year 2023

Introduction

This original, unrevised report is made by Cronos Growing Company Inc. (“GrowCo” or the “Company”), business number 749309282 and headquartered in Ontario, Canada, pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) for the financial year of January 1, 2023 to December 31, 2023 (the “Reporting Year”).

This report is only in respect GrowCo’s activities, and is not made on behalf of any other reporting entity under the Act.

GrowCo is not subject to reporting requirements under supply chain legislation in any other jurisdiction.

GrowCo is a reporting entity for purposes of the Act because it has a place of business in Canada, does business in Canada, has assets in Canada and, for at least one of its two most recent financial years, had at least \$20 million in assets and generated at least \$40 million in revenue.

GrowCo operates in the agriculture sector.

Measures to Prevent and Reduce the Risks of Forced Labour and Child Labour

During the Reporting Year, GrowCo adopted the following measures to prevent and reduce the risk of forced labour or child labour in its business and supply chain:

GrowCo maintains internal controls to ensure that all workers are recruited voluntarily. All migrant workers are engaged through Employment and Social Development Canada’s Temporary Foreign Worker Program (agriculture stream), and recruited through labour mobility programs between the Governments of Canada and the Governments of Mexico, Jamaica and other Eastern Caribbean countries. As part of its participation in the Temporary Foreign Worker Program, GrowCo submits a sample employment contract for migrant workers to Service Canada for approval, and then provides a copy of the same to: (1) the individual country’s consulate or liaison, and (2) Foreign Agricultural Resource Management Services (FARMS), a not-for-profit organization recognized by ESDC / Service Canada to perform an administrative third party role in program delivery.

CRONOS GROWING COMPANY INC.

609 Road 3 East, Kingsville, ON N9Y 2E5

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GrowCo has developed and implemented strict anti-child labour standards. During the hiring process, GrowCo verifies the personal identification of each employee, which includes the individual's birthdate. As a part of the cannabis industry, GrowCo has a legal obligation to only employ legal adults because we cannot expose minors to cannabis.

Structure, Operations and Supply Chain

GrowCo is a corporation incorporated under the laws of Canada.

The Company is a joint venture between Cronos Group Inc. ("Cronos") and a group of investors led by Bert Mucci (the "Mucci Partner"). Each of Cronos and the Mucci Partner owns a 50% equity interest in GrowCo.

The Company operates a greenhouse in Kingsville, Ontario. GrowCo's production facilities are licensed by Health Canada under the *Cannabis Act* to engage in the cultivation, processing, distribution and sale of dried flower, cannabis seeds, cannabis plants, cannabis extracts, cannabis topicals and cannabis edibles, among other prescribed activities. Under its current licenses, GrowCo is permitted to sell certain cannabis products to other license holders in the wholesale channel, as well as to provincial cannabis control authorities.

GrowCo engages with companies that are almost entirely domiciled within Canada. The Company occasionally purchases fixed assets and equipment from suppliers domiciled in the United States or Europe. The Company does not currently import any products from companies domiciled in regions that present a high risk of exposure to modern slavery.

Policies and Processes

GrowCo strives to embed responsible business conduct into policies and management systems. GrowCo's current policies and due diligence processes related to forced labour and/or child labour include but are not limited to:

- a vendor qualification and approval process for all vendors;
- age verification of each employee; and
- adherence to strict recruiting and hiring processes for temporary foreign workers in connection with the Company's participation in Employment and Social Development Canada's Temporary Foreign Worker Program.

Since the end of the Reporting Year and in advance of filing this report, GrowCo has instituted a whistleblower procedure, under which all members of the organization have a responsibility to report suspected illegal or unethical behaviour about the Company or its business partners, including with respect to forced or child labour.



Assessing Forced and Child Labour Risks

The Company recognizes potential risks are involved in the use of migrant labour and by operating in the agriculture sector.

The Company's activities and supply chains are organized to avoid carrying a risk of forced labour or child labour being used. The company does not engage with suppliers domiciled in areas of high risk of child labour or forced labour.

Because the majority of its suppliers are domiciled in Canada and the United States, the Company considers the overall risk of forced and child labour being present in its direct suppliers to be low. The Company does, however, acknowledge that some of its suppliers may supply products sourced through their own supply chains involving the use of labour in other jurisdictions. The Company has not started the process of identifying these parts of its supply chains that may carry a risk of forced labour or child labour being used.

Managing Forced and Child Labour Risks

Since the end of the Reporting Year and in advance of filing this report, GrowCo has updated its new vendor approval process and yearly vendor reapproval to better identify supply chain risks. GrowCo may conduct due diligence with regards to suppliers depending on the level of risk associated with the sector that the vendor operates in.

Remediation

The Company has not taken any measures to remediate any forced labour or child labour in its activities and supply chains because it has not identified any instances of forced labour or child labour in its activities and supply chains.

Similarly, GrowCo has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

Training

GrowCo provides training to employees in its Security department on identifying signs of forced labour and trafficking with regards to GrowCo employees.

Assessing Effectiveness

As of the end of the Reporting Year, GrowCo does not have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains. GrowCo intends to assess its effectiveness in preventing and reducing these risks within its supply chain at a later stage.

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Approval and Attestation

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.

Umberto Mucci

CEO

May 31, 2024

Full name

Title

Date

A handwritten signature in black ink, appearing to read "U. Mucci", is written over a horizontal line.

Signature

I have the authority to bind Cronos Growing Company Inc.

CRONOS GROWING COMPANY INC.

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