



CURALEAF HOLDINGS, INC.

2023 REPORT ON COMPLIANCE WITH CANADA'S FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

Introduction

This report (the “**Report**”) constitutes the first report published in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”), which officially came into force in Canada on January 1, 2024, and covers the financial reporting year ended December 31, 2023 (the “**Reporting Period**”) and is made on behalf of Curaleaf Holdings, Inc. (“**Curaleaf**” or the “**Company**”). As at December 31, 2023, none of the Company’s subsidiaries or consolidated entities qualified as a “reporting entity” (as defined in the Act).

Curaleaf is committed to preventing the occurrence of forced labour and child labour (as such terms are defined in the Act) in its operations and supply chains. We do not tolerate child labour or forced labour and we expect that our suppliers share our commitment to ethical and responsible business practices and support our values. This report has been prepared pursuant to Section 11 of the Act and sets forth the steps Curaleaf has put in place to prevent and reduce the risk of forced labour and child labour in its business and at each step of the production of goods in Canada or elsewhere or other activities covered by the Act.

Our Structure and Business

Curaleaf is a leading producer and distributor of consumer products in cannabis, with a mission to improve lives by providing clarity around cannabis and confidence around consumption. As a vertically integrated, high-growth cannabis operator known for quality, safety, expertise, and reliability, the Company and its brands, including Curaleaf, Select, and Grassroots, provide industry-leading services, product selection, and accessibility across the medical and adult-use markets in the U.S. and is headquartered in New York, New York. As of December 31, 2023, in the U.S., the Company had consolidated operations in 17 states and operated 145 dispensaries, 18 cultivation sites and 24 processing sites, through which the Company sells cannabis through retail and wholesale channels. The Company places a premium on highly populated, limited license states, including Arizona, Connecticut, Florida, Illinois, Maryland, Massachusetts, Nevada, New York, New Jersey, North Dakota and Pennsylvania. In Europe, the Company has a fully integrated medical cannabis business with licensed cultivation in Portugal, three pharma grade cannabis processing and manufacturing facilities in Spain, the U.K. and Germany and licensed medical cannabis distribution in the U.K., Germany and Switzerland. In the U.K., the Company also holds a pharmacy license and operates medical cannabis clinics in England and Scotland, enabling the supply of medical cannabis directly to the patient. Additionally, the Company supplies medical cannabis on a wholesale basis across the region, including into Italy and Germany.

The Company leverages its extensive research and development capabilities to distribute cannabis products with the highest standard for safety, effectiveness, consistent quality and customer care. The Company is committed to leading the industry in education and advancement through research and advocacy. The Company markets to medical and adult use customers through brand strategies intended to build trust and loyalty.

The Company was an early entrant into the U.S. state-legal cannabis industry, which remains one of the fastest growing industries in the U.S. Currently, the Company is a diversified holding company dedicated to delivering market leading products and services while building trusted national brands within the legal cannabis industry. Through its team of physicians, pharmacists, medical experts and industry innovators, the Company has developed a portfolio of branded cannabis-based therapeutic offerings in multiple formats and a strategic network of branded retail dispensaries.

The Company is incorporated under the *Business Corporations Act* (British Columbia) and domiciled in the Province of British Columbia, Canada, and the Company's subordinate voting shares are listed on the Toronto Stock Exchange under the symbol "CURA" and quoted on the OTCQX® under the symbol "CURLF." The Company's principal business address is 420 Lexington Avenue, Suite 2035, New York, NY 10170 U.S.A. The Company's registered and records office address is 666 Burrard Street, Suite 1700 Vancouver, British Columbia, Canada, V6C 2X8.

As of December 31, 2023, the Company had 5,650 employees worldwide (with 5,250 employees located in the United States and 400 employees in Europe).

Our Supply Chains

Curaleaf's supply chain consists of direct and indirect (i) suppliers that provide cannabis inputs, product ingredients, cannabis products, packaging materials, and other raw materials and components; (ii) service providers that source the foregoing, and that cultivate, manufacture, produce, process, package, and transport cannabis and cannabis products on our behalf; and (iii) suppliers of goods and services, such as production machinery and componentry parts (including for cannabis accessories like vapes). During the Reporting Period, all cannabis inputs were sourced from our cultivation and processing sites in the United States and in Portugal. The raw materials, components, items and systems required to manufacture our products are procured from suppliers around the world and vary from product to product. On a global level, the vast majority of Curaleaf's direct suppliers of goods and services are located directly in the United States, with a minority located in Europe.

Our Policies and Due Diligence Processes

We place the highest importance on respecting human rights while conducting our business activities everywhere we operate and consider this to be a fundamental corporate responsibility and a value governing all our activities. In furtherance of Curaleaf's commitment to upholding human rights, we have updated our policies, governance, and due diligence processes as further described in this section.

We believe that good governance is the essential foundation of a respectful and inclusive corporate culture that earns trust from and builds value for our clients, employees and shareholders. The Company, through its Board of Directors (the "**Board**") and the People & Culture Department, the Legal Department and/or the Compliance Department, oversees the Company's Code of Conduct (the "**Code**"), including dealing with issues that may arise under the Code. In addition, the newly created Governance Committee of the Board is responsible for the development of corporate governance practices within the Company, including the Company's policies and practices with respect to social matters, including labour, human rights, health and safety and sustainability issues, as well as community and other stakeholder relations, and the Company's management is tasked with monitoring social responsibility issues pursuant to such corporate governance practices.

Reports and grievances relating to violations of our Code including, without limitation, concerns related to forced labour and child labour, can be made directly by Curaleaf employees to their supervisors, People & Culture Department, Legal Department and/or Compliance Department, or anonymously via the Ethics Hotline. Curaleaf has zero tolerance for any form of retaliation and will promptly review and

investigate every concern that is raised. The information an employee provides will be securely sent to Curaleaf through the Ethics Hotline, on a confidential or anonymous basis if an employee should choose.

Understanding our Risk Exposure

Curaleaf'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 extended supply chain and the complexity and challenges in operationalizing compliance with child labour or forced labour legislation and regulation.

To prevent and reduce the risk of child labour or forced labour in its business and supply chains, we take the following steps on a continuing basis:

- **Gathering information on worker recruitment and maintained internal controls to ensure that all workers are recruited voluntarily.** We review on a periodical basis our human resources policies and employment practices to confirm that our hiring practices comply with applicable employment legislation and regulations.
- **Developing and implementing contractual covenants on third parties.** It is our policy to incorporate into our commercial agreements with suppliers covenants of compliance with labour legislation, regulations and standards as well as certain quality certifications from third parties engaged in conducting business with Curaleaf and confirmation that these third parties do not engage in either forced labour or child labour in their own operations and throughout their supply chains. The expectation is that Curaleaf will have a commercial remedy to rely upon in order to rectify any instances of forced labour or child labour within its supply chain.
- **Suppliers' Certifications and Monitoring.** Under applicable legislation, we operate under a strict Quality Management System ("QMS") which requires that we monitor our suppliers and service providers and imposes quality controls on such suppliers and service providers. The majority of our suppliers conducting business in high-risk areas carry certifications such as ISO (or ISO for medical grade components), where such suppliers' factories and sites are audited by independent and approved third-party audit firms and are proven to adhere to these standards. We ensure that our suppliers meet these standards before we place business with them. We monitor these audits and support our suppliers to remediate any issues which have been found on site.

Curaleaf utilizes a risk-based model to manage child labour and forced labour risks in our supply chain. We leverage various processes to screen and monitor suppliers and our global supply chain for human rights risks, including child labour and forced labour.

We identify and assess potential risks in our supply chains by conducting a due diligence review of potential business partners when entering into sourcing or major direct supply agreements. This due diligence review, based on risk profile, may include background checks, a review of business, political, reputational/social and geographic risks, and (when appropriate) additional questionnaires are administered and on-site verifications are conducted. If appropriate, in order to facilitate this process, Curaleaf would mandate third-party audit firms to conduct these verifications on its behalf based on important metrics combining notably country risk indicators, supplier's category, materiality, the type of products/services offered by the supplier, and any risk mitigation measures in place. Such review may include audits performed by third-party auditors on our behalf, at relevant Curaleaf-operated and suppliers facility.

Our approach aims to identify risks is notably based on 1) whether the supplier is headquartered or its manufacturing sites are located in countries that have a low score on the corruption perception index and/or that are at risk according to the Global Slavery Index¹ based on the products they supply to Curaleaf; 2) whether the products/services come from or are located or delivered to one of the countries mentioned above; 3) whether Curaleaf is supplied with certain indirect goods and services, including products on the then current TVPRA List of Goods Produced By Child Labour or Forced Labour²; 4) if the products offered by the supplier to Curaleaf include raw materials, including conflict minerals; and 5) risk mitigation measures in place. We use materiality measured by overall spend and/or core revenue operations to prioritize our ongoing efforts of additional due diligence.

Curaleaf has assessed the risks of forced labour and child labour for its direct suppliers. The majority of Curaleaf's direct suppliers of goods and services, including those suppliers involved in cannabis agriculture activities, are located in North America and Europe which have a low prevalence of child labour or forced labour according to the Global Slavery Index. Many of these relationships are governed by long-term contracts which include covenants of compliance with all applicable laws, which include employment laws and human rights legislation.

Curaleaf has gathered information on worker recruitment and has implemented internal controls to ensure that all workers are recruited voluntarily. Curaleaf's employees are currently located in North America and Europe. A significant portion of our business is focused on agricultural activities within the United States, specifically the cultivation and harvest of cannabis. However, our agricultural workforce is not seasonal and, to our knowledge, we do not currently employ migrant workers, a workforce segment which has been identified as a potential risk factor of child labour and forced labour in the agricultural sector.

As a result of the foregoing, in consideration of our current employee profiles and the low prevalence of risks of child labour and forced labour in the countries we operate in, together with our corporate values, policies, governance and due diligence measures and third-party audits in place, we consider the overall risk that our operations may utilize or contribute to forced labor or child labour to be low.

Measures Taken to Remediate Forced or Child Labour

During the Reporting Period, we did not identify any incidents of forced labour or child labour in our activities or supply chain. We therefore did not need to take any measures to remediate an incident of forced labour or child labour, or to compensate for the loss of income to the most vulnerable families affected by forced labour or child labour. If we do identify incidents of forced labour or child labour within our activities or supply chains, we are committed to implementing appropriate remediation strategies in light of local and international standards and improve the enforcement of the policies within the business and supply chains of the Company.

Employee Training

Curaleaf's employees receive regular tailored training on ethical topics and our policies. All new employees are assigned a mandatory onboarding training package which includes training on our Code of Conduct and the Business Ethics Policy (the "**Policies**"). On an annual basis, all office employees are required to certify their abidance by the Policies. We did not have any specific training with respect to identification of forced labour or child labour in our operations or supply chain during the Reporting Period.

¹ <https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>

² https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2021/2022-TVPRA-List-of-Goods-v3.pdf

Assessing Our Effectiveness

Curaleaf is committed to developing a resilient and transparent supply chain where the human rights of every worker involved are respected. During the Reporting Period, our focus was further enhancing our foundational capabilities and processes to continue to effectively manage our suppliers on critical forced labour and child labour issues to ensure human rights are not violated within our supply chain.

We investigate and track all internal and external (through the Ethics Hotline) reports. We also perform risk-based assurance activities on a regular basis, which can range from external independent audits to internal supply chain-focused assurances. While Curaleaf believes in the efficacy of our measures to prevent and mitigate forced labour and child labour within our operations and supply chain, we will strive to maintain and continually improve our sustainable and transparent supply chain, and work to maintain a robust understanding of our complex global supply chain networks. These activities include assessing contractual terms and working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including tracking relevant performance indicators.

We are committed to respecting and promoting human rights in all facets of our business, and we will continue to identify, address, and attempt to mitigate risks of forced labour and child labour in all our activities. The Company also intends to continue developing and implementing additional due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and child labour in our activities and supply chain.

Disclaimers

This Report has not been prepared as financial or investment advice or to provide any guidance in relation to our future performance. This Report does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities.

Board approval and Attestation

This Report has been approved by the board of directors of Curaleaf Holdings, Inc. on May 31, 2024 in accordance with subparagraph 11(4)(a) 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 the Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Curaleaf Holdings, Inc.

(signed) "Peter Clateman"

Peter Clateman
Chief Legal Officer
May 31, 2024