



POSTMEDIA

REPORT ON THE FIGHT AGAINST FORCED LABOUR AND CHILD LABOUR

MAY 24, 2024

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ABOUT THIS REPORT

This Report is being made on behalf of Postmedia Network Canada Corp. and its wholly owned subsidiary, Postmedia Network Inc. (collectively, “**Postmedia**” or “**we**”, “**our**” or “**us**”) pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). This Report provides an overview of the measures, actions and activities undertaken by Postmedia to assess, prevent and reduce the risk of forced labour or child labour in its business and supply chains. This Report applies in respect of Postmedia’s financial year ending August 31, 2023 and is the first report prepared by Postmedia under the Act.

Postmedia is committed to maintaining the highest standards of honesty, integrity and ethical conduct. Postmedia strongly opposes the use of forced labour or child labour and will not knowingly support or conduct business with any person or entity involved in such activities.

OVERVIEW OF THE BUSINESS AND ABOUT POSTMEDIA

Postmedia Network Inc., a wholly-owned operating subsidiary of Postmedia Network Canada Corp. (TSX:PNC.A, PNC.B), is a Canadian newsmedia company representing more than 130 brands across multiple print, online, and mobile platforms.

Postmedia’s primary business consists of news and information gathering and dissemination operations, with products offered in local, regional and major metropolitan markets in Canada through print, online and mobile platforms. Our operations include an extensive distribution network, which also offers distribution services, for advertising flyers and parcels. The combination of these distribution platforms provides audiences with a variety of media through which to access and interact with our content. The breadth of our reach and the diversity of our content enable advertisers to reach their target audiences on a local, regional or national scale through the convenience of a single provider. Postmedia has the highest weekly print readership of newspapers in Canada, based on Vividata Winter 2023 survey data.

Postmedia Solutions offers advertising and marketing solutions for businesses of all sizes. With a portfolio of print and digital marketing solutions, millions of Canadians visit the Postmedia network each month. This provides an unparalleled platform of brand-safe advertising opportunities including search, social, custom content, digital audio, web development and generates proprietary first-party data that enables better informed campaigns on both the Postmedia network and third-party audience platforms.

In Fiscal 2021, Postmedia established Postmedia Parcel Services, which leverages Postmedia’s extensive distribution network to expand its offerings to include trucking, sorting and distribution of small parcels in British Columbia, New Brunswick, Nova Scotia, and Ontario. Postmedia Parcel Services is a sortation and final mile delivery service supporting eCommerce and retail delivery for businesses across Canada.

Postmedia’s head and registered office is located in Toronto, Ontario. As of December 31, 2023, we had approximately 1,797 employees based across Canada.

POLICIES, PROCEDURES AND GOVERNANCE

Postmedia’s corporate governance policies, procedures and practices are designed to ensure that its board of directors (the “**Board of Directors**”) can fulfill its statutory mandate to supervise the management of the company’s business and affairs with the highest standards of ethical conduct.

Code of Business Conduct and Ethics

Postmedia's Code of Business Conduct and Ethics (the "**Code**") covers a wide range of business practices and procedures. The Code does not cover every issue that may arise, but sets out basic principles to guide all directors, officers and employees of Postmedia and other persons in similar relationships with Postmedia, such as contractors or consultants (collectively, with the directors, officers and employees of Postmedia, "**Postmedia Personnel**"). All Postmedia Personnel must conduct themselves accordingly and seek to avoid improper behaviour or even the appearance of improper behavior. Postmedia also provides the Code to and expects compliance by Postmedia's agents and representatives, including advisors.

All Postmedia Personnel are required to review the Code on an annual basis. The Code addresses matters such as compliance with laws, conflicts of interest, confidential information, fraud, protection and proper use of Postmedia assets and the reporting of illegal and unethical behaviour.

Postmedia Personnel who become aware of a conflict or potential conflict or departures from the Code are encouraged to bring it to the immediate attention of a supervisor or department head. Postmedia has also established additional procedures for confidential and anonymous reporting of complaints concerning breaches of the Code through its Whistleblower Policy.

Whistleblower Policy

The purpose of the Postmedia Whistleblower Policy is to establish procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, auditing matters or violations of the Code, and the submission by Postmedia Personnel on a confidential and anonymous basis, of concerns regarding questionable accounting, auditing matters or violations of the Code.

The Whistleblower Policy unequivocally states that Postmedia prohibits discrimination, harassment and/or retaliation against any Postmedia Personnel who reports complaints regarding accounting, internal accounting controls, auditing matters or violations of the Code, and/or provides information or otherwise assists in an investigation or proceeding regarding any conduct which Postmedia reasonably believes to be a violation of employment or labour laws; securities laws or the commission or possible commission of a criminal offence. All Postmedia Personnel are responsible for ensuring that the workplace is free from all forms of discrimination, harassment and retaliation.

OUR SUPPLY CHAINS AND RISKS OF FORCED LABOUR AND CHILD LABOUR

Postmedia Personnel are required to abide by our core values as set forth in the Code and other policies, as well as applicable laws and regulations. In order to maintain levels of business output and business quality, and similar to many others across industries, Postmedia has outsourced certain portions of its business to third party companies.

Postmedia conducts its diligence of suppliers during the initial negotiation process. Upon initial introduction and contact, Postmedia enters into discussions with potential suppliers and conducts reviews of their operations and business practices while assessing the supplier's inclination to abide by Postmedia's business standards and practices. Developments in technology and competitive pricing for services have caused Postmedia to enter into agreements with non-Canadian suppliers and service providers. Regardless of location, Postmedia's service providers and suppliers are required to conform and agree to the Code.

In addition, certain professional suppliers of services, such as financial institutions, law firms, auditing firms, insurance brokerages and underwriters and utility providers were excluded from risk review given they are subject to their own standards and practices and subject to governmental or other organizational body standards. Our ongoing assessment of risk extends to the following subcategories:

Editorial Content

Postmedia's primary focus remains its news media and journalism businesses. Our newspaper and digital properties feature both original content from our award-winning journalism staff and is supplemented by newswire sites such as Canadian Press. We have determined that our activities and supply chains relating to our editorial content carry a negligible risk of forced labour or child labour.

Newspaper Production

As part of our legacy business, Postmedia continues to print newspapers and advertising flyers for our various metropolitan and community properties. Printing operations continue out of Postmedia's locations in Toronto, Ontario, Ottawa, Ontario, and Moncton, New Brunswick. Supplies for the printing business, such as paper and ink, are sourced through Canadian companies. Repairs and maintenance supplies for the printing presses are supplied through companies from the United States and Germany. We have determined that our activities and supply chains relating to our newspaper production carry a negligible risk of forced labour or child labour.

In addition, Postmedia outsources printing for certain of its newspaper properties to Transcontinental Inc., who has separately filed a report under the Act.

Distribution

Newspapers

Postmedia's circulation revenue is generated from subscription revenue (both print and digital), single copy sales made through retailers and vending boxes and corporate bulk sales. Newspapers are shipped from printing plants to depot drop locations or single copy retail outlets by independent third-party distribution companies in the daily markets. Postmedia's non-daily newspapers are generally delivered via Canada Post and independent carriers.

All distributors and independent carriers must execute Postmedia's standard contracts in which they agree to abide by the Code. Because all of our distributors and independent carriers are Canadian and are required to abide by standards set forth in their respective provincial Workers' Compensation Boards (in Ontario, Workplace Safety and Insurance Boards) and because Postmedia insists on the use of our standard template agreements, we have determined that our activities and supply chains relating to our newspaper distribution carry a low risk of forced labour or child labour..

Flyer Force

Postmedia's Flyer Force division reaches over 3.6 million households weekly in 115 markets across Canada. We are the only Canadian newspaper publisher that provides insert planning, printing and distribution services nationally and locally.

As part of its flyer distribution network, Postmedia provides opportunities for families who may be looking for an opportunity to teach their minor children about the value of gainful employment and earning their

own income. Flyer carriers must meet the minimum age of twelve years and, if under the age of majority in their province or territory, must have their application for a carrier position co-signed by a parent or guardian. Flyer carriers are not given a specific set time to deliver flyers and are given a manageable amount of flyer bundles to distribute within walking and biking distance in their local neighbourhoods. It is expected that any flyer carriers under the age of majority carry out their duties in the late afternoon or early evenings after school. Rate of payment is determined per number of deliveries completed. Carrier positions are offered to members of the local communities of all ages. The flyer distribution network operates within all Canadian labour laws, requires parental permission and encourages parental supervision of the flyer routes. Furthermore, flyer delivery personnel are provided sufficient time to carry out their delivery duties when convenient outside of school attendance times.

Parcel Delivery

Postmedia Parcel Services carries out the sortation and final mile distribution of small parcels for large retail packaging corporations such as Amazon and Ziing. Parcels are picked up at sortation centres in Alberta, Saskatchewan, Manitoba, Ontario, and the Maritimes and taken to final mile sortation centres for delivery by certain third-party Canadian distribution companies and independent carriers from Postmedia's existing newspaper delivery network.

As stated above under *Newspapers*, all distributors and independent carriers must execute Postmedia's standard contracts in which they agree to abide by the Code. Because all of our distributors and independent carriers are Canadian and are required to abide by standards set forth in their respective provincial Workers' Compensation Boards (in Ontario, Workplace Safety and Insurance Boards), and because Postmedia insists on the use of its standard template agreements, we have determined that our activities and supply chains relating to parcel delivery carry a low risk of forced labour or child labour..

In addition, in order to conform to certain of Postmedia's insurance requirements related to coverage for the delivery of parcels and packages, all parcel delivery personnel must be over the age of majority in order to carry out delivery duties.

Customer Service

Postmedia's customer service and call centre is handled exclusively by Basstel Ltd., a Canadian corporation located in Winnipeg, Manitoba. Basstel is also responsible for outbound calling retention and sales campaigns as well as some dispatch duties. Being a Canadian corporation and subject to WCB regulations in the Province of Manitoba as well as other Canadian employment laws, we have determined that our activities relating to customer service carry a negligible risk of forced labour or child labour.

Postmedia Solutions – Advertising

Postmedia uses two companies as outsourcing partners for our advertising operations. AffinityXpress based out of Pune, India/Manila, Philippines and ExpressKCS based out of Gurgaon, India. These companies are responsible for print and digital advertising design, co-ordinating and trafficking campaigns, fulfill digital campaigns, provide layout/classified services and editorial pagination.

During our initial negotiations with these companies, Postmedia representatives visited each of these office locations and confirmed that they did not see any signs of forced labour or child labour conditions. In addition, AffinityXpress and ExpressKCS have offered Postmedia staff an open invitation to revisit their offices at any time. Both AffinityXpress and ExpressKCS have provided Postmedia with documentation attesting to their commitments to complying with global anti-slavery and anti-child labour laws, and both

companies will continue to provide attestations to Postmedia on an annual basis. Postmedia has determined that these businesses carry a negligible risk of being defined as using child labour and forced labour.

Postmedia has also outsourced its centralized classified call centre operations to a third party in the United States. Because of the nature of the work and because the company is primarily located in the United States, which has its own laws regarding the use of forced labour and exploitation of workers to which these companies would be subject, we have determined that such activities carry a negligible risk of forced labour or child labour.

Procurement

Suppliers required for the day-to-day operations of the business are reviewed by Postmedia's Procurement department, which assesses all vendors in the context of the Code. We have determined that these third-party vendors, most of which are major North American companies from which we acquire items such as rental equipment and digital software, carry a negligible risk of forced labour and child labour.

Information technology functions, including service desk, service management, local desk side services and network operations, have been outsourced to a third party in Canada, who lease space in the same building as Postmedia's head office. We are able to witness first-hand that this company provides its services in compliance with Canadian laws and regulation.

ASSESSING OUR EFFECTIVENESS

Postmedia has not yet completed a formal detailed assessment of its performance regarding our commitment towards preventing forced labour and child labour. We intend to review our policies, procedures and governance over the forthcoming fiscal year to ensure that these align with industry best practices and mitigate any risk of forced labour and child labour in our business and supply chains.

ATTESTATION

This Report was approved by the Board of Directors of each of Postmedia Network Inc. and Postmedia Network Canada Corp. on May 24, 2024, in accordance with subparagraph 11(4) (b)(i) of the *Act*.

In accordance with the requirements of the *Act*, and in particular section 11 thereof, the undersigned attest that they have reviewed the information contained in the report for the entities listed above. Based on our knowledge, and having exercised reasonable diligence, the undersigned 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 Postmedia Network Inc. and Postmedia Network Canada Corp.



Andrew MacLeod
President and Chief Executive Officer