



SLANG WORLDWIDE INC.

Report on Fighting Against Forced Labour and Child Labour in Supply Chains Act

Fiscal Year 2023

INTRODUCTION

This report (the "**Report**") relates to the fiscal year ended December 31, 2023 and outlines the actions taken by SLANG Worldwide Inc. ("**SLANG**" or the "**Company**") to prevent and reduce the risks of modern slavery, including forced labour and child labour, in its operations and supply chains in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**").¹

STEPS TAKEN TO PREVENT AND REDUCE SUPPLY CHAIN RISKS

SLANG does not tolerate any form of modern slavery, forced labour or child labour in its operations or supply chain. The Company recognizes its responsibility to protect these values and to ensure that it is preventing and addressing these risks within its operations and supply chain that may arise. The Company expects its business partners and suppliers to uphold these same principles within their operations and adhere to applicable human rights and employment standards laws.

SLANG welcomes constructive engagement with all stakeholders, including suppliers, governmental authorities and clients, to increase the effectiveness of its modern slavery risk mitigation practices. The Company will continue to adapt to maintain the highest standards of ethics and integrity in its business and relationships.

In the Company's 2023 financial year, it gained a better understanding of the risks associated with forced labour and child labour and how such risks may be present in its operations and supply chains. In particular, the Company took the following steps during fiscal 2023 to prevent and reduce the risk of forced labour or child labour in the Company's business and supply chains:

- conducted a preliminary internal assessment of the risk that forced labour and/or child labour is present in the Company's supply chain;

¹ The Company has prepared this Report based on information available to it at the time of preparation. This Report contains forward-looking statements relating to SLANG's policies and practices with respect to forced labour and child labour risk management, including statements of current intention and expectation and statements of opinion. There can be no assurance that such statements will prove to be accurate, as the Company's actual results and future events could differ materially from those anticipated in this forward-looking information because of the factors discussed in the "Risk Factors" section in SLANG's Management's Discussion and Analysis, which is available at www.slangww.com or on SEDAR+ at www.sedarplus.ca. Except as required by applicable laws or regulations, the Company does not undertake to publicly update or review any forward-looking statements.



- engaged the services of external counsel to assess the legislative framework and advise the Company regarding obligations under the Act and existing frameworks for management of modern slavery risks, and similar frameworks, applied by Canadian and international peers; and
- established an internal working group, composed of management representatives, to continue to review the impact of the Act on the Company and assess the effectiveness of the actions taken to address the risks of modern slavery.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Structure

The Company was incorporated under the *Canada Business Corporations Act*. The common shares in the capital of the Company are listed for trading on the Canadian Securities Exchange under the symbol "SLNG", and on the OTCQB Venture Market under the symbol "SLGWF".

The Company conducts its operations primarily through wholly owned subsidiaries located throughout the United States and Canada.

Activities

SLANG is a leading cannabis consumer packaged goods company with a portfolio of renowned brands. The Company currently owns, licenses, and/or markets five brands which serve the following categories: flower, inhalable concentrates and ingestibles. SLANG brings these products to market through three channels: (1) Core Markets – Colorado and Vermont; (2) Emerging Markets – Strategic Partnerships in nine States; and (3) THC Free – Distribution & E-commerce.

SLANG's current core markets include Colorado and Vermont. The core market of Colorado includes branding, manufacturing and distribution of SLANG medical and recreational cannabis products to wholesale customers. The core market of Vermont includes cultivation, branding, manufacturing and distribution of SLANG medical & recreational cannabis products to other retail customers, as well as through its owned medical and recreational retail dispensaries in the state.

Supply Chains

SLANG does business with a wide range of suppliers, sourcing materials and services locally and globally and strives to build relationships with suppliers who align with the Company's values. SLANG strives to work with suppliers who operate legally, ethically and responsibly that are aligned with the Company's safety and operational integrity requirements.

The table below outlines the geographical location of the Company's primary suppliers and the percentage of annual purchases the Company made from the listed countries:



Country	Annual Purchases (%)	Type of Purchases
United States	82.5%	Cannabis materials, packaging, components & hardware, and services & subscriptions
Canada	12.0%	Corporate services & subscriptions
China	4.9%	Packaging, components & hardware
Other	0.6%	IP licensing, services & subscriptions

POLICIES AND DUE DILIGENCE

There are several policies, processes, and practices that the Company uses to minimize the risk of forced labour or child labour practices in the Company's supply chains.

Policies

The Company is committed to conducting its business and affairs with honesty, integrity and in accordance with high ethical and legal standards. SLANG's Code of Business Conduct and Ethics (the "**Code**") provides a set of ethical standards by which each director, officer, employee, consultant and contractor of the Company is required to conduct his or her business, which includes the requirement to adhere to the Company's commitment to promoting respect for internationally recognized human rights as set forth in the United Nations Universal Declaration of Human Rights. The Code requires that any director, officer, employee, consultant or contractor of the Company who becomes aware of any information suggesting that a violation of the Code has occurred or is about to occur is required to report it to the Chair of the Audit Committee of the Company.

SLANG also intends on adding to and revising its internal policies to address the risk of forced labour and child labour. This is expected to include:

- implementation of a supplier code of conduct policy;
- training focused specifically on SLANG's purchasing employees who are engaged with overseas suppliers as SLANG has identified a heightened risk of forced labour or child labour with overseas suppliers;
- an annual review of the supplier's policies and procedures as they relate to risks of forced labour and/or child labour; and
- an independent review of each supplier to determine if they have been linked to any forced labour and/or child labour complaints.



Due Diligence

Internally, the Company has reviewed its hiring and manufacturing practices and determined there is no internal risk of forced labour or child labour. Externally, the Company has identified overseas suppliers as having a heightened risk of the potential for the use of forced labour and child labour.

SLANG maintains a master list of suppliers used in its procurement process and manufacturing activities. SLANG has cross-referenced its list of suppliers with the List of Goods Produced by Child Labor or Forced Labor released by the U.S. Department of Labor in order to identify which countries, products and therefore suppliers may exhibit an elevated risk of forced labour or child labour.

Currently, SLANG does not evaluate the policies and procedures of each of its suppliers. The Company intends to implement a supplier onboarding process, as well as an annual review of existing suppliers, within the next twelve months which will include a standardized checklist review of each supplier's policies and procedures as it relates to risks of forced labour and/or child labour. As part of the process, the Company will also perform its own online search to determine if the supplier has been linked to any forced labour and/or child labour complaints. Such processes will be completed before determining if the Company is willing to work with a particular supplier.

SUPPLY CHAIN RISKS

Due to the nature and location of its operations, SLANG considers the risks of forced labour or child labour practices in its supply chains to be relatively low. Similarly, the Company's risk of involvement in modern slavery practices by its suppliers is considered relatively low. Nonetheless, SLANG remains committed to taking steps to identify and address potential incidents of forced labour or child labour in its supply chains. The majority of the Company's suppliers are in countries with high standards of protection for employees and the rights of individuals and do not pose a high degree of risk of forced labour or child labour practices. SLANG's primary suppliers are located in Canada and the United States.

REMEDIATION MEASURES

SLANG is evaluating industry best practices and internal processes and will diligently take all appropriate remediation measures, as required. To date, there have been no identified or reported instances of forced labour or child labour in SLANG's activities and supply chain, therefore, SLANG has not had to take any remediation measures.

LOSS OF INCOME

SLANG recognizes that efforts to prevent and reduce the risks of forced labour and child labour can have the unintended consequence of contributing to a loss of income for the most vulnerable families. SLANG is not aware of any instance to date where its efforts to mitigate the risk of forced labour or child labour in its activities and supply chains may have contributed to a loss of income for vulnerable families.



TRAINING

When onboarding new employees, SLANG provides training regarding its safety commitments and *Code of Business Conduct and Ethics*. SLANG is also committed to improving the capacity of its employees to understand, identify and manage the risks of modern slavery in our operations and across its supply chains.

SLANG also intends to implement training focused specifically on SLANG's purchasing employees who are engaged with overseas suppliers as SLANG has identified a heightened risk of forced labour or child labour with overseas suppliers.

EFFECTIVENESS ASSESSMENT

The due diligence processes described above provide a method of managing the risks; however, the Company will continue to look at ways to enhance its capability to identify any risks indicators within its supply chains and its capability to investigate and address any concerns.

SLANG will continue to review its approach and continuously improve its processes to respond to the risks of forced labour or child labour in its supply chains. The Company has not received any complaints of any modern slavery issues or notifications from its suppliers of identification of modern slavery practices.

APPROVAL AND ATTESTATION

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors on April 30, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

By: “/s/ Ruth Chun”
Ruth Chin
Chair of the Board
April 30, 2024
I have the authority to bind the Company.