

**RESOLUTIONS
PASSED BY THE DIRECTORS OF
SAJE NATURAL BUSINESS INC.**

The undersigned, being all the directors of Saje Natural Business Inc. (the "**Company**"), hereby consent to the following resolutions effective as of May 31, 2024.

WHEREAS:


- A. On January 1, 2024, Canada's new modern slavery legislation, the *Fighting Against Forced Labour and Child Labour in Supply Chain Act* (the "**Act**"), came into force;
- B. Pursuant to the Act, the Company is required, on an annual basis commencing not later than May 31, 2024, to:
 - (1) submit a report to the Minister of Public Safety Canada on the steps that it took during its previous financial year to prevent or reduce the risk that forced labour or child labour was used at any step of the production or import of its goods in Canada, and which includes an attestation signed by an authorized officer of the Company confirming that the report has been approved by the Company's board of directors and is, to his or her knowledge, true, accurate and complete in all material respects (a "**Modern Slavery Report**"); and
 - (2) complete an online questionnaire relating to the foregoing matters which may be accessed through Public Safety Canada's website (the "**Questionnaire**");
- C. The Company has prepared a Modern Slavery Report for the Company's 2023 financial year, a copy of which is attached as Appendix A hereto (the "**2023 Report**"); and
- D. The directors are of the opinion that it is in the best interests of the Company to (i) approve the 2023 Report and to authorize the Chief Financial Officer of the Company (the "**CFO**") to sign the attestation contained therein, (ii) to complete and file the Questionnaire, and (iii) to take such other action and execute and file such other documents as he considers necessary or desirable in connection with the foregoing.

BE IT RESOLVED THAT:


- 1. The 2023 Report be and is hereby approved;
- 2. The CFO be and is hereby authorized, for and on behalf of the Company, to sign the attestation contained in the 2023 Report and to submit the 2023 Report to Public Safety Canada as required under the Act; and
- 3. The CFO be and is hereby authorized, for and on behalf and in the name of the Company, to complete the Questionnaire, and to execute and file the Questionnaire and any and all such other documents, and do any and all such acts and things, as in his opinion may be necessary or desirable in connection with this resolution.

EXECUTION IN COUNTERPARTS


These resolutions may be signed in as many counterparts as may be necessary and such may be delivered by facsimile or any other means of electronic transmission, each of which so counterparts signed shall be deemed to be an original bearing the date first set out below, and such counterparts together shall constitute one and the same instrument notwithstanding the date of execution.



AVIK PRAMANIK



KATE ROSS LEBLANC



KAREN GORDON

APPENDIX A
2023 REPORT

(see attached)

Report Pursuant to the Act to enact the ***Fighting Against Forced Labour and Child Labour in Supply Chains and to amend the Customs Tariff Act***

Saje Natural Business Inc.
(DBA Saje Natural Wellness)

Fiscal Year 2023

Compliance Report – Act to enact the *Fighting Against Forced Labour and Child Labour in Supply Chains and to Amend the Customs Tariff Act*

Introduction

Scope of the Report

Entities Covered

This report covers compliance activities within Saje Natural Business, Inc. (DBA Saje Natural Wellness), (hereinafter “Saje” or “the Company”).

Time Period Covered

The assessment period for compliance spans Saje’s Fiscal Year 2023 from February 1, 2023 to January 31, 2024.

General Saje Business Information:

Established in 1992, Saje has been connecting people with the healing power of plants since its inception, aiming for individuals to lead naturally fulfilled lives. The company operates an Omni-channel business spanning Canada and the United States (the US), encompassing retail stores, eCommerce, and corporate sales.

Supply Chain & Operations Information:

Saje manages two company-operated distribution centers in Canada: one in Surrey, British Columbia (SDC), and another in Mississauga, Ontario (TDC). In the US, Saje utilizes a third-party logistics (3PL) distribution center in Ogden, Utah, with Propack Logistics as the 3PL provider. Transportation and logistics programs are internally managed, utilizing relationships and agreements with key partners like CRSA, KWE, and FedEx.

Most of Saje's products are contract manufactured, employing a hybrid model that primarily leans towards tolling. Contract manufacturers are in both Canada and the US. Diffusers, accessories and merchandise items are sourced through both international and North American suppliers. Primary and secondary packaging is primarily sourced from international suppliers with labels and stickers being sourced domestically. Saje directly contracts with both domestic and international companies for its Essential Oils.

Summary:

Founded in 1992, Saje specializes in harnessing the healing properties of plants for natural living. Operating in Canada and the US through various channels, including retail, eCommerce, and corporate sales, Saje ensures broad accessibility to its products.

To facilitate its operations, Saje manages distribution centers in Canada and utilizes a third-party logistics center in the US. Transportation and logistics are internally managed, with partnerships with key service providers.

Saje predominantly employs contract manufacturing, sourcing from Canada and the US. Packaging materials and hard goods are sourced from Canada, the US and Asia. Essential oils are contracted from multiple sources globally.

Overall, Saje's business model emphasizes accessibility, quality, and sustainability across its operations and product offerings.

Supplier Standards and Requirements:

Saje mandates that its managed suppliers maintain current documentation to remain active. This includes:

- Mutual Non-Disclosure Agreement: Establishes rules for protecting confidential information.
- Standard Terms and Conditions of Purchase: Defines legal terms for procurement.
- Supplier Code of Conduct: Outlines expected business practices.
- Supplier Onboarding Form: Captures essential supplier information for setup and transactional purposes.

All supplier information is self-reported and validated through follow-up conversations or additional documentation.

The term "managed" refers to suppliers in the "Direct" spending pool, managed by Sourcing and Procurement under SC & Ops. Indirect spending (e.g., marketing, legal services) falls outside the scope of this report. However, some MRO items purchased online from suppliers such as Uline are included, despite lacking commercial relationships with these organizations.

Summary:

Saje requires its suppliers to maintain current documentation, including Non-Disclosure Agreements, Purchase Terms, and a Code of Conduct. These standards aim to ensure ethical and legal business practices. Supplier information is self-reported and validated internally, as Saje lacks a third-party verification system.

Steps Undertaken:

In the 2023 Fiscal Year (FY), Saje undertook the following steps to prevent and reduce the risk that forced labor or child labor is used at any step of the production of the goods it sells in Canada or elsewhere and/or the goods it imports into Canada:

- Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labor and/or child labor in their activities and supply chains.
- Developing and implementing anti-forced labor and/or -child labor contractual clauses
- Developing and implementing anti-forced labor and/or -child labor standards, codes of conduct and/or compliance checklists
- Developing and implementing training and awareness materials on forced labor and/or child labor

In FY 2023, Saje overhauled its Standard Terms and Conditions of Purchase and revisited its Supplier Code of Conduct, republishing it. The Supplier Code of Conduct was formally included as "Exhibit A" in the updated Standard Terms and Conditions of Purchase. Additionally, all active managed suppliers (those with active purchases from Saje in FY 2023) were required to acknowledge and sign the revised Supplier Code of Conduct. As of FY 2023, 100% of managed suppliers had complied, with all suppliers now having done so at time of publication for this report.

Suppliers not in active status were deactivated in our Enterprise Resource Planning (ERP) system and will be treated as "new suppliers" for future business considerations.

During FY 2023, Saje conducted internal training for its sourcing and procurement team to introduce them to Bill S-211, with plans for annual refresher training moving forward.

Policies:

Saje has a simple policy and due diligence process in place related to forced labor and/or child labor. Presently, the primary element for the due diligence process in relation to forced labor and/or child labor consists of:

- Embedding responsible business conduct into policies and management systems.

Saje's policies and expectations concerning forced labor and/or child labor are most accurately outlined in the company's Supplier Code of Conduct. All current managed suppliers, as well as prospective suppliers, must possess an up-to-date and acknowledged Supplier Code of Conduct on file to engage in business with Saje. No supplier will be permitted to engage in business transactions unless this requirement is fulfilled. Past and/or legacy suppliers lacking acknowledgment of the most recent version of the Supplier Code of Conduct are deactivated and managed as new suppliers for future business considerations.

Risks:

Beyond the activities previously discussed, Saje has not explicitly initiated a process to identify risks related to forced labor and/or child labor in its operations and supply chain. Consequently, Saje has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labor or child labor in its operations and supply chain. In combination with the Supplier Code of Conduct, the Company is in the preliminary phase of outlining formal policies and procedures to assess its effectiveness in ensuring that forced labor and child labor are not utilized in its operations and supply chain.

Training:

In FY 2023, Saje completed mandatory training for its sourcing and procurement team. The training served as a refresher and level-setting on supplier standards and documentation requirements, particularly emphasizing the Supplier Code of Conduct, including the prohibition of child and forced labor. Additionally, the team was introduced to Bill S-211 and its implications for Saje. This live training session was recorded for future reference and for training new team members. It will be conducted annually for all sourcing and procurement personnel. Adjustments will be made to the training content as necessary to ensure it reflects the latest information on combating forced and child labor in Saje’s supply chain.

Approval and attestation:

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act for the period of February 1, 2023 to January 31, 2024.

This report has been issued on behalf of Saje Natural Business, Inc. and approved by the Board of Directors and:



May 31st, 2024

Alexander Holsenbeck
Chief Financial Officer (CFO)
Saje Natural Business, Inc.

Date