

Cannara Biotech Inc. Supply Chain Transparency and Ethical Sourcing Policy

1. Purpose

Cannara Biotech Inc. (“Cannara”) is committed to ensuring that our supply chains are free from forced labor and child labor. This policy outlines our approach to compliance with Bill S-211, the Fighting Against Forced Labour and Child Labour in Supply Chains Act, and sets forth our measures to identify, prevent, and mitigate the risks of forced labor and child labor in our operations and supply chains.

2. Scope

This policy applies to all Cannara operations, employees, suppliers, contractors, and business partners involved in the production, procurement, and distribution of our cannabis products and cannabis accessories.

3. Definitions

- *Forced Labor:* Work that is performed involuntarily and under the threat of any penalty.
- *Child Labor:* Work that deprives children of their childhood, potential, and dignity, and that is harmful to physical and mental development.

4. Policy Statement

Cannara strictly prohibits the use of forced labor and child labor in any aspect of our business and supply chains. We are dedicated to promoting ethical labor practices and human rights.

5. Due Diligence and Risk Assessment

- Supplier Code of Conduct:* All suppliers must adhere to our Supplier Code of Conduct, which prohibits forced labor and child labor. This code must be acknowledged and signed by all suppliers.
- Risk Assessment:* We conduct regular risk assessments to identify and evaluate the risks of forced labor and child labor in our supply chains, particularly focusing on high-risk regions and sectors, such as imports from China.
- Audits and Monitoring:* We may perform audits of our suppliers and partners to ensure compliance with our standards. These audits may be conducted by third-party auditors with expertise in labor rights.

6. Reporting and Transparency

- a. *Annual Report:* In compliance with Bill S-211, Cannara will publish an annual report detailing our efforts to prevent and reduce the risk of forced labor and child labor in our supply chains. This report will include:
- A description of the company's structure, business, and supply chains.
 - Policies and procedures related to forced labor and child labor.
 - Due diligence processes and their outcomes.
 - Measures taken to remediate forced labor and child labor.
 - Training provided to employees on forced labor and child labor.
- b. *Public Disclosure:* The annual report will be made publicly available on our website and submitted to the relevant government authorities as required by Bill S-211.

7. Training and Capacity Building

Cannara will continuously contemplate the need to provide training to employees, suppliers, and partners to raise awareness about the risks of forced labor and child labor and to promote ethical labor practices.

8. Remediation

In cases where forced labor or child labor is identified, Cannara will take immediate and appropriate action to address the issue, which may include:

- Working with suppliers to rectify the situation.
- Terminating business relationships with non-compliant suppliers.
- Providing support to affected workers.

9. Continuous Improvement

Cannara is committed to continuously improving our policies and practices to combat forced labor and child labor. We will regularly review and update this policy to ensure its effectiveness and alignment with legal requirements and best practices.

10. Contact Information

For questions or concerns about this policy or to report potential violations, please contact:



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Approved by:



Nicholas Sosiak
Chief Financial Officer
May 17th, 2024

Supplier Name: _____

By: _____
Name:
Title: