2025 REPORT ON COMPLIANCE WITH CANADA'S FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT ("REPORT")

MARCH 31, 2026

CANOPY GROWTH
UNLEASHING THE POWER OF CANNABIS

1. Introduction

On January 1, 2024, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "***Act***"), officially came into force. The *Act* is focused on identifying and addressing risk of Child Labour[1] and Forced Labour[2] practices in the supply chains of Canadian businesses.

This Report was prepared in accordance with the guidance provided by:
1. OECD Due Diligence Guidance for Responsible Business Conduct - OECD
2. The Public Safety Canada guidance document[3]

We have determined that Canopy Growth Corporation ("**CGC**") and its subsidiary Tweed Inc. ("**Tweed**") are both reporting entities under the *Act*. CGC is a public company and reporting issuer listed on the Toronto Stock Exchange and the Nasdaq Global Select. Tweed is a licensee under Canada's *Cannabis Act*, SC 2018, c 16 (the "***Cannabis Act***") and, prior to the Acquisition (as defined below), had been the sole operating subsidiary primarily engaged in the cultivation, manufacturing, distribution, and sale of cannabis in Canada.

On March 16, 2026, CGC acquired all of the issued and outstanding common shares of MTL Cannabis Corp. ("**MTL**") and, indirectly, acquired each of its wholly owned subsidiaries, being Montréal Cannabis Médical Inc. /Montréal Cannabis Medical Inc., IsoCan Med Inc., ABBA Medix Corp., and Canada House Clinics Inc. (collectively with MTL, the "**MTL Group**", and the purchase of the MTL Group by CGC being the "**Acquisition**"). Though, independently, certain entities within the MTL Group do not currently qualify as reporting entities pursuant to the *Act*, with the dual aims of strict compliance with the *Act* and providing transparent reporting in order to fulfill the underlying purpose of the *Act*, this Report includes assessments, initiatives and actions pertaining to the MTL Group as a collective. We have included reporting on the MTL Group as a collective because (i) the Acquisition occurred days before the end of the Reporting Period; (ii) supplier information and relationships have historically been comingled as between the entities comprising of the MTL Group; and (iii) MTL, as a previously independently publicly listed entity and reporting entity pursuant to the *Act*, has previously reported under the *Act* as a consolidated entity group together with its wholly owned subsidiaries.

As each of Tweed and the entities forming the MTL Group are wholly owned subsidiaries of CGC, all corporate policies adopted by CGC are cascaded down to and have been operative at Tweed throughout the Reporting Period, and adopted and are being implemented throughout the MTL Group since the date

[1] "Child Labour" means labour or services provided or offered to be provided by persons under the age of 18 years and that
(a) are provided or offered to be provided in Canada under circumstances that are contrary to the laws applicable in Canada;
(b) are provided or offered to be provided under circumstances that are mentally, physically, socially or morally dangerous to them;
(c) interfere with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work; or
(d) constitute the worst forms of Child Labour as defined in article 3 of the Worst Forms of Child Labour Convention, 1999, adopted at Geneva on June 17, 1999.

[2] "Forced Labour" means labour or service provided or offered to be provided by a person under circumstances that
(a) could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide the labour or service; or
(b) constitute forced or compulsory labour as defined in article 2 of the Forced Labour Convention, 1930, adopted in Geneva on June 28, 1930.

[3] Prepare a report – Entities (publicsafety.gc.ca)

of the Acquisition. This Report is a joint report of CGC, Tweed, and the MTL Group which are jointly referred to herein as "**Canopy**", "**we**", "**us**", "**our**" or the "**Reporting Entities**".

This Report sets out the steps taken to prevent and reduce the risk that Forced Labour and/or Child Labour are employed during the production, distribution, or sale of goods in or for Canada and covers the most recent financial year of Canopy, being April 1, 2025 to March 31, 2026 (the "**Reporting Period**").

Our vision is to unleash the power of cannabis to improve lives. As one of the first publicly traded, federally regulated and licensed cannabis producers in North America, we embrace the opportunity and responsibility to lead the cannabis industry forward with integrity and intention. Our vision comes to life by harnessing the power of the plant, building a leading North American cannabis company, and fostering a purpose-driven atmosphere for our employees. We place the highest importance on respecting human rights while conducting our business activities everywhere we operate in accordance with the spirit and principles of the *Act*.

2. Structure, Activities and Supply Chains

2.1 Structure and Activities

Canopy currently employs approximately 1100 individuals, the majority of whom are located in Canada and work within Tweed. Tweed cultivates and manufactures, produces, distributes, and sells a diverse range of cannabis products. During the Reporting Period, the cannabis that Tweed cultivates has been primarily grown within two facilities located in Kincardine, Ontario and West Kelowna, British Columbia, respectively. In addition, Tweed conducts manufacturing operations out of its facility in Smiths Falls, Ontario. The MTL Group similarly cultivates and manufactures, produces, distributes, and sells a diverse range of cannabis products. The cannabis that the MTL Group cultivates has been primarily grown in two facilities in Quebec, namely in Pointe Claire and Louiseville, and is largely utilized in its cannabis products manufactured in Pointe-Claire, Quebec.

Canopy's cannabis products, produced and manufactured through Tweed and through the producing and manufacturing entities comprising of the MTL Group (the "**Licensed Subsidiaries**"), are principally sold for adult-use and medical purposes under a portfolio of distinct brands in Canada pursuant to the *Cannabis Act*. Our mainstream and premium branded product portfolio includes multiple cannabis formats, such as high-quality dried flower, oils, softgel capsules, infused beverages, edibles and topical formats, as well as vapes and vaporizer devices, in addition to cannabis accessories designed to meet the needs of consumers worldwide.

Products are distributed either directly by the Licensed Subsidiaries and their affiliates or through agreements with established distributors. The Licensed Subsidiaries supply adult-use cannabis products to cannabis control authorities in the majority of the provinces in Canada, where each such cannabis control authority is the sole wholesale distributor and in certain provinces, the sole retailer of cannabis products in the relevant province. The Licensed Subsidiaries also export dried flower and oil products internationally to jurisdictions in which cannabis is legalized for medical use, including Germany, Poland and Australia.

2.2 Supply Chain

Canopy's supply chain consists of (i) direct suppliers that provide cannabis inputs, product ingredients, cannabis products, packaging materials, and other raw materials and components (including components of cannabis accessories like vaporizer devices); (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) indirect suppliers of goods and services, such as production machinery and production materials. All cannabis inputs are sourced from Canada. 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. However, the majority of Canopy's direct and indirect suppliers of goods and services are located in North America and Europe. Specifically, with respect to the products we sell within Canada, the majority of our direct suppliers of goods and services are located within Canada.

3. Steps to prevent and reduce risks of Forced Labour and/or Child Labour

During the Reporting Period, Canopy took the following steps to prevent and reduce the risk of Forced Labour and/or Child Labour in our business and supply chains:

- **Mapped activities and supply chains and conducted an internal assessment of the risks of Forced Labour and/or Child Labour in our supply chains to enhance third-party due diligence activities.** Canopy used a risk-based approach to identify which elements of our business and supply chains may involve modern slavery risks considering each of our suppliers' home jurisdictions, manufacturing locations, the type of service or product supplied and any risk mitigation measures in place. We applied materiality measured by overall spend and/or core revenue operations to prioritize the order of risk assessment.

- **Gathered information on worker recruitment and maintained internal controls to ensure that all workers are recruited voluntarily**. We reviewed our human resources policies and employment practices to confirm that our hiring practices comply with applicable employment legislation.

- **Reviewed the MTL Group's pre-Acquisition supplier on-boarding and ongoing assessment processes as they pertain to mitigating risk of Forced Labour and/or Child Labour within their supply chain.** Canopy reviewed the supplier onboarding practices that the MTL Group had implemented in respect of its existing suppliers as well as their ongoing diligence processes to ensure sufficient risk mitigation has been in place at the MTL Group prior to the Acquisition. We also reviewed the MTL Group's previous reports and conducted due diligence on whether there were any material changes to their supply chain that would change the risk assessments previously reported.

- **Engaged with supply chain partners on the issue of addressing Forced Labour and/or Child Labour.** Canopy conducts a review of its suppliers annually for the purpose of preparing this Report and prior to on-boarding a new supplier. Where risk of Forced Labour and/or Child Labour was identified during our review and assessment, we engaged directly with the supplier and required the supplier to provide evidence to confirm that it has policies and procedures in place to identify and prevent Forced Labour and/or Child Labour in its operations and supply chains.

- **Ensured continuous use of contractual covenants on third parties.** In the prior reporting periods, we incorporated covenants into our commercial agreements requiring third parties engaged in business with Canopy to comply with the *Act* and requiring such third parties to represent and warrant that they do not engage in either Forced Labour and/or Child Labour in their own operations or throughout their supply chains. This allows for a commercial remedy to rely upon in order to promptly cease engagements with third party suppliers who are found to have instances of Forced Labour and/or Child Labour within their supply chain.

- **Continued development of and implemented training and awareness materials on Forced Labour and/or Child Labour.** All of Canopy's employees receive regular mandatory training on our Business Code of Conduct and Ethics which includes education concerning Forced Labour and/or Child Labour. During the Reporting Period, we have also provided targeted training and checklists for direct and indirect procurement employees on how to identify, report and mitigate Forced Labour and/or Child Labour risks. These tools include a pre-engagement screening of suppliers in order to assess and identify risks before a buying decision is made and direct paper-based audit and due diligence tools, if the supplier is from a high-risk region. Training materials are regularly audited to ensure alignment with any updated legislation or changes to geographic risk profiles.

- **Monitored and audited supplier compliance through our Quality Management Systems.** Under the *Cannabis Act*, we operate under strict Quality Management Systems ("**QMS**") which requires that we conduct regular onsite or paper-based audits of our suppliers and service providers. This provides an opportunity to observe, firsthand, whether there exists any evidence of Forced Labour and/or Child Labour practices.

4. Assessing and identifying our risk for this Report

Our processes to determine the risk of Forced Labour and/or Child Labour in drafting this Report consisted of: (i) a supplier classification and audit; and (ii) review of our hiring and employment practices.

4.1 Supplier Classification and Audit

Canopy uses a risk-based approach to assess and manage the risk of Forced Labour and/or Child Labour in our supply chain. Our methodology to identify risks is notably based on 1) the given score on the country corruption perception index of the location where the supplier is headquartered or its manufacturing sites are located, as well as the products/services they supply to Canopy, according to the then-current Global Slavery Index[4]; 2) the nexus of the products/services supplied with one of the countries mentioned above (i.e. whether the products or services come from, are located in, or are delivered to one of the country in question); 3) whether Canopy is supplied with certain indirect goods and services, including products on the then current TVPRA List of Goods Produced By Child Labour and/or Forced Labour[5]; 4) whether the products purveyed by the supplier to Canopy include raw materials carrying an elevated risk of Child Labour and/or Forced Labour; 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 continued due diligence.

4.1.2 <u>Forced Labour and/or Child Labour risks in our activities and supply chains related to suppliers</u>

Applying the above method, Canopy has assessed the risks of Forced Labour and/or Child Labour for its

[4] Global-Slavery-Index-2023.pdf (walkfree.org)

[5] TVPRA; 2024 List of Goods Produced by Child Labor or Forced Labor

suppliers. The majority of the Reporting Entities' direct suppliers of goods and services are located in North America and Europe which have a low prevalence of modern slavery according to the Global Slavery Index[6]. These relationships are governed by long-term contracts which include covenants of compliance with all applicable laws and the majority of which include specific representations and warranties that the given contracting third party does not engage in either Forced Labour and/or Child Labour within their own operations or throughout their supply chains.

Notably, Tweed continues to monitor one supplier located in Shenzhen, China which has an identifiably elevated risk of Forced Labour and/or Child Labour in its supply chain related to the manufacture of vaping products. According to the Global Slavery Index, China has a high vulnerability to modern slavery and the government's response is considered only moderately effective[7]. The nature of this risk includes an identified risk of human trafficking within the broader electronics manufacturing sector in Shenzhen and a vulnerability to risk due to the complex supply chains involved in vape production[8]. In order to address this identified risk, Tweed has engaged directly with this supplier to obtain evidence to confirm that the supplier has policies and procedures in place to identify and prevent Forced Labour and/or Child Labour in its operations and supply chains. In addition to direct contact with the supplier, we reviewed the updated 2025 Environmental, Social, and Governance ("**ESG**") report of the supplier's publicly traded (HKEX) parent company and its subsidiaries which confirmed that no new or additional risk factors have arisen during this Reporting Period in respect of this supplier. The ESG report further confirmed that the supplier's parent company and its subsidiaries have (i) policies firmly prohibiting the use of Child and/or Forced Labour; (ii) certain measures in place to reduce the risk of Forced Labour and/or Child Labour including a requirement of proof of age for all employees and strict management of employment agreements to ensure those are signed by employees on an equal, voluntary and consensual basis; and (iii) no reported instances of Forced Labour and/or Child Labour in their operations during the applicable reporting period of the ESG report. The commercial agreement in place with the supplier includes explicit covenants of and representations by the supplier agreeing and affirming that they do not and will not engage in Forced Labour and/or Child Labour in their own operations or throughout their supply chains. In addition, the supplier responded to Canopy's annual questionnaire with no flags indicating any change in the risk profile associated with this supplier. As a result, although there are risk indicators with respect to the region of the supplier's operations, the industry sector it operates in and the product its supplies to Tweed, we assess the risk of Forced Labour and/or Child Labour for this particular supplier as sufficiently mitigated and low at this time.

A significant portion of Canopy's business is focused on agricultural activities within Canada, specifically the cultivation and harvest of cannabis. All of Canopy's suppliers engaged in these activities are located in Canada which is ranked as having a low prevalence of modern slavery by the Global Slavery Index[9]. The use of migrant workers in the agricultural sector has been identified as a potential risk area with respect to the use of Forced Labour and/or Child Labour. Canopy's activities are governed by strict quality control requirements and processes pursuant to the *Cannabis Act*. In compliance with these obligations, Canopy conducts regular supplier compliance audits and physical site visits which provide an opportunity to observe firsthand whether there exists any evidence of Forced Labour and/or Child Labour practices. We audit compliance with QMS requirements on a regular basis as part of our standard operating procedures. We believe that the above measures serve to mitigate the risk of there being instances of Forced Labour

[6] Global Slavery Index
[7] Modern slavery in China | Walk Free
[8] Modern slavery in China | Walk Free
[9] Global-Slavery-Index-2023.pdf

and/or Child Labour in our cannabis cultivation supply chains.

As a result, we assess the risk of Forced Labour and/or Child Labour for our suppliers in all parts of our supply chain as low at this time.

4.1.2 Forced Labour and/or Child Labour risks in our activities and supply chains related to downstream suppliers

With respect to suppliers who supply components to our vaping devices, these suppliers are within the scope of our annual audit and reporting conducted in accordance with Rule 13p-1 (the "**Rule**") promulgated under the *Securities Exchange Act of 1934*, as amended from time to time. The Rule requires companies to publicly disclose certain information relating to their use of cassiterite, columbite-tantalite (coltan), gold, wolframite and their derivatives, which are limited to tin, tantalum and tungsten ("**Conflict Minerals**") that originated in the Democratic Republic of the Congo or an adjoining country (collectively, the "**Covered Countries**" and each a "**Covered Country**") that may be contributing to human rights abuses if those minerals are necessary to the functionality or production of a product manufactured, or contracted to be manufactured, by those companies. The Rule requires companies to audit and report whether Conflict Minerals that originated in a Covered Country exist in their supply chains. Canopy reviews supplier compliance with the Rule on an annual basis to mitigate relevant risks, including Forced Labour and Child Labour risks arising from conflict mineral extraction, and reports annually in accordance with our obligations as a U.S. reporting issuer. Canopy's annual conflict mineral reports can be found at: Conflict Minerals Report - Canopy Growth

Tweed has also increased its scrutiny of its largest supplier of medium-chain triglycerides oils ("**MCT oil**"), an oil used in the manufacturing of certain of Tweed's edible cannabis products. MCT oil is a commonly utilized component oil within dietary supplements and food products around the world. MCT oil is commonly derived from coconut oil and from palm oil. Palm oil is noted globally as a product which carries an elevated risk of labour abuses within the TVPRA List of Goods Produced By Child Labour and/or Forced Labour[10]. Tweed's primary supplier of MCT oil is based in Canada and subject to the *Act*. In order to address this identified risk of Forced and/or Child Labour within the palm oil supply to our MCT oil supplier, Canopy has reached out directly to this supplier to inquire as to their supply chain management as it relates to MCT oil. Within those communications, the supplier has pointed to their extensive ESG policy as well as their Roundtable on Sustainable Palm Oil (RSPO) certification as evidence of ongoing efforts of compliance with the *Act* and for responsible management of labour within their supply chain more generally. The commercial agreement in place with the supplier includes explicit covenants of and representations by the supplier agreeing and affirming that they do not and will not engage in Forced Labour and/or Child Labour in their own operations or throughout their supply chains. As a result, although there are risk indicators with respect to the product this supplier purveys to Tweed, we assess the risk of Forced Labour and/or Child Labour for this particular supplier as sufficiently mitigated and low at this time.

4.2 Internal Human Resources Practices

Canopy has gathered information on worker recruitment and has maintained internal controls to ensure that all workers are recruited voluntarily. Canopy currently employs approximately 1100 individuals, all of

[10] TVPRA; 2024 List of Goods Produced by Child Labor or Forced Labor

whom are located in Canada, Germany, Poland or Australia. We do not currently employ migrant workers, a workforce segment which has been identified as at potential risk of modern slavery, within our agricultural sector. Our global workforce primarily consists of skilled, qualified, and experienced individuals. All of Canopy's global operations and workforce are located in countries which are ranked as having a low prevalence of modern slavery by the Global Slavery Index[11].

In consideration of our current employee profiles and the low prevalence of modern slavery risks in the countries we operate in, together with Canopy's corporate values, policies, governance and due diligence measures in place, we consider the overall risk that our operations may utilize or contribute to Forced Labour and/or Child Labour to be low.

5. Governance and Policies

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 of our activities. Canopy's commitment to upholding human rights is enshrined in our policies, governance, and due diligence processes.

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 Corporate Governance, Compensation and Nomination Committee oversees the management of human capital, culture and conduct at Canopy, including breaches of our Business Code of Conduct and Ethics. Our Business Code of Conduct and Ethics includes the express expectation that each employee be vigilant in identifying and reporting any instance of Forced Labour and/or Child Labour identified in their daily interactions. Reports and grievances relating to violation of our Code of Business Conduct and Ethics, including, without limitation, concerns related to Forced Labour and/or Child Labour can be made directly to the Chief Executive Officer, to the Chairman of the Board, or anonymously in accordance with the Company's WhistleBlower Protection Policy, by employees and suppliers.

Our Corporate Governance Guidelines are available at: CGCN Committee Charter

Our Code of Business Conduct and Ethics can be found here: Code of Business Conduct and Ethics - Canopy Growth

Our WhistleBlower Protection Policy can be found here: WhistleBlower Protection Policy - Canopy Growth

6. Remediation Measures

During the Reporting Period, we did not identify any incidents of Forced Labour and/or Child Labour in the activities or supply chains of any of the Reporting Entities. We therefore did not need to take any measures to remediate an incident of Forced Labour and/or Child Labour. If we do identify incidents of Forced Labour and/or Child Labour within our activities or supply chains, we will consider the appropriate remediation strategies in view of the principles set forth in the *Act.*

[11] Global-Slavery-Index-2023.pdf

7. Training

Canopy's employees receive annual training on ethical topics and our policies. All new employees are assigned a mandatory onboarding training package which includes, among others, training on our Business Code of Conduct and Ethics and the WhistleBlower Protection Policy (the "**Policies**"). On an annual basis, all employees are required to certify their abidance to the Policies. During this Reporting Period we have developed and provided specific training with respect to the identification, reporting and mitigation of Forced Labour and/or Child Labour risks in our operations and supply chain to targeted audiences within Canopy.

8. Assessing Effectiveness

At Canopy, we measure effectiveness in ensuring that Forced Labour and/or Child Labour are not being used in our activities and supply chains by setting up regular reviews or audits of our suppliers and of our organization's quality control systems, policies, contracts, procedures related to Forced Labour and/or Child Labour, including training modules, and management of cases reported and resolved through the WhistleBlower Protection Policy grievance mechanism. We believe that the measures in place are effective as we have not received any reports of, or grievances in relation to, Forced Labour and/or Child Labour during the Reporting Period.

Given the timing of the Acquisition, we only had sufficient time during the Reporting Period to assess the existing practices of the MTL Group in respect of ensuring that Forced Labour and/or Child Labour are not being used in their respective supply chains, as well as to make contact directly with the limited number of suppliers which were assessed to have elevated risk factors relating to Forced Labour and/or Child Labour, as assessed by our supplier classification and audit procedure set out in section 4.1 of this Report. We are satisfied that the similarity in operations of the MTL Group with Tweed, as well as the noted direct overlap of numerous existing suppliers has meant that we have been well positioned to promptly assess the risk of Forced Labour and/or Child Labour within the MTL Group's supply chain. There will be ongoing efforts into the next reporting periods under the *Act* to ensure that all of Canopy's pre-existing measures and policies relating to Forced Labour and/or Child Labour are fully integrated into the MTL Group. This will include ensuring consistent training levels and access to targeted training for employees involved in procurement activities within the Pointe-Claire and Louiseville Quebec sites, as well as ensuring forward looking commercial agreements of the MTL Group include specific representations and warranties that the given contracting third party does not engage in either Forced Labour and/or Child Labour within their own operations or throughout their supply chains.

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.

9. Approval and Attestation

This Report was approved pursuant to subparagraph 11(4)(a) of the *Act* by the Board of Directors of each of Reporting Entities.

In accordance with the requirements of the *Act*, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this Report for the entities 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.

I have the authority to bind the Reporting Entities.

Per: ___________________________________

Full Name: Luc Mongeau

Title: CEO

Date: 31 March 2026

CANOPY GROWTH

CORPORATION