



## MODERN SLAVERY REPORT 2023 DECIBEL CANNABIS COMPANY INC.

This report (the “Report”) is a joint report provided on behalf of Decibel Cannabis Company Inc. (“Decibel”) and its subsidiaries, Decibel Labs Holdings Inc., Westleaf Labs Inc. and Westleaf Labs LP (collectively, the “Company”). This Report covers the period from January 1, 2023 to December 31, 2023 and is prepared to comply with the Canadian statute – Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”).

### INTRODUCTION

The Company appreciates that the Act is an effort to increase industry awareness and public transparency across various entities and governmental institutions doing business in Canada. As a Canadian business, doing business in Canada, the Company has a responsibility to ensure that exploitative practices are properly identified within the organization, its business, and its supply chains. Once these risks are properly identified it is imperative that the organizations and industries, including the Company and the Canadian cannabis industry address and remedy such risks, to the point that such harmful practices are removed from Canadian supply chains and those supply chains used by Canadian companies.

### COMPANY STRUCTURE

Decibel is a publicly traded company listed on the TSX Venture Exchange and is the parent company and limited partner of Westleaf Labs LP, a Canadian cannabis licensed producer and the operating subsidiary forming part of the Company. Decibel is also the parent company of We Grow BC Ltd., a Canadian cannabis licensed producer, as well as the parent company and limited partner of dB Thunderchild Cultivation LP, a Canadian cannabis licensed producer and international cannabis exporter. However, as noted above, for the purposes of this Report, information is only in respect of the Company, being Decibel and its

subsidiaries, Decibel Labs Holdings Inc., Westleaf Labs LP and its general partner Westleaf Labs Inc.

## COMPANY POLICIES

### Corporate Governance Committee and Charter

Since its inception, the Board of Directors of Decibel (the “Board”) has had a compensation, corporate governance and nominating committee (the “Governance Committee”). The Governance Committee has a charter (the “Governance Charter”), which among other things, governs, directs and provides the authority to the Governance Committee to create, implement, review and uphold all policies, programs and procedures related to the corporate governance of Decibel and its affiliates (which includes all entities comprising the Company). The Company also has a Code of Business Conduct and Ethics (the “Conduct and Ethics Code”), which is discussed in more detail below, and the Governance Charter requires that the Governance Committee communicates, interprets and applies the Conduct and Ethics Code when carrying out its duties.

### Code of Business Conduct and Ethics

The Conduct and Ethics Code provides a general overview of the Company’s expectations regarding the ethical standards that each director, officer, and employee of Decibel and its affiliates (which includes all entities comprising the Company) is required to adhere to while acting on behalf of Decibel and its affiliates. The Conduct and Ethics Code is rooted in the requirement to comply with applicable governmental laws, rules, and regulations. Specifically, all directors, officers, employees, consultants, and contractors are required to act in strict compliance with all laws and regulations applicable to the business of Decibel and its affiliates and further commit not to engage in any activities in relation to the business other than as permitted by its licenses, operating policies, and professional standards. Additionally, the Conduct and Ethics Code acknowledges that Decibel and its affiliates are engaged in a variety of business relationships with other companies, individuals, organizations, and levels of government both locally and internationally, and further requires that all such interactions be handled ethically, honestly, and with integrity, and comply with all laws, rules, and regulations governing their activities. Finally, the Conduct and Ethics Code further places a number of additional obligations on the directors, officers and employees of Decibel and its affiliates, which include but are not limited to requiring:

- the proper use of the property, information resources, and communications systems of Decibel and its affiliates;
- the assets of Decibel and its affiliates only be used for the business of Decibel and its affiliates;

- the obligation of fair dealing, which include promoting the values of honesty, integrity and fairness in the conduct of its business and sustaining a work environment that fosters mutual respect, openness and individual integrity, including in each director's, officer's and/or employee's dealings with customers, suppliers, competitors, and other third parties (including governmental agencies);
- that they not to solicit or accept any fee, commission or other compensation for referring customers to third-party vendors;
- that they not otherwise take unfair advantage of the customers or suppliers of Decibel and its affiliates, or other third parties, through manipulation, concealment, abuse of privileged information or any other unfair dealing practice; and
- the absolute prohibition of any one of the directors, officers, and/or employees (i) making false or misleading statements to customers, supplier or other third parties, (ii) making false or misleading statements about competitors, (iii) soliciting or accepting from any person that does business with Decibel or its affiliates, or offering to extend to any such person cash of any amount, and/or gifts, gratuities, meals or entertainment that could influence or reasonably give the appearance of influencing the business relationship with that person or go beyond common courtesies usually associated with accepted business practices, or (iv) contributing any corporate assets (including employee's or their time, use of the facilities or equipment of Decibel or its affiliates, or any monetary payment to any political candidate, party, political action committee or ballot measure without the permission of the Board.

### Whistleblower Policy

Decibel also maintains a Whistle Blower Policy which promotes the reporting of good-faith concerns in respect of the accuracy and integrity of Decibel's accounting, auditing and financing reporting, violations or possible violations of applicable laws (including the Act), rules or regulations and Decibel's governance policies without fear of retaliation of any kind. The Audit Committee of the Board is responsible for establishing and collecting all confidential, anonymous whistle blower submissions and is responsible for promptly investigating each complaint in order to take any appropriate corrective action.

### DUE DILIGENCE

The Company currently adheres to a number of business principles that have the effect of limiting its risk and the risk that any third parties it is doing business with contravene the Act or any applicable laws. The Company is committed to adhering at all times to its own internal

guidelines and applicable local, provincial, and federal rules, regulations, and guidelines. Additionally, prior to engaging with any third party, the Company may also:

- carryout corporate or applicable searches on the third party;
- conduct risk-related due-diligence on the third party;
- engage with reputable brokers or recruiting firms; and/or
- contract under agreements which include applicable law requirements and general integrity obligations on the third party.

## RISK ASSESSMENT

Throughout the Company's due diligence process, a variety of information is reviewed and assessed by the Company. Supply chains are mapped, and high-level risk assessments may be reviewed and discussed.

Currently, the Company's risk exposure is limited due to the following factors:

- limited reliance on third parties;
- limited dangers associated with the work;
- limited presence of migrant workers;
- limited international suppliers or third parties;
- no presence of child labour throughout any local or internal supply chains; and
- limited jurisdictional risks.

The Company's risk increases when it relies more heavily on third parties as part of its supply chain. Specifically, the Company utilizes third-party suppliers in packaging and battery manufacturing from locations outside of North America.

## FUTURE COMPLIANCE & DUE DILIGENCE

As part of the Company's future plans related to reducing the risks of forced labour and child labour in its supply chain, the Company is committed to implementing and upholding higher due diligence standards on certain areas of its supply chain. Below is an outline of steps that the Company expects to take during 2024:

- identifying and maintaining an up-to-date record of areas in its supply chain with increased risks;
- identifying specific third parties which pose or may pose a substantial risk;
- monitoring suppliers, with an increased focus on international suppliers;

- proactively providing directed questionnaires to high risk third parties as part of the onboarding process;
- training and encouraging employees and other stakeholders to identify and report concerns or risks associated with forced and/or child labour; and
- immediately reporting any identifiable and confirmed risks, while ceasing any further activities if a confirmed incident is identified after such party's engagement.

#### REMEDATION MEASURES

In connection with the Company's review and assessment of its supply chain and related activities, the Company did not identify any forced labour or child labour incidents and as a result the Company did not take any remedial measures during the period that is the subject of this Report.

The Company acknowledges that this Report was the first the Company has prepared and further accepts that continued and regular reviews and updates to its compliance and due diligence process will be required to ensure future best practices are implemented by the Company.

Should any incidents of forced labour or child labour be discovered in the Company's business or supply chains, the Company expects it would take immediate actions to not only unwind such commercial relationships as soon as practicable but also assist and support any victims of forced labour or child labour.

#### APPROVAL & ATTESTATION OF REPORT

This Report was approved by the Board by the board of each of Decibel Labs Holdings Inc. and Westleaf Labs Inc., on its own behalf and as general partner of Westleaf Labs LP on May 27, 2024.

In accordance with the requirements of the Act and in particular Section 77 thereof I attest that this Report has been approved by the board of directors of each entity included in this Report.



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Shawn Dym

Chairman of the Board, Decibel Cannabis Company Inc.

May 27, 2024

I have authority to bind the Corporation



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Stuart Boucher

Director of Decibel Labs Holdings Inc.

May 27, 2024

I have authority to bind the Corporation

*Stuart Boucher*

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Stuart Boucher  
Director of Westleaf Labs Inc.

May 27, 2024

I have authority to bind the  
Corporation

*Stuart Boucher*

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Stuart Boucher  
Director of Westleaf Labs Inc.,  
General Partner of Westleaf Labs LP  
May 27, 2024

I have authority to bind the Limited  
Partnership.