

ANDREW PELLER

— LIMITED —

Andrew Peller Limited: Modern Slavery Act Report

Introduction

Andrew Peller Limited (business number 10020 8677 RC0006), on behalf of itself, and Global Vintners Inc. (“GVI”, business number 87170 2973 RC0004) (collectively, “APL”), is pleased to share its first annual joint report (the “Report”) pursuant to section 11(1) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) for its financial reporting year ended March 31, 2024. This Report represents APL’s inaugural report under the Act.

APL strives to uphold the highest standards of legal and ethical conduct and is committed to respecting and upholding human rights in its business activities. APL fully supports the United Nations Universal Declaration of Human Rights and the ten universal principles defined in the UN Global Compact relating to human rights, labour, environment, and anti-corruption, and fully endorses the objectives of the Act.

APL is dedicated to continuous improvements in due diligence measures, ongoing monitoring, and collaboration with stakeholders to uphold the principles of dignity, equality and human rights in all aspects of its operations.

Structure, Activities and Supply Chains

Andrew Peller Limited is a leading producer and marketer of quality wines and craft beverage alcohol products in Canada. With wineries in British Columbia, Ontario, and Nova Scotia, the Company markets wines produced from grapes grown in Ontario’s Niagara Peninsula, British Columbia’s Okanagan and Similkameen Valleys, and from vineyards around the world. Andrew Peller Limited is federally incorporated under the *Canada Business Corporations Act* and the registered and head office is located in Grimsby, Ontario.

With a focus on serving the needs of all wine consumers, GVI produces and markets premium personal winemaking products and is the recognized leader in personal winemaking products. GVI is a wholly owned subsidiary of APL and is incorporated under the *Business Corporations Act (Ontario)*. Its registered and head office is located in Grimsby, Ontario.

Andrew Peller Limited and GVI are corporations, which sell and distribute goods inside and outside of Canada and import materials into Canada. Also, each of the corporations are “entities” under the Act. Andrew Peller Limited operates in the industries of agriculture, manufacturing and retail and wholesale trade. GVI operates in the industries of manufacturing and retail and wholesale trade.

- Andrew Peller Limited is publicly traded on the Toronto Stock Exchange (TSX: ADW.A / ADW.B). Andrew Peller Limited controls GVI as GVI is a wholly owned subsidiary of Andrew Peller Limited.
- GVI has a place of business, does business, and has assets in Canada and meets two of the three size-related conditions for its two most recent financial years: it has at least \$20 million in assets and has at least \$40 million in revenue.

APL's purchasing decisions and selection processes are rigorous and key considerations when choosing suppliers include, but are not limited to, product quality, technical specifications, prices, delivery time and terms, reliability of the suppliers, and environmental considerations. All grapes used for production are proudly grown and harvested in Canada. Raw materials, including wine, juice, grains, spirits, concentrates, glass bottles and other packaging materials are sourced from a wide range of suppliers around the world (including the United States, Australia, Chile, Spain, Italy and China).

APL has taken the following steps to prevent and reduce the risk of forced and child labour in its supply chains:

- ***Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced and/or child labour in the organization's activities and supply chains:*** APL's Supplier Code of Conduct and Supplier Quality Manual (collectively, the "Supplier Codes") require suppliers to adhere to high standards of ethical conduct, including preventing modern slavery in suppliers' activities and supply chains.
- ***Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced and/or child labour in their activities and supply chains:*** APL's Supplier Codes prohibit the use of unlawful forced or child labour in the manufacture of products it sells and will not accept products or services from suppliers, subcontractors, or business partners that employ or utilize forced or child labour in any manner.
- ***Developing and implementing child protection policies and processes:*** APL's Supplier Codes prohibit child labour, specifically requiring direct suppliers to have reached at least the minimum employment age set by national law or by International Labour Organization ("ILO") Convention 138, whichever is higher. ILO Convention 138 provides that the minimum employment age should be not less than the mandatory schooling age of the country in which the individual is employed and, in any case, not less than 15 years (except for certain developing countries, where a minimum age of 14 years is applicable) subject to permitted exceptions set by national law.
- ***Developing and implementing anti-forced labour and/or anti-child labour contractual clauses:*** APL's Supplier Codes specifically prevent the use of both forced and child labour.
- ***Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists:*** APL's Supplier Codes promote ethical business conduct and the advancement of human rights. The Supplier Codes outline APL's commitment to the adherence of all international, national, and local laws and standards relating to employment, environmental, purchasing and manufacturing practices and expects suppliers to strive towards reducing any potential risk to employees and to provide them with safe and healthy working conditions.
- ***Auditing suppliers:*** APL's Supplier Codes provide APL with the right to audit suppliers with full access to information such as collective agreements, minutes of meetings with workforce representatives and supplier information.

- ***Developing and implementing training and awareness materials on forced labour and/or child labour:*** APL has implemented mandatory onboarding training on the Supplier Codes, which covers forced and child labour policies, for employees making purchasing or contracting decisions.
- ***Engaging with supply chain partners on the issue of addressing forced and child labour:*** APL proactively engages potential suppliers to discuss the potential supplier's compliance with international, national, and local laws and standards. As part of these conversations, the Supplier Codes are presented to the potential supplier at the outset of the business relationship for certification.

Policies and Due Diligence Processes

APL's governance standards form the foundation of its policies to proactively identify and address emerging and existing risks of forced and child labour. APL recognizes the inherent risks of modern slavery within global supply chains and understands that complex networks can conceal exploitation, making it imperative for businesses to remain vigilant. As part of APL's dedication to ethical sourcing and business practices, it acknowledges the importance of addressing these risks.

With every new vendor relationship, APL requires in-depth reviews, assessments, and signed certification of the Supplier Codes. Through audits and ongoing monitoring, APL can actively identify and mitigate the risk of modern slavery in its supply chains. APL's current policies and due diligence processes embed responsible business conduct into its policies and management systems.

Employee Code of Business Conduct & Ethics

APL's Employee Code of Business Conduct & Ethics (the "Employee Code") is reviewed and updated regularly and applies to all subsidiaries, employees, and contract workers. Every team member is subject to the policies included in the Employee Code and must acknowledge and confirm that the Employee Code has been read in a timely manner on a recurrent basis.

The Employee Code recognizes APL's responsibility to respect and protect the human rights of associates, customers, and partners. The Employee Code outlines standards to provide a safe and respectful work environment and is drafted to meet or exceed the standards set out in the applicable human rights legislation in force in all of the provinces where APL operates.

Additionally, the Employee Code includes a health and safety policy and respect in the workplace policy, which commits to providing and maintaining a health work environment that is based on respect for the dignity and rights of everyone in the organization.

The Employee Code provides various reporting mechanisms for team members to address ethical or legal violations, as well as other concerns, including requiring all team members to report any suspected behaviour that could be a breach of the Employee Code to a manager, member of the executive team or to the People and Culture team. APL also engages a third party, independent service to provide employees with an anonymous and confidential workplace ethics reporting hotline. In the event of non-compliance, APL will work to develop and implement a corrective plan to remedy the situation.

Supplier Codes of Conduct

APL's Supplier Codes commits to conducting business on ethically and environmentally-sound principles, and in compliance with industry standards and all applicable laws and standards. The Supplier Codes insists on those same standards for all suppliers, both in Canada and internationally.

In addition to complying with all applicable laws and standards, suppliers must meet APL's specifications regarding (i) quality, safety and environmental compliance for all products and services; (ii) workplace standards; and (iii) general ethical business practices. Subcontractors also need to comply with the requirements of the Supplier Codes.

Regarding supplier workplace standards, the Supplier Codes explicitly prohibit forced labour and child labour for all suppliers:

“APL will not tolerate the use of unlawful forced or child labour in the manufacture of products it sells and will not accept products or services from suppliers, subcontractors, or business partners (collectively referred to as “suppliers”) that employ or utilize forced or child labour in any manner.

APL's other direct suppliers shall not employ or utilize in any manner any individual below the minimum employment age set by national law or by ILO Convention 138, whichever is the higher. ILO Convention 138 provides that the minimum employment age should be not less than the mandatory schooling age of the country in which the individual is employed and, in any case, not less than 15 years (except for certain developing countries, which a minimum age of 14 years is applicable), subject to permitted exceptions set by national law.”

APL recognizes that the Act defines child labour as labour or services provided or offered by persons under 18 years old and that (a) are contrary to the laws applicable in Canada; (b) are provided under mentally, physically, socially or morally dangerous circumstances; (c) interfere with their schooling; or (d) constitute the worst forms of child labour, as defined in the Worst Forms of Child Labour Convention, 1999. APL will consult industry professionals and consider revisions to the Supplier Codes. There may be instances where employing individuals under 18 years of age is acceptable, depending on the circumstances, and APL may revise its policies to clarify these instances.

All suppliers must review the Supplier Codes and must agree to compliance, either by completing a form or signing an agreement with APL which incorporates the Supplier Codes.

The Supplier Codes provide for periodic monitoring and verification of supplier compliance, including, but not limited to, providing reasonable access to facilities, collective agreements, minutes of meetings with workforce representatives and supplier information. It is policy to give advance notice of intent to conduct an audit or inspection, however, APL reserves the right to conduct unannounced audits. In the event that a supplier fails to comply with, or promptly remedy, an infraction of the Supplier Codes, APL may cancel purchase orders or terminate contracts or business relationships with such suppliers.

Forced Labour and Child Labour Risks

APL acknowledges the complexity of its supply chain, which encompasses multiple corporations and involves numerous domestic wholesalers and importers. While APL strives for transparency and accountability throughout its operations, APL recognizes the challenges posed by the lack of visibility into the supply chains of such entities. APL has mitigated this risk through the Supplier Codes, which prohibit suppliers from utilizing forced and child labour and contains an audit mechanism for assessing suppliers' compliance.

In addition, APL has identified risks of forced and child labour in its activities and supply chains in the following areas that carry a risk of forced and child labour in its activities and supply chains:

- **The type of products it produces, purchases, or distributes:** the agriculture industry is known to carry risk of forced and child labour. As such, APL mitigates this risk by requiring suppliers to sign and adhere to the Supplier Codes and permit audits.
- **Tier three suppliers:** APL has struggled to monitor suppliers beyond tier two and is currently considering opportunities for improvement.

Remediation Measures

APL has not identified any instances of forced or child labour in its activities and supply chains and thus has not undertaken any remediation measures.

Remediation of Loss of Income

Given that no instances of forced or child labour have been identified in APL's activities or supply chains, APL has not identified any loss of income to the most vulnerable families resulting from any measure taken to eliminate the use of forced or child labour, and thus has not undertaken any steps to remediate any loss of income.

Training

APL has implemented mandatory onboarding training of the Supplier Codes, which cover forced and child labour policies, for employees making purchasing or contracting decisions.

APL provides training to support the principles in the Employee Code, including abiding by the highest standards of ethics and human rights. This training is provided as part of onboarding and is reinforced throughout employment. Whether through formal, informal, or social channels, APL's training programs are designed to equip employees with the skills they need to conduct themselves in the most respectful, safe, and fair manner and to uphold the principles of the Employee Code. To support the policies outlined in the Employee Code, APL's policies include, among other topics, Diversity, Equity, Inclusion and Belonging, Corporate Health and Safety, Privacy and Respect in the Workplace.

Assessing Effectiveness

APL's enterprise risk management framework requires risk management and mitigation procedures to be reported to the Audit Committee at least annually. The Audit Committee also reviews the effectiveness of APL's controls to ensure compliance with laws and regulations and assess whether

the policies properly address issues. Whistleblower complaints are reviewed by the Chair of the Audit Committee, who provides oversight for any investigations for possible fraud or illegal acts.

APL is committed to taking proactive steps to mitigate the risk of modern slavery within its supply chains to align with best industry practices and policies in its attempt to combat forced and child labour. APL commits to actively and regularly engaging with its domestic and international partners to encourage transparency, promote ethical standards and advocate for responsible sourcing practices.

Signed Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above.

Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

DATED as of May 31, 2024

I have the authority to bind Andrew Peller Limited and Global Vintners Inc.

by



Name: Paul Dubkowski
Title: Chief Financial Officer