



**REPORT UNDER THE FIGHTING AGAINST
FORCED LABOUR AND CHILD LABOUR
IN SUPPLY CHAINS ACT**

FINANCIAL YEAR ENDED DECEMBER 31. 2023



Application

This report, prepared pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada) (the “Act”), pertains to BEACN Wizardry & Magic Inc. and its wholly owned subsidiary, Beacon Hill Innovations LTD. (collectively, “BEACN”, the “Corporation”, “we” or “us”).

The above-mentioned entities hereby report to the Minister of Public Safety and Emergency Preparedness on the steps taken during their previous financial year ended December 31, 2023 to prevent and reduce the risk that forced labour or child labour is used at any step of the production of their goods, in Canada or elsewhere, or of goods imported into Canada thereby.

Measures to Prevent and Reduce the Risks of Forced Labour and Child Labour

Over the past financial year, we implemented several actions to prevent and reduce the risk of forced labour or child labour in our operations and supply chains:

- In 2023, we updated our Supplier Code of Conduct to ensure it applies to all suppliers, including new suppliers engaged during that fiscal year.
- We continued to adhere to our policies by performing reasonable due diligence on potential suppliers before formalizing contracts.
- We provided training to employees on our corporate responsibility strategy, focusing on the initiatives and programs currently in place.

Structures, Activities and Supply Chains

BEACN is a leading disruptor and audio innovator in the content creation and gaming industry. Our talented team creates from-the-ground-up technology and software solutions that help gamers, live-streamers, podcasters, and content creators produce studio-quality content to share with anyone, anywhere.

BEACN is creating an ecosystem of content creator peripherals with BEACN Mic, the world’s most powerful microphone, BEACN Mix, an intuitive audio controller, and BEACN Mix Create, an inventive mixer for content creators.

BEACN sells physical product in North America, Europe, UK, and the rest of the world via a network of 3PL D2C warehouses and, direct relationships with retail outlets and via distributors.

BEACN designs, sources the manufacturing and then manages the distribution for sale to retailers, distributors and end users. Located in Victoria BC, BEACN has a staff of 12 who manage the design, engineering and sales of the products.



Policies and Due Diligence Processes

a. Corporate Procurement Policy

Our goal is to ensure that all goods and services are acquired through a competitive bidding process that aligns with our ethical standards. We believe that having a centralized policy enhances visibility throughout our procurement process and ensures consistent application of our policies and procedures.

A key principle of this policy is the selection of suppliers and business partners whose practices align with BEACN's responsible procurement approach. According to these guidelines, selecting any strategic supplier involves an evaluation that includes various qualitative and quantitative criteria, particularly the supplier's adherence to environmental, social, and governance (ESG) standards.

b. Code of Ethics

Our company has adopted values that will allow us to achieve our growth objectives while also promoting general workplace well-being. These values must be upheld by each and every one of us. Management cannot, therefore, tolerate any conduct that contravenes these company values.

c. Supplier Code of Conduct

We endeavor to choose suppliers that align with our Code of Ethics. The goal is to ensure that each provider can adhere to the principles and requirements that govern our business practices. We provide suppliers with our CoE, and we expect our providers to ensure the same from their partners, suppliers, personnel, and subcontractors.

Suppliers are required to assess the risks of child labour in their supply chains and take appropriate measures to eliminate any detected child labour from their activities. We reserve the right to request additional information from our suppliers to manage and monitor compliance with the code. We commit to assisting suppliers in resolving compliance issues and may take various actions, including terminating the business relationship with non-compliant suppliers. To date, such actions have not been required.

Determining the Risk of Forced Labour or Child Labour

a. Among Our Personnel

We believe the risk of forced labour or child labour among our personnel is negligible. Our Board of Directors and Human Resources oversee the application of our human resource policies. Our recruiting processes ensure compliance with current standards in Canada, where most of our personnel are based.

b. Within Our Supply Chains

We acknowledge that there may be a risk of forced labour at various levels of our supply chain. Currently, the processes in place within the Corporation to determine the risk of



forced labour or child labour are limited to the personnel of BEACN Wizardry & Magic, its subsidiaries, and its first-level suppliers. BEACN has endeavored to engage first-level suppliers whose corporate values include ethical supply chain management.

Regarding the services offered by Beacon Hill Innovations LTD., we assess the risk of forced labour or child labour as minimal with our direct suppliers. For certain types of goods and services, the risk increases with suppliers and subcontractors further down the supply chain. Identifying the risk for these indirect suppliers, over whom we have limited control and visibility, can be complex and fall outside of reasonable scope for a company of our size.

Steps Taken to Assess and Manage the Risk Identified in Our Operations and Supply Chains

The supply of goods and services is governed by operating philosophies and principles that guide our strategies and practices, aligning with our global growth plan. We have a duty to use our influence to combat forced labour and child labour. However, all members of the supply chain also have a role to play. We rely on the cooperation of all our suppliers and expect them to meet the highest standards of quality and ethics, as defined by BEACN.

We emphasize close collaboration between key supply stakeholders to ensure compliance and effective risk prevention via:

a. Contractual Clauses

In addition to the requirements described in our Code of Ethics, our signed agreements with service providers include a standard clause requiring suppliers support the fight against child exploitation. Actions may be taken against any client or personnel that breach these commitments.

b. Audits/Visits

We conduct due diligence before entering into an agreement with a new supplier. This due diligence may include, where appropriate, a visit to the supplier's premises. Although the primary goal of these visits is not to detect forced labour or child labour practices, the individuals conducting these visits may report any suspicious practices, allowing us to take appropriate actions.

Remediation Measures

In the last financial year, we did not identify any incidents of forced labour or child labour in our activities or supply chain. Therefore, no remediation measures were necessary. If we do identify incidents of forced labour within our activities or supply chains, we will implement appropriate remediation strategies in compliance with international standards.



Continuous Improvements and Prospective Interventions

Our responsible sourcing mechanism is a priority within corporate responsibility strategy. We recognize our responsibility as an international entity and are committed to taking the necessary actions to ensure all players in our supply chain contribute positively to social impact.

BEACN will continue to assess all suppliers and their risk of engaging or supporting forced labor or child labor, including potential site visits, requests for sub-supplier reports where available, and further examination of existing practices to identify any areas of increased risk.


Approval and Attestation

This report was approved by the Board of Directors of BEACN Wizardry & Magic Inc. as a joint report of BEACN Wizardry & Magic Inc. and Beacon Hill Innovations LTD. for the financial year ended December 31, 2023, in accordance with subparagraph 11(4)(b)(i) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I hereby attest that I have reviewed the information contained in the report for the entities listed above. To the best of my knowledge, and after having exercised due 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.



Craig Fraser
CEO, BEACN Wizardry & Magic Inc.



Daniel Davies
CTO & President, BEACN Wizardry & Magic Inc.

I have the authority to bind BEACN Wizardry & Magic Inc. and Beacon Hill Innovations LTD.

