



Corby Spirit and Wine Limited

Modern Slavery Act Report

Fiscal Year 2023

1. Introduction

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) requires that an entity report upon the steps taken during the previous fiscal year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity. This is a joint report for Corby Spirit and Wine Limited (“Corby”), its parent company Hiram Walker & Sons Limited (“Hiram Walker”), and certain of Corby’s subsidiaries¹ which have an obligation to publish a report under the Act (collectively, “Corby and Hiram Walker”). This report describes steps taken by Corby and Hiram Walker in the fiscal year ended June 30, 2023.

Corby, as a majority-controlled Pernod Ricard S.A. (“Pernod Ricard”) subsidiary, and Hiram Walker, as a wholly-owned Pernod Ricard subsidiary, substantially rely upon the efforts of Pernod Ricard, for the purposes of managing and monitoring supply chain operations and compliance programs. Pernod Ricard is a world leader in the spirits and wine industry, renowned for its premium products, commitment to diversity and inclusion, and promotion of responsible alcohol consumption. Within this document, Pernod Ricard and its affiliates are denoted as the “Group”.

Corby and Hiram Walker align with Pernod Ricard's values of quality, sustainability, and responsible business practices. We recognize our responsibility to respect and protect the human rights of all people who support and intersect with our business, comprised of colleagues and employees in our production facilities and workers, including migrant and temporary labourers, in our supply chain network. Our customers trust that the products we offer come from suppliers that provide safe, fair, and ethical working conditions for workers; this expectation is addressed in our Code of Business Conduct, the Group’s Global Human Rights Policy and the Supplier Standards.

2. Structure, Activities and Supply Chain

1. Structure

Established in 1859, Corby is a leading Canadian manufacturer, marketer and distributor of spirits, wines and ready-to-drink beverages (“RTDs”). We own or represent many of the 25 top-selling brands in the country. In addition to sales across Canada, Corby products are also exported for sale to the United States (the “US”), Europe and other international markets. Corby is a publicly traded company based in Toronto, Ontario, and listed on the Toronto Stock Exchange under the trading symbols CSW.A and CSW.B. We are affiliated with Pernod Ricard, a global leader in the spirits and wine industry. This partnership has helped expand our portfolio, strengthen our operations and buying power, and leverage international know-how and best practices for the benefit of all Corby stakeholders. Through acquisitions, Corby owns three operating subsidiaries: Ace Beverage Group Inc. (based in Toronto, Ontario), Ungava Spirits Co. Ltd. (based in Cowansville, Quebec), and The Foreign Affair Winery Ltd (based in Niagara, Ontario).

Established in 1858, Hiram Walker is a subsidiary of Pernod Ricard and holds a majority interest in Corby. Hiram Walker is a leading Canadian manufacturer of spirits, with a tradition of blending quality ingredients, processes and highly skilled people that continues at the Windsor, Ontario based production facility. Hiram Walker’s customers are located in Canada, the US, and other international markets.

2. Activities

- a. As a leading Canadian manufacturer, marketer, and distributor of spirits, wines and RTDs, Corby derives its revenues predominantly from the sale of its owned-brands, as well as earning

¹ Corby Spirit and Wine Limited’s subsidiaries included in this report are: Ace Beverage Group Inc.

commission income from the representation of selected non-owned brands in Canada. Corby sources more than 90% of its spirits production requirements from Hiram Walker at its production facility in Windsor, Ontario. Corby's wholly-owned subsidiary, Ungava Spirits Co. Ltd. operates the Cowansville, Quebec production facility. Corby's wholly-owned subsidiary, The Foreign Affair Winery Ltd., operates the winery and vineyard, based in Ontario's Niagara region. Corby's 90%-owned subsidiary, Ace Beverage Group Inc., develops product recipes in-house at its innovation lab in Toronto, Ontario and partners with various third-party manufacturers across Canada for its production requirements. The company's remaining production requirements have been outsourced to various third-party manufacturers², including in the United Kingdom ("UK"). The UK site blends and bottles Lamb's products destined for sale in countries located outside North America. Hiram Walker is a leading Canadian manufacturer of spirits and spirit-based products with sales to customers located both inside and outside Canada. Hiram Walker has interests in a number of privately-held subsidiaries located in Canada, the US and internationally.

- b. In most provinces, Corby's route to market in Canada entails shipping its products to government-controlled liquor boards. The liquor boards then sell directly, or control the sale of, beverage alcohol products to end consumers. Exceptions to this model include Alberta, where the retail sector is privatized. In this province, Corby ships products to a bonded warehouse that is managed by a government-appointed service provider who is responsible for warehousing and distribution into the retail channel. Other provinces have aspects of both government-controlled and private retailing, including British Columbia, Saskatchewan, Ontario, Manitoba and Quebec.
 - c. In addition to a focus on efforts to open new international markets, Corby's international business is concentrated in the US and the UK, and the company has a different route-to-market for each. For the US market, Corby manufactures its products in Canada and ships to third-party US distributors. For the other international markets, Corby products are distributed by Pernod Ricard affiliates or third-parties.
3. *Supply Chain*
- a. Corby and Hiram Walker, in collaboration with Pernod Ricard, strategically manage their supply chains to source a diverse range of products, including exclusive brand offerings. With a focus on quality and innovation, Corby collaborates with Hiram Walker and third-party vendors to develop and manufacture products that align with its brand portfolio.
 - b. The sourcing activities encompass a network of suppliers across various countries. Through meticulous sourcing practices and partnerships, Corby and Hiram Walker ensure the availability of premium products that meet the expectations of its discerning customers and consumers.

3. Company policies and due diligence processes in relation to forced labour and child labour

Corby, Hiram Walker and Pernod Ricard have established several policies including codes of conduct, stringent compliance standards, and a robust governance framework for employees and suppliers.

1. *Code of Business Conduct and the Group's Global Human Rights Policy*

- a. Corby and Hiram Walker's approach to human rights encompasses the prevention of forced labour and child labour, as outlined in the [Code of Business Conduct](#) (the "Code") and [Global](#)

² To the company's knowledge, its UK manufacturer complies with the UK modern slavery reporting requirements.

[Human Rights Policy](#) for colleagues and suppliers, which are publicly available to ensure transparency and accountability. These governing documents articulate the companies' responsibilities and expectations in upholding human rights standards across their operations and supply chains. Specifically, section 1.7 of the Global Human Rights Policy addresses child labour by prohibiting the employment of individuals below the legal working age, and section 1.8 prohibits any form of forced labour, ensuring that all work is voluntary and employees have the freedom to leave their employment.

- b. Corby and Hiram Walker are committed to safeguarding human rights, underpinned by a strong commitment to ethical practices and a pledge to foster a safe and inclusive environment for all stakeholders involved in their value chains. The Group's Global Human Rights Policy is guided by internationally recognized standards, including:
 - Universal Declaration of Human Rights;
 - United Nations Guiding Principles on Business and Human Rights ("UNGPs"); and
 - International Labour Organization eight fundamental conventions.

2. *Supplier Standards*

- a. All suppliers are required to sign [Supplier Standards](#) as part of the supplier engagement and compliance process for Corby and Hiram Walker. These standards outline the companies' expectations and guidelines for suppliers regarding forced labour and child labour. These standards apply to all suppliers, including domestic and international producers, manufacturers, agents, brokers, and other third-parties engaged in business with Corby, Hiram Walker and Pernod Ricard. By engaging in business with us, suppliers and related parties are required to adhere to the Supplier Standards, affirming their commitment to compliance with all applicable laws, including regulations concerning forced labour and child labour. The Supplier Standards emphasize the importance of upholding worker rights and protections, with a specific focus on prohibiting child labour, forced labour, and human trafficking. Additionally, suppliers are expected to prevent any forms of discrimination, intimidation, abuse, harassment, or violence against workers. Compliance with laws regarding workers' freedom of association and collective bargaining rights, including fair compensation and working hours, is also mandated by the Supplier Standards.
- b. The Supplier Standards are overseen by the applicable Sustainability & Responsibility ("S&R") and Procurement Departments at Corby, Hiram Walker and Pernod Ricard, with reviews and updates as needed, to ensure alignment with our commitment to ethical business practices and compliance with international standards and regulations.

3. *Focus on Corby and Pernod Ricard's own employees and operations*

In fiscal year 2021, Pernod Ricard launched an assessment questionnaire through its Human Resources network to embed a UNGPs approach. The assessment focused on the Group's own employees and internal practices. In addition, an independent external country-level screening and mapping of potential human rights risks was conducted in parallel. With these two tools, the goal was to help affiliates raise awareness on human rights related risks, identify gaps in relation to the eight commitments to the Group's employees in the Human Rights policy and develop appropriate action plans. Overall, the findings demonstrated the implementation of several best practices.

4. *The Blue Source Process; Group approach to responsible sourcing*

- a. The Blue Source process is implemented throughout the Group to apply responsible procurement strategy locally, including at Corby and Hiram Walker.
- b. All suppliers are required to sign the Supplier Standards (discussed above), which were updated in 2019. Corby, Hiram Walker and Pernod Ricard will suspend dealings with any direct suppliers (wet and dry goods) and key indirect suppliers (point-of-sale (“POS”)) who fail to sign the updated version or fail to provide an equivalent commitment.
- c. The Blue Source process provides a risk-mapping tool for each affiliate to identify which suppliers (wet and dry goods; POS) and subcontractors should be assessed according to set criteria regarding: production or service; size; country footprint; net sales; dependence of the supplier on the affiliate; annual expenditure; critical nature of the product; and social, environmental and supply chain risks of the supplier. Supplier risks are reviewed periodically (every three years for low-risk suppliers, two years for medium-risk and every year for high-risk suppliers).
- d. The Group asks for reassessments of its high and medium-risk suppliers to identify areas for improvement and review the effectiveness of action plans. Such reassessments include a sustainability assessment using the EcoVadis platform around four key topics: environment, labour, ethics and supply chain; social and ethical audit standards in line with the SMETA (Sedex Members Ethical Trade Audit) standards, and any other similar audits covering the same criteria of analysis.

5. *Risk Mapping of Priority Agricultural Sourcing*

- a. To manage risks within agricultural supply chains, address its duty of care and achieve its ambition of nurturing terroirs, the Group has implemented a three-level action plan. The action plan helps with the mapping of the various terroirs to achieve traceability, assess environmental and social risks to these terroirs, and implement sustainability programmes, according to their level of importance. Since fiscal year 2021, 60 terroirs have been identified as strategic priorities under the action plan as they account for the largest share of Group annual purchases (92% of annual spend) and represent key raw materials. All terroirs so identified have been subject to a full risk-mapping analysis exploring environmental and social issues. As part of the Group, Corby and Hiram Walker participate to ensure a detailed risk mapping of all key raw materials. This risk mapping process allows the company to assess environmental and social issues which includes the potential risk of forced labour and child labour occurrences, enabling targeted interventions and risk mitigation measures to be implemented effectively.
- b. To this end, the Group aims to certify all its key raw materials according to recognised sustainability standards. The Group developed a benchmarking tool to help select the best standards, in line with its [Sustainable Agriculture Key Principles](#), while also allowing affiliates to develop their own standards with their local partners to best account for local specificities. All chosen standards must undergo verification by third-parties and are selected to cover most of the high and medium-risks identified through terroir risk mapping. During fiscal year 2023, the Group worked with its terroirs to identify tailored certifications, taking into account local cultures, work habits and the potential for transforming practices. Moreover, the Group updated and published its Sustainable Agriculture Key Principles. This document guides all affiliates with a set of best practices related to landscape management, biodiversity, plant health and soil life, water, human rights, and relations with suppliers. It also covers all the various contexts and agricultural systems as part of a continuous improvement process.

6. *Partnerships for human rights*

- a. From fiscal year 2018 to fiscal year 2022, the Group contributed to the United Nations' Global Compact's Decent Work in Global Supply Chains Action platform, an alliance of companies committed to upholding human rights and fundamental labour rights and principles. These companies work through their supply chains, taking collective action to foster decent work conditions. This partnership has informed and contributed to the Group's own endeavours regarding the sustainability of its supply chain.

7. *Whistleblowing Mechanism*

- a. Corby and Hiram Walker maintain mechanisms such as a whistleblower program, [Speak Up platform](#), to address any breaches of policies or unethical conduct, underscoring our commitment to integrity and accountability in all business practices.
- b. The Speak Up platform plays a crucial role in fostering a culture of trust and transparency within our organizations. The Speak Up platform, calls on all employees and stakeholders to report any ethical concern as they may relate to practices or situations deemed contrary to, or inconsistent with the Code, associated policies, or any laws or regulations. Managed by the Legal and Compliance teams, Speak Up is a Group-wide system, which provides stakeholders a safe and confidential channel to report potential misconduct. It is hosted by an independent third party and available 24/7. Reports deemed to have been filed in good faith are investigated. If the allegations are deemed to be substantiated, the applicable company examines their severity and issues recommendations as to the appropriate mitigation, remediation and/or disciplinary measures against the offending party. Moreover, the Group has a zero-tolerance policy regarding retaliation against parties who, in good faith, have reported misconduct, made an allegation, or supported an investigation. The Group has led dedicated workshops on how to manage whistleblowing cases and conduct investigations. Such efforts are complemented by communications campaigns to raise awareness and educate employees on what can be reported and how alerts are processed.

8. *Contractual provisions*

Corby's Legal department maintains comprehensive records of all contractual agreements and parties on behalf of both Corby and Hiram Walker. The majority of supplier contracts include provisions for compliance with laws, enforcement, audit rights, and termination clauses in case of a material breach of contract. With minor exceptions, such provisions are typically included in new supplier contracts and renewals of contracts with existing suppliers.

9. *Disciplinary and corrective measures*

1. *Zero-Tolerance Policy*

- i) Should a breach of the Code be confirmed following an internal investigation, a wide range of remediations and mitigating measures may be decided by management, including disciplinary sanctions on any employee responsible for such misconduct. The Group promotes a zero-tolerance policy regarding breaches of internal rules and values and may – in accordance with local labour laws - decide to apply sanctions up to termination of employment.

2. *Supply Chain*

- i) As part of the Supplier Standards process, the Group has established mechanisms to address issues of forced labour and child labour effectively. Reports of violations related to supplier standards may be received through various channels, including supply chain audits, internal reporting systems including the Speak Up platform, external stakeholders, or media sources.

The Group's Supplier Standards mandates suppliers to actively monitor and uphold compliance with the stipulated standards across their operations and related entities. Suppliers are obligated to share the Supplier Standards with all relevant parties and promptly report any instances of non-compliance to designated channels within Pernod Ricard.

- ii) Upon receiving reports of violations, the cases are escalated to the Compliance department for further investigation and action as necessary. In cases where a supplier fails to adhere to the Supplier Standards, the Group reserves the right to enforce corrective measures. If a supplier persists in non-compliance or fails to implement corrective actions, the Group may decide, at its discretion and without further obligation, to suspend or terminate its relationship with the supplier, either partially or entirely.

3. Risk of forced labour or child labour being used and the steps we have taken to assess and manage that risk

Corby, Hiram Walker and Pernod Ricard recognize the inherent risks of forced labour and child labour within our global supply chains. Specifically, in sourcing goods from a supplier (wet and dry goods; POS; etc.), there is potential for risk of forced labour and child labour at processing facilities, plants, farms, vineyards, packing or other facilities, in addition to the transportation of the goods.

In fiscal year 2023, as part of the Group, Corby and Hiram Walker implemented various measures to prevent and reduce the potential risk of forced labour or child labour within their operations and supply chain globally. These actions align with the companies' commitments to uphold human rights standards and ensure ethical practices throughout their business activities.

1. Governance

- a. Corby and Hiram Walker uphold a robust governance framework to ensure the effective implementation of ethical and sustainability initiatives. Oversight at the executive level is integral, with dedicated structures, such as a Legal department overseeing compliance, regulatory adherence and ethical practices. A specialized S&R Steering Committee and Supply Chain department play key roles in driving Corby and Hiram Walker's commitment to responsible business practices. Board-level supervision is provided by the Audit and Corporate Governance & Nominating Committees of Corby's Board of Directors and the Hiram Walker Board of Directors, tasked with overseeing enterprise risk management and regulatory compliance, amongst other things.

2. Awareness-Raising and Training:

Corby and Hiram Walker are dedicated to ensuring that employees are well-informed and trained to recognize and address issues related to environmental, social and governance ("ESG"), including forced or child labour within our operations and supply chain (see section 7 below for more information).

3. *Supply Chain Audits and Human Rights Assessments:*
 - a. The Blue Source process (described above) is used throughout the Group for affiliates to apply a responsible procurement strategy locally within their supply chain. The Group has conducted assessments through its Human Resources' network to help affiliates raise awareness, identify gaps in human rights policy and develop appropriate action plans.
4. *Tracking and Monitoring:*
 - a. Pernod Ricard has continued to raise awareness, communicate, and monitor its integrity reporting mechanisms, such as the Speak Up platform, to encourage employees to report any concerns related to ethical practices, including forced labour or child labour. Visual guidance and communication materials have been displayed across various company locations to emphasize the importance of reporting any violations.

4. Remediation of forced labour or child labour and loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains

There have been no identified instances of forced labour or child labour in our activities or supply chain, nor any identified/reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of such forced labour or child labour. We have therefore not taken any measures to remediate these issues during the fiscal year ended June 30, 2023.

5. Training provided to employees on forced labour and child labour

Corby and Hiram Walker are dedicated to ensuring that employees are well-informed and trained to recognize and address issues related to ESG, including forced or child labour within our operations and supply chain. The companies' commitments to human rights and ethical practices are embedded in the Code and Supplier Standards. As a global organization, Pernod Ricard entrusts its affiliates to adopt and promote these policies, with internal audit teams conducting evaluations during affiliate visits.

- a. The Code and related mandatory training course were refreshed in May 2023 to train employees through a 'learning by doing' approach. Employees across all Pernod Ricard entities, including Corby and Hiram Walker, were required to complete their Code training and confirm their compliance with the Code by end-December 2023. It also forms a mandatory part of the on-boarding process for new employees. The Code refers to the Group's Global Human Rights Policy, Supplier Standards and S&R Strategy and discusses working responsibly with third-parties, emphasizing the importance of respecting human rights and prohibiting forced labour and child labour practices within the organizations and their supply chains.
- b. In fiscal year 2022, the Group developed and promoted an internal video dedicated to human rights, related topics and various different Group tools to raise employee awareness. The video also promoted an e-learning course developed jointly by the UN Global Compact and the Office of the UN High Commissioner for Human Rights. Composed of four interactive, 30-minute modules, this course helps key functions to operationalise the UNGPs to help identify, prevent, mitigate and account for its human rights impact.
- c. As part of its Responsible Procurement process, Pernod Ricard makes several training tools available to employees in the procurement function. A mandatory "Responsible Procurement" e-learning

which includes human rights topics, was launched in 2022. This e-learning is an integral part of the "iGrow Procure Program" which is a mandatory program over several months intended to upskill the procurement function and create a strong "PR Procure" community. The Responsible Procurement e-learning indicates what actions employees can take to mitigate risks with their suppliers. For example, Pernod Ricard offers an online learning module covering all fundamental aspects of S&R applied to procurement, which includes interactive explanations of what "buying responsibly" means, why it is an important topic for the Group and how the employees can practice responsible procurement locally. In addition, other trainings are offered in various formats throughout the year, including individual calls with procurement teams, specific workshops and seminars to strengthen Pernod Ricard's affiliates adoption of the Blue Source process (described above).

- d. Other S&R related e-learning are available to all employees with some being mandatory depending on the topic (for example, "Sustainability & Responsibility", "Health & Safety – Duty of Care", "Climate Change", "Sustainable Packaging", "Nurturing Terroir").

6. Effectiveness assessments to ensure that forced labour and child labour are not being used in our business and supply chains

To reduce and prevent the risk of forced and child labour within our operations and supply chains, we assess the effectiveness of our actions to continuously improve our human rights program.

1. Assessments/Audits

The Group conducts reassessments of its high and medium-risk suppliers to identify areas for improvement and review the effectiveness of their action plans. Such assessments include: sustainability assessment using the EcoVadis platform around four key topics: environment, labour, ethics and supply chain; social and ethical audit standards in line with the SMETA (Sedex Members Ethical Trade Audit) standards and any other similar audits covering the same criteria of analysis. Please see section 3 for further details.

2. Supply Chain Audits and Human Rights Assessments

The Blue Source process (described above) is used throughout the Group for affiliates to apply a responsible procurement strategy locally within their supply chain. The Group has conducted assessments through its Human Resources' network to help affiliates raise awareness, identify gaps in human rights policy and develop appropriate action plans.

3. Governance & Enterprise Risk Management

The Code is reviewed and acknowledged annually. In addition, the Group Internal Audit department conducts periodic enterprise risk management audits with the objective to: understand Pernod Ricard affiliates', including Corby and Hiram Walker's, main risks; to prioritize and ensure measures are in place regarding our exposure to those risks; and to ensure the risks are considered when making future strategic decisions.

Approval and Attestation

This report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of Corby Spirit and Wine Limited for itself, Ace Beverage Group Inc., Ungava Spirits Co. Ltd., and The Foreign Affair Winery Limited and pursuant to subparagraph 11(4)(b)(i) of the Act by the Board of Directors of Hiram Walker & Sons Limited.

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 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.

Lucio Di Clemente

Lucio Di Clemente
Chair of the Board of Directors
Corby Spirit and Wine Limited
May 31, 2024
I have authority to bind Corby Spirit and Wine Limited

Steve Moynahan

Steve Moynahan
Director & Vice President, North America Accounting
Hiram Walker & Sons Limited
May 31, 2024
I have authority to bind Hiram Walker & Sons Limited