



Fighting Modern Slavery

Canada Report
Fiscal Year 2023

1. Introduction

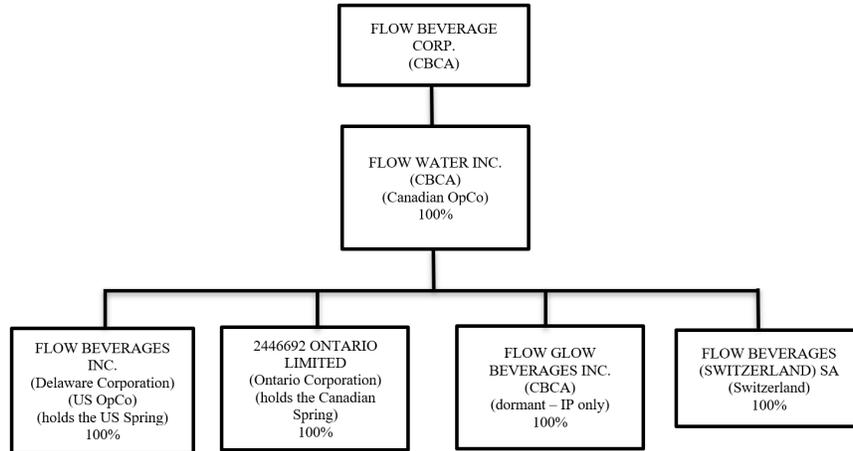
The Canadian Parliament adopted the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). The Act requires that businesses engaged in the production, sales and distribution of goods in Canada report, for each fiscal year, the steps taken to prevent and reduce the risk of forced labour or child labour in its supply chain. Flow Beverage Corp. (the “**Company**”) and its direct wholly owned subsidiary, Flow Water Inc. (“**Flow**”), have prepared this joint report in relation to fiscal year 2023, beginning on November 1, 2022, and ending on October 31, 2023 (“**Fiscal 2023**”). Any reference to the Company herein is also intended as a reference to Flow.

2. Description of Business

Corporate Structure

Flow was founded in 2014 and is the main operating company engaged in the production and sale of naturally-alkaline spring water. The Company owns two virtually identical water sources in terms of key minerals, in Bruce County, Ontario and Augusta County, Virginia. Flow packages its products in its production facility in Aurora, Ontario, which is in proximity to its Bruce County water source. Flow currently employs approximately 140 employees in Canada, and 6 in the United States, via its operating subsidiary corporations.

The Company (previously “RG One Corp.”) is a Canadian corporation established under the *Canada Business Corporations Act*. The Company became publicly listed on the Toronto Stock Exchange (ticker: FLOW.TO) in July 2021 following a three-cornered amalgamation (the “**Amalgamation**”). The Company’s products and manufacturing services are exclusively provided by Flow, the Canadian operating corporation, and Flow Beverages Inc., the U.S. operating corporation. The diagram below illustrates the corporate structure in further details.



Activities

The Company is a health and wellness focused beverage company at the convergence of three important trends in the consumer-packaged goods industry: (i) premium quality (ii) sustainable packaging and supply chain; and (iii) functional ingredients. Flow launched its original, naturally alkaline, premium spring water in 2015 and is one of the fastest growing premium water brands in Canada. The Company markets its premium alkaline spring water in Canada and the United States in original unflavored, vitamin-infused, and a range of award-winning organic flavors in sizes ranging from 330ml to 1L., all in the packaging format (“**Tetra Pak**”) supplied by the Tetra Pak Group (“**TPG**”) in order to bring the water to consumers while preserving its benefits.

In addition to its own branded beverage products, the Company also co-packs other companies’ beverage products in Tetra Pak format at its packaging facility in Aurora, Ontario. Co-packing allows the Company to expand production capacity ahead of internal growth projections for Flow branded products and continues to drive consumer acceptance of Tetra Pak as the form factor of choice for socially conscious consumers of premium beverage products.

Supply Chain

Flow products are primarily composed of artesian spring water. The water is sourced by Flow employees from artesian springs located in Bruce County, Ontario and Augusta County, Virginia. Certain products contain dilutable flavorings provided by leading flavoring producers in North America. Flow’s products are exclusively packaged in Tetra Pak. Tetra Pak is a leading food packaging and processing company operating throughout the world.

Once produced, the Flow products are warehoused and transported using third-party logistics services providers. The products may be sold directly by Flow to end consumers via e-commerce or sold and distributed to retailers via a network of North American third-party distributors.

3. Company Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour

Company Policies

The Company has adopted formal policies and processes to ensure that its operations and its service providers uphold the highest standards in relation to human rights in the workplace. This is primarily achieved through the Corporation's *Code of Business Conduct and Ethics*, *Business Partner Code of Conduct*, and *Whistleblower Policy*.

Flow's *Code of Business Conduct and Ethics* contains provisions aimed at ensuring fair employment practices, guided by applicable employment standards legislation in Canada and in the United States, as well as a strict prohibition against forced labour and child labour. The *Business Partners Code of Conduct*, adopted in 2024, reiterates the same principles and prohibitions and is applicable to any person or entity engaged by, or providing services or goods to, Flow. The Company has established a reporting mechanism through the adoption of the *Whistleblower Policy*. This policy encourages employees, contractors and other stakeholders to report any wrongdoings within Flow's operations. The reporting is facilitated via a confidential email inbox monitored by the Company's Legal Department and is intended to be directly reported to the Lead Independent Director of the Company.

Due Diligence

The Company's due diligence process of identifying risks of forced labour or child labour within its internal operations and workforce is primarily executed via the hiring process and the ongoing review of compliance with applicable human rights legislation. This process is carried out by the Company's Human Resources Department in conjunction with its Legal Department. In ensuring compliance with applicable laws and Flow's *Code of Business Conduct and Ethics*, the Human resources department is tasked with identifying facts constituting potential breaches of employment and human rights laws or policies and reporting those instances to the Legal Department. The Legal Department, in turn, must address the potential or actual violation by providing legal advice on how to remediate or avoid such instances.

In relation to services or goods provided within its supply chain as well as any temporary employment agencies, Flow typically includes standard contractual provisions requiring its contractors to comply with all applicable laws, including applicable employment and human rights laws. An uncured breach of such contractual provisions by the contractor would generally allow Flow to terminate the relevant agreement for cause.

4. Forced Labour and Child Labour Risks

The Company has considered the risk of forced labour and child labour within its direct operations in Canada and the United States and is assessing it to be low. All employment relationships in those jurisdictions are directly managed by the Company's Human Resources Department and Legal Department with careful attention to applicable employment and human rights laws. The Company's compliance with such laws is monitored internally on an ongoing basis.

Flow's packaging materials are exclusively provided by Tetra Pak, a corporate group operating throughout the world, including in jurisdiction having adopted reporting requirements in relation to modern slavery. The Company's Legal Department has reviewed, and relies on, Tetra Pak's extensive due diligence, monitoring, identification and remedial practices related to forced labour and child labor. As such, the Company considers the risk of child labour and forced labour in the pre-production phase of its supply chain to be low.

The warehousing, distribution and sale of Flow products performed by third parties exclusively occurs in Canada and in the United States. Such service providers are bound by written agreements containing obligations of the service provider to abide by all applicable laws in the applicable jurisdictions. Considering the stringent legislation on employment and human rights in the jurisdictions in which the services providers operate, Flow considers that the risk of existence in the post-production phrase of the supply chain to be low.

5. Measure Taken to Remediate Forced Labour and Child Labour, and Related Loss of Income

Flow has not identified any instances of forced labour or child labour within its supply chain during Fiscal 2023. Consequently, Flow has not taken measure to remediate the loss of income to the most vulnerable families resulting from measures taken to eliminate the use of forced labour and child labour in its activities and supply chain.

6. Training Provided to Employees on Forced Labour and Child Labour

During Fiscal 2023, Flow has not provided any formal training on forced labour and child labour to its employees.

7. Assessment of Effectiveness

The Company has begun considering the introduction of measures intended to reduce the risk of forced labour and child labour in its supply chain during Fiscal 2023. The measures have not been implemented to their full extent, and as such, Flow has not assessed their effectiveness.

8. Approval and Attestation

This report was approved pursuant to paragraph 11(4)(b)(ii) of the Act by the Board of Directors of Flow Beverage Corp. and Flow Water Inc. In accordance with the provisions of the Act, and in particular with Section 11 thereof, I 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 report year stated above.

I have the authority to bind Flow Beverage Corp.

DocuSigned by:
Patrick Bousquet-Chavanne
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Patrick Bousquet-Chavanne

Lead Independent Director, Flow Beverage Corp.

I have the authority to bind Flow Beverage Corp. and Flow Water Inc.

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Nicholas Reichenbach

Chief Executive Officer and Executive Chairman,
Flow Beverage Corp.

Director, Flow Water Inc.