

Report on Moosehead Breweries Limited's Efforts to Prevent Child Labour and Forced Labour in its supply chains.

Prepared by: Alysha LeBlanc, Corporate Paralegal

Date: May 1, 2024

Summary

Moosehead Breweries Limited is committed to upholding ethical standards and ensuring the well-being of its employees, suppliers, and communities. In line with this commitment, the company has implemented policies and procedures to prevent child labour and forced labour in its workplace and supply chain. This report provides an overview of Moosehead Breweries Limited's initiatives and measures taken to combat child labour and forced labour.

Introduction

Moosehead Breweries Limited is one of Canada's oldest and most respected breweries, with a rich history spanning over 150 years. As a responsible corporate citizen, Moosehead recognizes the importance of respecting human rights and ensuring that its operations do not contribute to or tolerate any form of child labour or forced labour.

Company Policies and Commitments

Moosehead Breweries Limited has established clear policies and commitments to prevent child labour and forced within its operations and supply chain. These policies are outlined in the company's *Supply Chain Transparency and Compliance Policy*, which set forth the standards of behavior expected from all employees and suppliers, respectively.

Employee Training and Awareness

Moosehead Breweries Limited provides training to its necessary employees on the importance of ethical sourcing and the prohibition of child labour and forced labour. This training emphasizes the company's zero-tolerance policy towards child labour and forced labour and educates employees on how to identify and report any suspected instances of child labour or forced labour.

Organizational Structure

Moosehead Breweries Limited operates as a family-owned business with a hierarchical organizational structure. The company is led by a Board of Directors, which provides strategic guidance and oversight. At the executive level, there is a senior leadership team responsible for managing day-to-day operations and implementing the company's strategic initiatives. Listed below are some of the main areas at Moosehead Breweries Limited.

Production and Brewing: Responsible for the brewing, packaging, and quality control of Moosehead's beer products.

Sales and Marketing: Handles the distribution, marketing, and promotion of Moosehead's brands in domestic and international markets.

Finance and Administration: Manages the company's financial operations, accounting, and administrative functions.

Human Resources: Oversees recruitment, training, employee relations, and compliance with labor regulations.

Supply Chain and Logistics: Manages the procurement of raw materials, production scheduling, and distribution logistics.

Key Activities

Moosehead Breweries Limited engages in the following key activities.

Brewing: Moosehead Breweries Limited brews all products at their main warehouse, situated in Saint John, New Brunswick, where it produces a wide range of beer products, including lagers, ales, and specialty brews. The company prides itself on using high-quality ingredients and traditional brewing techniques to create distinctive and flavorful beers.

Brand Development and Marketing: Moosehead Breweries Limited invests in brand development and marketing initiatives to promote its products and maintain a competitive edge in the market. This includes advertising campaigns, sponsorships, and partnerships with various events and organizations.

Distribution and Sales: Moosehead Breweries Limited distributes its beer products through a network of wholesalers, retailers, and licensed establishments across Canada and in select international markets. The company focuses on building strong relationships with its distribution partners to ensure broad market coverage and availability of its products.

Innovation and Product Development: Moosehead Breweries Limited continually innovates and develops new beer offerings to meet evolving consumer preferences and market trends. The company's brewing team experiments with different ingredients, flavors, and brewing techniques to create unique and appealing beer styles.

Supply Chains

Moosehead Breweries Limited operates complex supply chains that involve the sourcing of various raw materials, production inputs, and packaging materials. Key components of Moosehead's supply chains include:

Raw Materials: Moosehead Breweries Limited sources high-quality ingredients such as malted barley, hops, yeast, and water from domestic and international suppliers. The company places a strong emphasis on sustainable sourcing practices and works closely with its suppliers to ensure product quality and consistency.

Packaging Materials: Procurement of packaging materials, including bottles, cans, labels, and packaging cartons, come from suppliers located both domestically and internationally. The company prioritizes environmentally friendly packaging solutions and seeks to minimize its environmental footprint throughout the supply chain.

Logistics and Transportation: Moosehead Breweries Limited relies on efficient logistics and transportation networks to transport raw materials to its production facilities and deliver finished

products to distribution centers and customers. The company works with third-party logistics providers to optimize freight routes and minimize transportation costs.

Quality Assurance and Compliance: Moosehead Breweries Limited maintains rigorous quality assurance and compliance standards throughout its supply chains to ensure the safety, quality, and integrity of its products.

Risks

Moosehead Breweries Limited, like many companies operating in global supply chains, acknowledges the risk of forced labour and child labour in certain parts of its operations and supply chains. Understanding these risks and taking proactive measures to address them is integral to upholding the company's commitment to ethical business practices. Below are the key areas within Moosehead's operations and supply chains where the risk of forced labour or child labour may exist.

Raw Material Sourcing: The sourcing of raw materials, such as barley, hops, and packaging materials, may involve suppliers or subcontractors who employ forced labour or exploit child labour.

Production Facilities: Workers in production facilities may be vulnerable to forced labour or exploitation, particularly in regions with weak labor protections.

Transportation and Logistics: Third-party transportation providers involved in its supply chain may employ drivers or workers subjected to forced labour conditions.

Vulnerable Regions: Certain regions where Moosehead Breweries Limited operates or sources materials may have higher prevalence rates of forced labour or child labour due to socio-economic factors, inadequate labor protections, or other systemic issues.

Remediation and Corrective Action

In the event that child labour and/or forced labour is identified within Moosehead Breweries Limited's operations or supply chain, the company takes immediate action to address the situation. This may include terminating contracts with non-compliant suppliers, providing support to affected individuals, and implementing corrective measures to prevent future occurrences.

Supplier Due Diligence

Moosehead Breweries Limited conducts thorough due diligence with its suppliers to ensure compliance with its standards, including those related to child labour and forced labour. The company requires suppliers to certify that they do not use child labour and forced labour in any aspect of their operations and to provide documentation demonstrating their adherence to applicable laws and regulations.

Recommendations

While Moosehead Breweries Limited has made significant strides in preventing child labour and forced labour, there is always room for improvement. To further strengthen its efforts, the company will consider:

1. Increasing transparency in its supply chain by publicly disclosing information about its suppliers and their compliance with ethical sourcing standards.
2. Expanding training initiatives to include suppliers and subcontractors to ensure widespread awareness and understanding of the company's zero-tolerance policy towards child labour and forced labour.
3. Continuously monitoring and evaluating the effectiveness of its child labour and forced labour prevention measures and adjusting as needed to address emerging risks and challenges.

Conclusion

Moosehead Breweries Limited is dedicated to upholding the highest standards of ethical conduct and ensuring that its operations do not contribute to the exploitation of children through child labour or forced labour. Through its robust policies, supplier due diligence, employee training, audits, and collaborative efforts, Moosehead Breweries Limited is actively working to prevent and eliminate child labour and forced labour within its sphere of influence.

MOOSEHEAD

- BREWERIES -

May 1, 2024.

Bill S-211 Reporting- Moosehead Breweries Limited- 2023

In accordance with the requirements of the Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff, and in particular section 11 thereof, we attest that we have reviewed the information contained in the report for the entity or entities listed above. Based on our knowledge, and having exercised reasonable diligence, we 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.

Andrew Oland

Andrew Oland, CEO & President

I have the authority to bind Moosehead Breweries Limited

Patrick Oland

Patrick Oland, CFO

I have the authority to bind Moosehead Breweries Limited