



Supply Chain Social Responsibility Report

Bill S-211 Report: An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff

ANNUAL REPORT

Modern Slavery Statement for the Financial Year ended 2024

This statement is made pursuant to 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. This statement outlines the approach and initiatives by NewAge Products Inc. to identify and address the risks of forced labour and child labour in its business operations and supply chains during the financial year commencing 2023 and ending 2024.

NewAge Products Inc. ("NewAge") is committed to protecting the working rights and safety of the people who produce, or process the products it sells, while recognizing and respecting the cultural and legal differences found throughout the world.

We have taken various steps and implemented processes to identify, prevent, reduce, and eliminate the risk of forced labour and child labour from our supply chain and we are proud to say that our supply chain is free from forced labour and child labour.

Group Structure

NewAge is an Ontario corporation incorporated in 2010 having its head office at 1190 Caledonia Road Toronto, Ontario, Canada. NewAge conducts business under the name "NewAge Products Inc." and is a manufacturer and distributor of home commodity products manufactured in multiple countries worldwide and is distributed and to various markets including the primary markets of Canada and USA.

Supply Chain

NewAge manufactures its products through a diverse supply chain with suppliers based in multiple countries including China, Vietnam, Indonesia, Malaysia, Turkey, and Greece. Our products are imported into markets including Canada and USA.

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Risks in Supply Chain

We have taken various steps and implemented processes to identify, prevent, reduce, and eliminate the risk of forced labour and child labour from our supply chain and we are proud to say that our supply chain is free from forced labour and child labour. The actions we have taken are detailed below.

Actions Taken

From the initial stages of scoping out new suppliers, to onboarding new suppliers, and to working with new and existing suppliers, we have implemented various processes and protocols and accountability checks and balances to ensure that all our suppliers in our supply chain are committed to meeting and maintaining compliance with all social responsibility requirements under Bill S-211 and to ensure that the working rights and safety of the all workers in our suppliers' workforce are protected and that there are no instances of forced labour or child labour in our supply chain. These processes include the following:

- Conducting mandatory Social Audits (SMETA & BSCI Amfori) performed by certified third party auditing agencies of all potential suppliers we are considering onboarding to ensure that they meet the social responsibility requirements of Bill S-211. NewAge will only work with those suppliers who successfully pass these social audits and can demonstrate that they are compliant with social responsibility requirements, and that they protect the rights and safety of all workers in their supply chain. These third-party audits verify that no forced labour or child labour is being used by any of our onboarding & Active suppliers.
- Once onboarded as a supplier, we continue to conduct regular third-party social audits of the supplier to ensure that the working rights and safety of the supplier's workforce is protected and that there are no instances of forced labour or child labour in their supply chains.
- Once onboarded as a supplier and prior to NewAge working with that supplier, all suppliers will sign a Confirmation letter attesting that they are aware of and meet all social responsibility requirements as required under Bill S-211 including protecting the rights and safety of all workers in their supply chain and confirming that the supplier has no instances of forced labour or child labour in their supply chain.



- All potential and active suppliers are provided with and must acknowledge receipt of a Supplier Manual which outlines all the processes and steps required at various steps of operations to identify and eliminate the risk of forced labour and child labour with our existing or new suppliers. The same has been shared and acknowledged by all our active and onboarding suppliers.
- Revised Supplier Code of Conduct to specifically include clauses against forced labour and child labour along with other human rights and social responsibility obligations directed at protecting the rights and safety of workers. The same has been shared and acknowledged by all our active and onboarding suppliers.
- Manufacturing Agreements are signed with all suppliers which include clauses requiring compliance by supplier with all social responsibility requirements including protecting the rights and safety of workers and ensuring that there are no instances of forced or child labour.
- All our supplier purchase orders, and supplier invoices are accompanied by a General Declaration that the supplier has protected the rights and safety of all its workers and is not using any forced or child or labour in its supply chain.
- Any violations by any of suppliers of our social responsibility requirements that are outlined above and reflected in our contractual documents including our Supplier Manual, the Confirmation letter, the Supplier Code of Conduct, the Manufacturing Agreement, or the General Declaration on the purchase order/supplier invoice, would be immediately addressed whereby we would suspend working with that supplier until the supplier can demonstrate it has appropriately rectified any and all breaches of its social responsibility requirement which includes ensuring that any and all aggrieved workers have available to them appropriate grievance mechanisms and have been appropriately compensated.

In addition, NewAge is conducting mandatory in-house yearly training of all its supply chain employees making contracting or purchasing decisions on our behalf to educate them and remind of the importance of compliance with all social responsibility requirements under Bill S-211.

Further, in evaluating the requirements under Bill S-211, NewAge sought consultation with various experts to comprehensively understand and implement appropriate processes related to Bill S-211.



Risk Assessment

After taking all the above-mentioned steps, we did not identify any risk of violations of or any instances of violations of any social responsibility requirements under Bill 211 nor did we identify any instances of violations of workers' rights and safety in our supply chain, and nor did we identify any instances of forced or child labour in our supply chain.

Remediation

In the event we were to discover any breach of social responsibility requirements under Bill S-211 involving any breach of the rights and safety of our supplier's workers including but not limited to any instances of child or forced labour being used by a supplier, then we would immediately address it by suspending our relationship with that supplier and require the supplier to take all appropriate remediation efforts including but not limited to eliminating any and all violations of workers' rights and safety and having an appropriate grievance mechanism in place and paying appropriate compensation to any and all aggrieved workers.

Training

- Our supplier development team employees have attended various seminars and awareness campaigns on Bill S-211 and reviewed Canada Government's Public safety website to understand regulation, liability, and requirements of Bill S-211.
- Our supplier development team sought consultation with industry experts regarding the scope and requirements of Bill S-211 in order to comprehensively and effectively implement all necessary best practices and processes to comply with the requirements of Bill S-211.
- In addition, NewAge is conducting mandatory in-house yearly training of all its supply chain employees making contracting or purchasing decisions on our behalf to educate them and remind of the importance of compliance with all social responsibility requirements under Bill S-211.

Effectiveness Assessment

We measure the effectiveness of our policies by below indicators:

- Compliance Rate: Percentage of Suppliers passing
- YoY performance: Individual Audit score, changes required.



In accordance with the requirements of the Act, 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.

Signed,

A handwritten signature in black ink, appearing to read "Frank Spano", written over a horizontal line.

Frank Spano

COO

May 30, 2024

A handwritten signature in black ink, appearing to read "Parag Shah", written over a horizontal line.

Parag Shah

President

May 30, 2024