



Red Bull Canada Ltd. • Suite 200, 99 Atlantic Ave • Toronto, ON • M6K 3J8 • Canada
P: (416) 593 - 1629

PURPOSE

This annual report for the 2023 financial reporting year has been created by Red Bull Canada Ltd. ("**Red Bull Canada**") for the sole purpose of meeting its obligations and reporting requirements for entities pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the "**Act**").

OUR COMMITMENT

Red Bull Canada is committed to preventing and reducing the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere, including goods that Red Bull Canada imports into Canada.

As an organization, Red Bull Canada rejects forced labour and child labour in all its forms (including human trafficking, debt bondage, work under threat of punishment, and other forms of human exploitation). Red Bull Canada is committed to maintaining appropriate safeguards against the mistreatment of persons within its operations and supply chain.

CATEGORIZATION, SECTOR, AND INDUSTRY

Red Bull Canada is an entity under the Act

Red Bull Canada is a wholly owned subsidiary of Red Bull GmbH, which is based in Austria. Red Bull Canada does not own or control any subsidiaries.

Red Bull Canada is headquartered in Toronto, Ontario. It also has regional offices located in Vancouver, British Columbia and Montreal, Quebec. While most of the workforce resides in major metro cities, Red Bull Canada has employees performing responsibilities across the country in Sales, Marketing, Distribution, Operations, Finance, IT, and Human Resources. Red Bull Canada also engages agency, part-time, and contract workers.

In terms of the Act's threshold requirements, Red Bull Canada has at least \$20 million in assets for at least one of its two most recent financial years, it has generated at least \$40 million in revenue for at least one of its two most recent financial years, and it employs an average of at least 250 employees for at least one of its two most recent financial years.

Our Operations

Red Bull Canada operates in the wholesale trade, retail trade, and transportation and warehousing sectors.

Red Bull Canada sells goods in Canada and distributes goods in Canada. In 2023, Red Bull Canada's core business was the purchasing, importation, marketing, and sale of a range of Red Bull Energy Drink non-alcoholic beverage products. Red Bull Canada directly and indirectly covers a variety of routes to market, with its customers predominantly falling into the retail, convenience, and on-premise channels. These customers are supplied product either directly by Red Bull Canada or indirectly through its Canadian third-party distribution partners.



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STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Our Supply Chain

Red Bull Canada's supply chain consists mainly of the purchase of Red Bull beverages and associated items from its parent company, Red Bull GmbH. This subsequently involves the importation and transportation of energy drinks and associated items into Canada to various customers and business partners. These customers include Canadian third-party distribution partners who manage the transportation and logistics.

Red Bull Canada's supply chain can be divided into two distinct categories:

1. Finished goods and point of sale material purchased from Red Bull GmbH; and
2. Products and services procured locally within Canada.

Finished Goods and Point of Sale material purchased from Red Bull GmbH

In 2023, the majority of Red Bull Canada's finished goods and point of sale material for the Canadian market were purchased from Red Bull GmbH and were manufactured via third party manufacturers within Austria and Switzerland. The products are imported into Canada predominantly via sea freight, warehoused, and then distributed by Red Bull Canada and third-party distribution partners. The range of finished goods purchased from Red Bull GmbH includes Red Bull Energy Drink, Red Bull Sugarfree, Red Bull Zero, and the Red Bull Editions range (referred to as "**Red Bull Energy Drinks**"). The purchase of Red Bull Energy Drinks from Red Bull GmbH is Red Bull Canada's predominant business and makes up most of its annual procurement. Marketing products are also predominantly purchased from Red Bull GmbH, with some local instore marketing material produced by third parties where domestically relevant. The majority of the marketing material is sourced from Red Bull GmbH.

As a global company that supplies all Red Bull subsidiaries internationally, Red Bull GmbH has a global supply chain. Ingredients, primary packaging, secondary packaging, point of sale material, and other finished goods are sourced from a variety of global jurisdictions and suppliers. For Red Bull Canada, Red Bull GmbH is a Tier 1 supplier of finished products.

Products and services procured locally within Canada

Red Bull Canada's supply chain also includes locally procured products and services that contribute to its daily operations, including, but not limited to, marketing, sales, and distribution services.

Steps Taken by Red Bull Canada in 2023

In 2023, Red Bull Canada implemented a Fighting Against Forced Labour and Child Labour Working Group composed of representatives from Legal, Operations, and Human Resources. As of Q3 2023, this group met bi-weekly and conducted an internal assessment of the risks of forced labour and/or child labour in Red Bull Canada's activities and supply chains. In addition, Red Bull Canada appointed a new Procurement Manager who will be



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responsible in 2024 for overseeing the compliance of the Red Bull Supplier Code of Conduct (as defined below) in the Canadian operations.

Red Bull Canada was also supported by steps taken by Red Bull GmbH in 2023, which included:

1. Developing and implementing due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains;
2. Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains; and
3. Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct, and/or compliance checklists

The above steps were addressed by Red Bull GmbH through the following measures:

- (a) A Supplier Code of Conduct which forms the basis of business relationships with Red Bull GmbH and applies to its suppliers of the products that it supplies to Red Bull Canada (hereinafter referred to as "**Partners**"). The Supplier Code of Conduct requires Partners to comply with all obligations arising from supply chain due diligence laws relating to child labour and forced labour. Partners are required to integrate supply chain due diligence obligations into their corporate policies, establish clear internal responsibilities, conduct annual risk analyses of their supply chain, conduct necessary inspections within their supply chain, take appropriate preventive and/or remedial actions related to the identified risks, establish a complaints system, and implement a system to review and document the effectiveness of their actions taken. The Supplier Code of Conduct seeks a commitment from Partners to not tolerate any form of forced or compulsory labour and to implement appropriate safeguards against the mistreatment of individuals in their business. Moreover, it seeks a commitment from Partners to not tolerate child labour and to have a written recruitment policy, a system to verify the age of workers, and to maintain appropriate proof of the age for all workers. Lastly, Red Bull GmbH has the right to terminate the business relationship with Partners if they violate the principles of the Supplier Code of Conduct.
- (b) A requirement to include corresponding modern slavery clauses in the contracts that Red Bull GmbH negotiates with its own suppliers, and a similar requirement on suppliers to Red Bull GmbH to include corresponding modern slavery clauses in the contracts that they negotiate with their own suppliers.
- (c) Red Bull GmbH conducts regular internal audits in relation to compliance against the Supplier Code of Conduct. These audits are conducted proactively and form part of Red Bull GmbH's procedures.
- (d) Supplier self-assessment questionnaires are shared with the selected in-scope suppliers. The self-assessment questionnaire assesses the maturity level of Red Bull GmbH's suppliers and identifies any immediate risks across specific human rights topics.
- (e) Agreements with global suppliers that may incidentally supply operations for Red Bull Canada are generally negotiated and managed by Red Bull GmbH. The same rigorous standards and contractual obligations for



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managing, mitigating, and verifying child labour and forced labour risks as outlined above are applied to these suppliers by Red Bull GmbH.

POLICIES AND DUE DILIGENCE PROCESSES

Red Bull Canada has due diligence processes in relation to forced and/or child labour, including:

1. Embedding responsible business conduct into policies and management systems; and
2. Identifying and assessing adverse impacts in operations, supply chains, and business relationships.

Red Bull Canada Policies and Processes

In 2023, Red Bull Canada maintained several policies and processes to help identify and manage potential forced labour and child labour risks within the business and its supply chain, including a Global Code of Business Conduct (the “**Global Code**”), Employee Reporting Hotline, and Employee Handbook.

The Global Code sets out the expectations of employees to act with personal and commercial integrity, to be respectful, to avoid conflicts of interest, to protect Red Bull assets, to obey the law, and to enforce the Global Code. The Global Code specifically states that there is zero tolerance for child labour and forced labour at Red Bull Canada and requests compliance with all local, regional, and national laws where Red Bull Canada operates. The Global Code also sets out a mechanism for reporting any unethical behaviour on the part of an employee or third-party performing services for Red Bull Canada.

The Employee Reporting Hotline sets out the phone numbers that Red Bull Canada employees can call to report any fraudulent or unethical activities anonymously and confidentiality. This includes, but is not limited to, any suspected child labour or forced labour involving Red Bull Canada or a third-party performing service for Red Bull Canada.

The Employee Handbook was updated in 2023 and sets forth the duties, responsibilities, and expectations of employment with Red Bull Canada. This includes, but is not limited to, details on the policies and procedures that help Red Bull Canada to operate safely, ethically, and effectively in all roles. The policies in the Employee Handbook are reviewed annually and redistributed to employees in accordance with updates to policies, laws, or procedures.

As outlined above, Red Bull Canada’s Procurement Manager will be implementing the Supplier Code of Conduct in the Canadian operations in 2024.

Red Bull GmbH Policies and Processes

As previously stated above, Red Bull Canada is supported by policies and processes taken by Red Bull GmbH to help identify and manage potential forced labour and child labour risks within the business and its supply chain, including through the aforementioned:

- (a) Supplier Code of Conduct;



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- (b) Modern slavery clauses in the contracts that Red Bull GmbH negotiates with its own suppliers, and a similar requirement on suppliers to Red Bull GmbH to include corresponding modern slavery clauses in the contracts that they negotiate with their own suppliers;
- (c) Regular internal audits;
- (d) Supplier self-assessment questionnaires; and
- (e) Negotiation of master contracts that manage, mitigate, and verify child labour and forced labour risks.

FORCED LABOUR AND CHILD LABOUR RISKS

Red Bull Canada has started the process of identifying risks of forced labour and child labour through its Fighting Against Forced Labour and Child Labour Working Group. Given that the total supply chain (including Red Bull Energy Drinks, marketing, and point of sale material) spans across the globe, Red Bull Canada is aware that there may be higher risk of child labour and forced labour associated with certain regions, goods, and industries.

In the subsequent reporting year, Red Bull Canada will be engaging external support to help identify forced labour and child labour risks in its activities and supply chains.

REMEDATION MEASURES

Red Bull Canada has not identified any forced labour or child labour in its activities or supply chains.

REMEDICATION OF LOSS OF INCOME

Red Bull Canada has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains.

TRAINING PROVIDED TO EMPLOYEES

In 2023, Red Bull Canada did not provide training to its employees on forced labour or child labour. However, in the subsequent reporting year, Red Bull Canada plans on implementing training for all of its employees.

ASSESSING EFFECTIVENESS

As outlined above, Red Bull Canada relied on the policies and processes taken by Red Bull GmbH to help identify and manage potential forced labour and child labour risks within the business and its supply chain, including through the aforementioned:

- (a) Supplier Code of Conduct;
- (b) Modern slavery clauses in the contracts that Red Bull GmbH negotiates with its own suppliers, and a similar requirement on suppliers to Red Bull GmbH to include corresponding modern slavery clauses in the contracts that they negotiate with their own suppliers;



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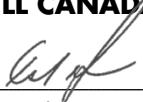
- (c) Regular internal audits;
- (d) Supplier self-assessment questionnaires; and
- (e) Negotiation of master contracts that manage, mitigate, and verifying child labour and forced labour risks.

APPROVAL AND ATTESTATION

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 entity 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.

IN WITNESS WHEREOF the authorized signing officer(s) of Red Bull Canada Ltd. have executed this report as of the effective date of the signatures set out below.

SIGNED

)	RED BULL CANADA LTD.
)	
<u>May 16, 2024</u>)	Per: 
Date)	Name: Keith DeGrace
)	Title: General Manager
)	
)	I have authority to bind Red Bull Canada Ltd.