



Canadian Statement Against Forced Labour and Child Labour in Supply Chains
pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*
(the "Act")

Introduction

This report has been prepared in response to Southern Glazer's Wine and Spirits of Canada, LLC's ("SGWS Canada") obligations under the Act. It sets out SGWS Canada actions to understand and mitigate potential modern slavery risks related to its business and is aimed at helping to ensure that there is no forced or child labour in its own business or its supply chains. This statement relates to actions and activities during the financial year 2023.

Southern Glazer's Wine and Spirits, LLC ("SGWS") is committed to preventing forced and child labour in its corporate activities and supply chains.

1. Organizational structure, activities and supply chains

SGWS is the United States' largest wine and spirits distributor, based in the United States. SGWS also conducts business in Canada through SGWS Canada. SGWS Canada's principal business is the importation, distribution, and representation of wine, spirits, beer, and other beverages. As a wholly owned affiliate of SGWS, SGWS Canada is subject to the policies and procedures of SGWS.

As an alcoholic beverage distributor operating in the United States and Canada, SGWS and its affiliates are subject to a number of different federal, provincial and state laws regarding alcoholic beverage compliance. While varied, these laws frequently require that no underage persons be hired and also that SGWS comply with a number of stringent licensing and oversight requirements for all aspects of its operations. Moreover, SGWS Canada is subject to and complies with all applicable Canadian alcoholic beverage laws. These same laws and requirements generally apply to SGWS' suppliers.

Given the highly regulated nature of the alcoholic beverage industry and the very unique supply chain structure in both the US and Canada, together with the geographic concentration of both SGWS's own operations and its primary supply chain, SGWS has generally assessed its risk of forced or child labour in its activities and supply chains to be low.



2. Policies and due diligence processes, risk identification and remediation

As noted above, given the very unique and highly regulated nature of the alcoholic beverage industry, with regular oversight from federal, state and provincial authorities and stringent reporting and oversight requirements, SGWS has determined that the overall risk of forced or child labour in its business or supply chains is low. However, SGWS is nonetheless in the process of developing certain specific policies and procedures and training programs to help further mitigate the risk of potential forced or child labour in its activities and supply chains.

SGWS's policy is to comply fully with all applicable laws and regulations of any market in which it does business, including with respect to employment standards and occupational health and safety.

Given the nature of its business, SGWS relies principally on its contracts with vendors to certify compliance with applicable laws. To that end, SGWS seeks to, whenever possible, have its goods and services vendors contractually represent that: (A) all Vendor Personnel performing the Service are legally authorized to work according to applicable Laws; and (b) none of the services provided are with forced or child labor. Additionally, when vendors sign up with SGWS, they agree to additional terms which have similar representations.

SGWS Canada is not aware of instances of the use of forced or child labor within its activities or its supply chains and, accordingly, it has not taken any steps to remediate the use of forced or child labour or loss of income.

Approval

This report has been approved by the sole member of SGWS Canada pursuant to Section 11(4)(a) of the Act.

Southern Glazers Wine and Spirits of Canada, LLC

A handwritten signature in blue ink, appearing to read "Alan N. Greenspan", is written over a horizontal line.

Alan N. Greenspan, Esq.

Executive Vice President, Chief Legal and Compliance Officer

I have the authority to bind Southern Glazers Wine and Spirits of Canada, LLC

May 31, 2024