



Steam Whistle Brewing Inc.
255 Bremner Boulevard, Toronto, ON M5V 3M9

Report on Bill S-211 Fighting Against Forced Labour and Child Labour in Supply Chains Act
Year ended December 31, 2023

Overview of Structure & Sectors

Steam Whistle Brewing Inc. ("Steam Whistle" or the "Company") is a privately owned corporation incorporated under the Business Corporations Act (Ontario) and is a beverage alcohol business headquartered in Toronto, Ontario. This consolidated report covers the activities of Steam Whistle and its subsidiaries Beau's All Natural Brewing Ltd. and 8838500 Canada Inc.

The Company operates in the Manufacturing & Hospitality sectors and the principal business is the production, sales, marketing, and distribution of beer, and the operation of a restaurant and events venue. Activities include manufacturing, packaging, marketing, selling and distribution.

The Company employs approximately 106 full time people and an additional 104 part-time employees.. Employees are hired with employment contracts. Workplace policies are regularly reviewed to ensure compliance with workplace laws. Being an alcohol producer and seller, Steam Whistle ensures that all our employees are 19 years of age and older. The Company also enforces a customer code of conduct to reinforce the importance of providing a safe and inclusive environment for all our employees and guests at our restaurant location.

Steam Whistle's Business & Supply Chains

The Company's business consists of:

- 1) Manufacturing: The majority of our beer production is manufactured at our production facility located in Toronto, ON. Our all-natural raw materials are sourced primarily from within North America and packaging materials – cans, bottles, closures, cardboard etc are sourced primarily from within North America.
- 2) Distribution – our product is distributed from our production facility to customers throughout Canada but primarily in Ontario, by our employees, the Liquor Control Board of Ontario ("LCBO") and The Beer Store ("TBS"). Our goods are not exported outside of Canada.
- 3) Selling & Marketing – Sales are performed by our employees. Marketing is done internally and externally through Canadian agencies. A portion of our marketing spend is used to procure promotional items for consumers.
- 4) Restaurant & Venue – located in Toronto, ON, the historical John St. Roundhouse is home to our restaurant/bar and provides venues for corporate and personal events.



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In assessing applicability of reporting under Bill S-211, the Company assessed its most recent financial statements year-ended December 31, 2023, and determined that it has met 2 of the 3 thresholds requiring submission of a report. The Company is not subject to any other reporting requirements under supply chain legislation in another jurisdiction.

Policies and Due Diligence Processes – Forced Labour & Child Labour
Internal

In line with our mission to become the most respect premium beer in Canada, Steam Whistle is committed to being a workplace that is respected by employees, customers, shareholders and consumers. For the last sixteen years in a row, we've been recognized as one of Canada's Best Managed Companies. Our employees are a family of dedicated beer-lovers known as the Good Beer Folks. We are an equal opportunity employer and dedicated to building a diverse workforce. We strive to maintain a respectful workplace free of discrimination, sexual and/or workplace harassment, bullying and workplace incidents. Our Health & Safety Committee meets regularly and resolves any issues raised on a timely basis.

The Company complies with all applicable provincial and federal laws and regulations as a minimum standard. Employees are trained on these laws & regulations and internal policies as frequently as required. Our Code of Conduct includes expectations that all employees acting on behalf of the Company are expected to comply with all related corporate policies, including the laws and regulations listed below.

Our Whistle Blower process provides a confidential process for all employees and contractors to report serious wrong doings such as criminal offences and other willful violations of any laws; gross mismanagement of Steam Whistle resources, substantial or specific danger to the environment or public health, safety or environment, and accounting and auditing irregularities.

Steam Whistle makes every effort to provide a safe, healthy work environment and takes all reasonable precautions for the protection of our employees. Our Health & Safety Committee also includes a confidential process for reporting health & safety issues, violence, harassment and individual complaints or grievances in the workplace.

All concerns are taken seriously and investigated, addressed and resolution processes are in place. The Health and Safety Committee and any Whistle Blower activities are overseen by the Finance & Audit Committee and reported to the Board on a quarterly basis.



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Laws, Regulations & Internal Policies

- Ontario Business Corporations Act
- Employment Standards Act 2000;
- Personal Information Protection and Electronic Documents Act (Canada), 2000;
- Ontario Human Rights Code, R.S.O. 1990; ;
- Occupational Health and Safety Act as amended, R.S.O. 1990 ("OHSA);
- Environmental Protection Act;
- Accessibility for Ontarians with Disabilities Act, 2005;
- Code of Conduct – including Diversity & Inclusion; Accommodation & Accessibility; Confidentiality; Employee Privacy, Whistle Blower Policy
- Occupational Health & Safety Policy;
- Prevention of Harassment & Violence in the Workplace & procedures for reporting and Investigating
- Fit for Duty

Hiring Practices & Policies

Steam Whistle is committed to hiring suitable skilled candidates for all positions. Our recruitment standards include:

- All open job opportunities are posted on a variety of website job boards, and on the Company's website, inviting candidates to apply.
- Employees must possess the minimum job requirements for their position.
- Employees must maintain all required certifications, designations, licenses etc that are required for their position.
- All employees are interviewed by both HR and recruiting manager.
- Satisfactory pre-employment professional references are completed prior to working.
- Accommodation under the Ontario Human Rights Code is supported.
- Employees must agree to the terms of their agreement which includes adherence to our code of conduct.
- Being an alcohol company our recruitment age is 19 and above.
- Employees are entitled to rearrange their work duties without loss of pay in order to observe the religious holiday(s) of their faith; and
- Employees are offered a generous vacation policy plus a number of wellness days to accommodate sick leave, bereavement leave, and mental health days.



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External

The Company strives to work with suppliers that align with our core values. Given our modest size and standard packaging materials used in the production of beer and food, the Company works with a select group of reliable suppliers for the majority of our packaging and raw materials. We seek well established suppliers to provide goods and services, with selection based on quality, service and competitive pricing. A small portion of our spend is spent on promotional material such as t-shirts, hats, coolers for consumers that is sourced from outside of North America, primarily China and India.

As we continue to develop in this space we will begin rolling out a procurement process that includes standardized purchase orders/contracts that explicitly state our expectations of suppliers with respect to compliance of our policies, laws and regulations including forced and child labour.

Review of Risk of Forced Labour and Child Labour & Mitigation of the Risk

Internal

Given the adherence to laws, our recruitment policies, and the policies and procedures in place to protect all our employees, the Company is confident that there is no forced labour or child labour within its employees, all of whom work and reside in Ontario, Canada.

External

The Company purchases:

1. Raw materials and packaging for its beer production and restaurant. The majority of these purchases are sourced from Canada, US and Germany.
2. Large capital assets used in production are purchased infrequently and are sourced globally to meet brewing requirements. Equipment is designed to industry specifications and must meet performance tests such as Electrical Safety Authority (ESA), and the Canadian Standards Association (CSA). In 2023, \$1.4M was invested in the purchase of new machinery primarily from the US and Italy.
3. Promotional & Glassware items - A small dollar amount is spent on promotional items such as hats, t-shirts, umbrellas, key chains, bottle openers, glasses and coolers which are purchased from Canadian and US distributors. The original countries of origin is primarily China and India for these items.

We have performed an initial assessment of our primary suppliers and have concluded we are sourcing from North America and Germany and not from countries of concern regarding forced labour or child labour. As we have not detected any forced or child labour, no measures have been required to remediate.



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We will continue our review of suppliers in 2024 focusing on secondary suppliers to assess risk of forced labour and/or child labour. While the dollar amounts are small, a further review will be conducted in 2024 across our importing distributors particularly where the source of origin is in higher risk countries such as China and India and related to higher risk items such as textiles.

Assessment of the Effectiveness to Prevent and Reduce Risks of Forced Labour and Child Labour

The Company has witnessed no evidence of forced labour or child labour internally or in its primary supply chains. We completed a high level, initial review of the Company's primary suppliers, as noted above. The low risk locations and high quality required of select source ingredients, packaging and equipment purchased by the Company to be used in production, and distribution indicates that the risk of forced labour and child labour being present in the Company's primary supply chain is considered to be relatively low.

We are early in our journey and remain committed to improving our internal processes to identify and eliminate, if any, forced or child labour both internally and externally. Over the next three years we will be working collaboratively with our suppliers to understand where risks are, and where we need to make changes. In addition to expanding our supplier review, we will update our procurement contracts to include a supplier risk assessment and supplier code of conduct; and using a risk-based approach to implement a due diligence process to assess compliance. Internally, we will continue to engage employee awareness through annual training and engagement in this area.

Attestation

This report has been approved by the Board of Directors of Steam Whistle Brewing Inc. 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 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. I have the ability to bind the Corporation and its affiliates.

David Clanachan
Board Chair – Steam Whistle Brewing Inc.