

# Fighting Against Forced Labour and Child Labour in Supply Chains

2023 Annual Report

May 2024



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## About This Report

At Labatt Brewing Company Limited (Labatt), we are committed to business practices that respect human rights and understand the responsibility businesses have, to take steps to ensure their supply chains are free of child and forced labour. This report summarizes the policies, processes and trainings we have in place to identify and prohibit forced and child labour in our supply chain.

This report is made on behalf of Labatt, its subsidiaries, and its affiliate operating within Canada, RTD Canada Inc. (we or us).

## About Labatt

Founded in 1847, Labatt is one of Canada's most established businesses and its leading brewer. Labatt has been shaped by over 175 years of brewing excellence and an unwavering commitment to the communities where we operate.

Our roots go back to a single small brewery founded by John Kinder Labatt in London, Ontario, where our hometown brewery still stands. Today, we are truly a national brewer. With over 3,600 employees, a portfolio of more than 60 quality beers, ready-to-drink and non-alcoholic products, and 10 breweries from coast-to-coast, we are proud to serve Canada and the communities we call home.

In addition to six breweries in Creston (BC), Edmonton (AB), London (ON), Montreal (QC), Halifax (NS), and St. John's (NL), we're also a proud part of Canada's craft beer market with our four stand-alone craft breweries – Toronto's Mill Street Brewery, Archibald Microbrasserie in Quebec, Stanley Park Brewing in British Columbia, and Calgary's Banded Peak Brewing. Our locations also include our head office in Toronto, four regional Beer Institutes, 15 sales offices, and 23 warehouses and distribution centres nationwide.

Labatt has been named one of Canada's Top 100 Employers for eleven straight years and has also been named as one of Canada's Greenest Employers and Top Employers for Young People.

## Our Approach to Human Rights

At Labatt, we are committed to business practices that respect human rights and that align with international standards of responsible business conduct. Our approach to human rights is based on the UN Guiding Principles on Business and Human Rights (UNGPs) and is outlined in our Human Rights Policy. Our Human Rights and Responsible Sourcing policies outline our expectations to prohibit forced and child labour within our operations and supply chain.

Our Human Rights Policy applies to the operations of Labatt and all of our subsidiaries and joint ventures. It expressly prohibits the employment and exploitation of children, and all forms of forced labour within Labatt facilities and operations. Labatt does not engage in or support the use of child or forced labour.

Our Responsible Sourcing Policy defines the minimum standards that Labatt vendors and suppliers are required to adhere to, wherever they produce materials or perform services for Labatt. The policy prohibits all forms of forced or compulsory labour and use of child labor for our vendors and suppliers.

Labatt's Code of Business Conduct outlines our expectations for all employees. All Labatt employees are expected to comply with applicable laws and regulations, and observe the highest standards of business ethics, always acting with integrity.

To learn more about our policies, please click [here](#).

## Training and Educating Our Business

At Labatt, we provide training to develop and build the capacity of our employees in areas that are critical to our business, and to ensure we operate in compliance with all applicable laws, codes of practice and our internal policies. We include human rights topics in our training program and emphasize specific topics with employees who retain vendors and suppliers.

As part of employee onboarding, we require all employees to complete trainings on a variety of topics, including ethics and human rights issues.

We also train all salaried employees annually on our Code of Business Conduct, which requires that employees comply with all applicable laws and regulations and observe the highest standards of business ethics. In 2023, we trained all salaried employees on our Code of Business Conduct, Human Rights and Whistle Blowing & Ethics Reporting Policy as part of our annual compliance program.

In addition to the above trainings applicable to all salaried employees, all members of Labatt's procurement team, responsible for contracting with suppliers and vendors, complete specific trainings designed to ensure the continuous improvement of our processes, procedures, and tools to deliver sustainable results. This training focuses on human rights in our supply chain, training employees to evaluate our vendors and suppliers and ensure compliance with our Responsible Sourcing Policy, Supplier Anti-Corruption Policy, and Sustainable Development Standards, among other things.

## Implementing Processes with Our Supply Chain

Labatt has created processes and systems to ensure compliance with our policies and our commitment to responsible business practices. In this section we detail those systems and processes designed to protect human rights and, in particular, prohibit child and forced labour within our operations and supply chain.

At Labatt, we strive to continually improve our processes and engage with a range of stakeholders to inform our approach to human rights.

### Processes

Our Procurement team supports relevant risk management processes for Labatt's Canadian and international supply chain.

Labatt uses a Third-Party Risk Management (TPRM) system to assess vendors and suppliers across a variety of metrics, including human rights, forced labour and child labour risks. Labatt's risk-based approach focuses on mitigating third party risks across our most critical vendors and suppliers through questionnaires, assessments, and risk remediation as necessary.

Labatt's business critical vendors and suppliers are screened by the TPRM system. Business critical vendors and suppliers are required to agree to the terms and conditions set out in Labatt's Human Rights and Responsible Sourcing Policy. We have also developed training materials to help business critical vendors and suppliers understand our policies and processes. Business-critical suppliers represent a significant proportion of Labatt's third-party vendor payments.

### Forward Looking Actions

We are committed to business practices that respect human rights and align with international standards of responsible business conduct for ourselves and our supply chain. We regularly review the actions we have taken to understand their effectiveness and impact and are continually looking to make improvements to our processes.

We will utilize our contracts to require all non business critical vendors and suppliers to agree to Labatt's Human Rights and Responsible Sourcing Policies.

We will continue to strengthen our approach to responsible sourcing in 2024.

## Attestation

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (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.



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Jeffrey Ryan

Vice President, Legal and Corporate Affairs

May 29, 2024

I have the authority to bind Labatt Brewing Company Limited and RTD Canada Inc.