

Forty Creek Distillery Ltd., operating as Campari Canada

2023 Annual Report in Accordance with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act

Forty Creek Distillery Ltd., operating as Campari Canada ("***Campari Canada***") submits its annual report pursuant to Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Introduction and Entity Structure

Campari Canada is incorporated in Canada with a production facility in Grimsby Ontario, and a corporate office in Toronto, Ontario. It has one hundred and fifty (150) employees.

Campari Canada is part of the Campari Group of companies and is a subsidiary company of Davide Campari-Milano NV, a company listed on the Italian Stock Exchange, and incorporated under the laws of the Netherlands.

The Campari Group corporate headquarters are in Sesto San Giovanni in Milan, and as of December 31, 2023, the Group owned 22 manufacturing plants and had 26 in-market companies.

Campari Group has a deep belief in strong corporate values, including, "Integrity, which is exemplified in the Group's Sustainability Report for the year ended 2023, as:

"We recruit, develop and reward employees that work with utmost integrity and transparency. Integrity means being a responsible corporate citizen and treating all of our stakeholders correctly and with respect. Most importantly it means ensuring that fairness, honesty and consistency are the hallmarks of our business transactions and the guiding light for our employee's professional lives."

In addition, the Campari Group Behaviors guide the actions of Camparistas, including, "Respect Others and the Planet", which as noted in our 2023 Sustainability Report directs us to, "behave as proper members of our Company community and responsible citizens of this planet, and proactively commit to their development."

These values are at the heart of the Campari Group's commitment to all forms of corporate social responsibility, including not knowingly participating in, causing, contributing to, or being linked to modern slavery practices in any of its operations and supply chains, and a further commitment that it will make efforts to mitigate the risks of modern slavery within those operations and supply chains.

Campari Group supports the United Nations Universal Declaration of Human Rights and International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Sector

Campari Canada operates in the beverage alcohol sector and Campari Group owns, markets, and distributes a portfolio of more than fifty (50) premium and super premium brands in over 190 countries worldwide, with leadership positions in Europe and the Americas. Campari Group's major brands include Campari, Aperol, Appleton Estate, Grand Marnier, SKYY vodka, and Wild Turkey bourbon. As of December 31, 2023, Campari Group employs approximately 5,000 people.

Campari Canada acts as the Canadian importer for various Campari Group brands. It also operates a production facility in Grimsby, Ontario where it produces and bottles Canadian whisky, sold under the Forty Creek name, along with other beverage alcohol products.

Campari Group Governance & Values

Campari Group is organized according to the Dutch corporate governance model, as Davide Campari-Milano is domiciled in the Netherlands. It has both a board, and a supervisory body which has been in place since 2001. One of the supervisory body's main roles is to ensure compliance with the Group's governance model and the law, focusing on prevention of offences against administrative and corporate controls, as well as breaches of health and safety regulation. This ensures that matters relating to forced labor and child labor are overseen and reported at the highest levels.

Employees, associates, suppliers, and customers, as well as anyone who has had dealings with the Campari Group is able to report violations of the Code of Ethics or any other Campari Group policy or applicable law through the Campari Safe Line which enables a confidential report to be sent directly to the Chairman of the Group's Board and to the head of the Group's internal audit function. The whistleblower is also protected against retaliation or any other consequence arising from the report.

Below is a summary of Campari Group Governance Standards and Policies which relate to dealing with suppliers:

The **Code of Ethics** sets out the Group's values and its fundamental expectations of conduct and dealing with shareholders, colleagues and associates, consumers, and the community, as well as enforcement of its provisions.

The **Supplier Code** sets out the Group's ethical values which suppliers and their employees undertake to sign, adhere to, and ensure compliance throughout their respective supply chains. These ethical values are:

- Integrity, loyalty, and honesty
- Objectivity and immediate communication of real or potential conflicts of interest
- Confidentiality
- Transparency and completeness of information
- Rejection and condemnation of any type of discrimination

- Ban on forced and child labour
- Health and safety in the workplace
- Compliance with environmental law and ecological standards
- Prevention and reduction of environmental pollution
- Ban on unfair competition
- Compliance with the Group's Code of Ethics and its Quality, Health, Safety & Environmental Policy

The **Campari Group Global Procurement Policy** aims to standardize and define the roles, responsibilities, and rules of conduct for the management of Procurement processes, in keeping with the fundamental principles of the decision-making process, including transparency, impartiality, fairness, and traceability.

The **Quality, Health, Safety & Environmental Policy** governs the environment, health and safety of the Group's employees and consumers as well as the quality and food safety of products. The Policy applies to all Group locations and divisions and is regularly reviewed to ensure it remains appropriate for the nature and size of the Group and its corporate objectives. The Policy is also shared with all suppliers, investors, and employees.

The **Employees & Human Rights Policy** supports the UN Universal Declaration on Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and requires legal compliance with national human rights legislation in every country in which the Group operates. Where differences arise between Group policies and national regulations, the Group applies the most stringent of requirements. The Policy covers: non-discrimination, forced labour, child labour, harassment, diversity, working conditions (including hours and remuneration), freedom of association and the right to collective bargaining, training and personal development, community involvement and quality, health, safety & environment.

These policies demonstrate Campari Group's commitment to acting ethically and with integrity in all its business relationships to help prevent slavery and human trafficking in its supply chains.

Supply Chains

The Supply Chain function for Campari Canada as part of the Campari Group is centralized. Campari Canada purchases many of its products as finished goods from the Campari Group affiliate plants in Italy, Mexico, Jamaica, United States of America, and France.

Campari Group has a specialist Procurement Team which manages suppliers classified according to the following categories:

- **Product Related (PR):** Materials that go into the final product, they are part of the Bill of Materials, such as packaging materials (e.g., glass bottles), raw materials (e.g., sugar) and semi-finished materials (e.g., distillates).

- **Non-Product Related (NPR):** Goods and services that do not go into the final product; they are purchased to enable or support the business and its operations, such as Media & Marketing, Logistics, Capital Expenditure, etc.

Categories are mapped in a Portfolio Matrix, managed by Procurement, based on their supply risk and business impact. The Category Portfolio Matrix is updated from time to time, to reflect changes in external and internal environments.

Campari Group looks for local sourcing options to fulfill its aim of reducing its environmental impact along the supply chain, and continues to do so, all other commercial parameters being equal (such as competitiveness, quality, and availability of materials).

Compliance and Risk Mitigation Actions

Campari Group drives sustainability compliance through its implementation of the Campari Group's Supplier Code in all geographies. Campari Group sees responsible and transparent sourcing from commercial partners with similar values as a prerequisite for ensuring high-quality and safe products that create value in local economies.

Campari Group has a risk management system in place which is managed by the Internal Audit function and is aimed at identifying, assessing, managing, and monitoring, potential events or situations that could impact Campari Group activities and the achievement of its objectives. The risk management system also captures and monitors compliance, and personnel management, in terms of both health and safety, guaranteeing workers' rights and identifying environmental risk and Campari Group reserves the right to verify supplier's compliance with this Supplier Code, to monitor supplier performance and operations in this regard, and to terminate any agreements in the event of violations of the Supplier Code, if considered necessary.

In addition, Campari Group has been a member of Sedex (Supplier Ethical Data Exchange) for many years; this provides further evidence of its commitment to managing its supply chain responsibly and transparently. Sedex is the world's largest shared platform through which member users can report and share their commercial practices in the key areas of labor law, health and safety, environment, and business ethics including forced or compulsory labor. Campari Group uses Sedex to inform its risk assessments and mitigation. Campari Group encourages its suppliers to join Sedex to assist with due diligence assessment.

Campari Group checks for the compliance of all of its operating units with its human rights commitments by monitoring and analyzing its grievance mechanisms as appropriate. There were no reports of human rights violations through the Campari Safe Line as reported in the Campari Group Sustainability Report for the year ended 2023.

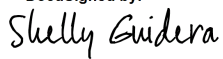
Training

Campari Group ensures that key procurement employees are aware of the Campari Group Supplier Code as part of its procurement process. There is also a mandatory training of all employees of the Campari Group on the Code of Ethics which includes promotion and protection of human rights and is against slavery, forced labor, or child labour.

This annual report was approved by the board of directors of Forty Creek Distillery Ltd., operating as Campari Canada on May 29, 2024 as required by Section 11(4) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act for the financial year ending December 31, 2023.

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 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.”

Shelly Guidera
Senior Director, Supply Chain, Forty Creek Distillery Ltd., operating as Campari Canada
May 29, 2024

DocuSigned by:

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I have the authority to bind Forty Creek Distillery Ltd., operating as Campari Canada.