

Forty Creek Distillery Ltd., operating as Campari Canada

2024 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 forty-five (145) 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, 2024, the Group owned 25 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 Annual Report for the year ended 2024, 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 2024 Annual 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 priority brands include Campari, Aperol, Appleton Estate, Grand Marnier, SKYY vodka, Espolon, Wild Turkey bourbon and Courvoisier. As of December 31, 2024, Campari Group employs approximately 5,254 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 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. It applies and sets out expectations for employees, suppliers, contractors, and other stakeholders, on general areas of conduct such as the avoidance of conflicts of interest, protection of confidential information and fostering of human rights.

The **Supplier Code of Conduct** underlines the commitment of the Group to carry out its business in a responsible, ethical and sustainable manner including respect for human rights, legal compliance, ethical conduct and environmental standards. This is further clarified with specific principles: no forced or child labor, fair working conditions, and environmental sustainability are all part of the commitment that suppliers conduct activities in a socially and environmentally responsible manner. All Campari Group's suppliers are required to sign and comply with the standards established in the Supplier Code of Conduct.

The **Campari Group Global Procurement Policy** sets guidelines for managing relationships with suppliers, and establishes standards regarding collaboration, clear communication and accountability. It also sets up standards for ethical practices in procurement, encouraging transparency, long-term responsibility and ethical practices towards suppliers.

The **Quality, Health, Safety & Environmental Policy** governs and protects the environment, health, safety and well-being of its employees, consumers and all workers in its supply chain. It emphasizes the commitment to environmental protection and to maintaining rigorous standards concerning the quality of products and food safety.

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 of Conduct 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. Campari Group reserves the right to verify supplier's compliance with this Supplier Code of Conduct, to monitor supplier performance and operations in this regard, and to terminate any agreements in the event of violations of the Supplier Code of Conduct, 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 assess and evaluate risks and monitor compliance, ensuring that all suppliers align and comply with Campari Group's standards and values.

As of 2024, Campari Group introduced its Human Rights Due Diligence process. As part of this risk assessment process, suppliers are required to use SEDEX to strengthen the Group's supply chain oversight and assist with due diligence assessment. Specifically, to evaluate human rights risks, suppliers are required to complete a Self-Assessment Questionnaire available at the SEDEX platform. This SAQ generates a risk score based on key indicators, including labor practices, safety measures, and country-specific risks, enabling the Group to identify suppliers with higher human rights vulnerabilities. Suppliers identified as high-risk must undergo a SMETA (SEDEX Members Ethical Trade Audit) to provide a detailed view of their compliance. For any critical or major non-compliances in human rights practices, suppliers are required to develop a corrective action plan to address these issues promptly and thoroughly. Campari Group conducts follow-up audits and closely monitors each action plan to assess progress. This ongoing tracking ensures that suppliers not only implement required changes but also maintain standards, allowing for timely remediation of any ongoing or emerging human rights issues. Where suppliers do not demonstrate compliance, commitment or remediation, the Group reserves the right to terminate the business relationship to safeguard its supply chain and business integrity.

No remediation plan was required to be implemented in 2024. In addition, there were no reports of severe human rights violations reported in the Campari Group Sustainability Report for the year ended 2024. The next risk assessment is scheduled for 2025.

Campari Group aims for 95% spend-wise compliance with the Supplier Code and eradicating incidents of labour violations within the supply chain for Tier 1 product related suppliers by 2028, and 60% of Tier 1 non-product related suppliers.

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. With specific reference to suppliers' selection and management, the Group periodically conducts training with its Procurement team to underline the ethical approach in making decisions. This helps employees understand the possible impacts of their actions on value chain workers and promote responsible conduct across suppliers' relationships.

This annual report was approved by the board of directors of Forty Creek Distillery Ltd., operating as Campari Canada on May 30, 2025 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, 2024.

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 on behalf of the governing body of 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 within this report.

Shelly Guidera

Head of Supply Chain House of Whiskey & Rum, Campari America LLC

May 30, 2025
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Shelly Guidera

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