



## **Coca-Cola Canada Bottling Limited**

### **Forced Labour and Child Labour Report for the 2023 Calendar Year**

This Report is prepared pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”), and provides an overview of the measures, actions and activities undertaken by Coca-Cola Canada Bottling Limited (“**Coke Canada Bottling**”, “we”, “us” or “our”) to assess, prevent and reduce the risk of forced labour and child labour in our business and supply chain. This Report applies in respect of Coke Canada Bottling’s financial year ending December 31, 2023, and is the first report prepared by Coke Canada Bottling under the Act.

#### **A. About Coke Canada Bottling**

Coke Canada Bottling is a family-owned business with more than 5,700 employees coast to coast. We operate in every province through more than fifty sales and distribution centres and five manufacturing facilities, to produce, sell and distribute Canada’s most loved beverages, including: Coca-Cola®, Diet Coke®, Coca-Cola® Zero Sugar, Sprite®, Fanta®, Barq’s®, POWERADE®, BodyArmor®, Minute Maid®, DASANI®, Smartwater® and Vitaminwater®; and partner brands Canada Dry®, Monster Energy® and A&W® .

Coke Canada Bottling exists under the Ontario Business Corporations Act. Our head office is located in Toronto, Ontario.

#### **B. Our Commitment**

At Coke Canada Bottling, fundamental human rights sit at the heart at everything that we do. From employee hiring, to the workplace behaviours we owe each other, all the way to the consumer enjoying one of our refreshing beverages, we recognize the importance of our obligations to observe and promote provincial, federal and internationally recognized human rights laws and principles. To this end, we have put into force human rights policies, introduced supplemental employee training and enforce the principles of those policies across our business. Following the passage of the Act, we further enhanced our practices related to the fight against forced labour and child labour, including new policies, training and enhanced monitoring of suppliers.

This Report describes Coke Canada Bottling’s operations and policies, and sets out the steps we are taking to prevent and reduce the risk of child labour and forced labour within our business and our supply chain. All Coke Canada Bottling employees have a role to play in ensuring that human rights are respected across our business and supply chain, and are encouraged and empowered to join us on this journey.

### **C. The Global Nature of Forced Labour and Child Labour**

Coke Canada Bottling's commitment to human rights extends to the Act. Coke Canada Bottling acknowledges that the risk of forced labour and child labour exists throughout the supply chains that we participate in. Forced labour and child labour are critical human rights issues globally. The International Labour Organization ("ILO") estimates that over 27 million people are in forced labour situations around the world, many of whom are in industries that may ultimately feed into global supply chains. The ILO also estimates that over 160 million children are currently in child labour globally, with nearly half of children subject to hazardous conditions.

Respect for human rights is fundamental to Coke Canada Bottling and we are committed to ensuring that people connected to our supply chain are treated with dignity and respect. Our brand owner partners are also committed to this fight. For example, The Coca-Cola Company's ("TCCC") [Human Rights Policy](#), [Supplier Guiding Principles](#) and [Principles for Sustainable Agriculture](#) (the "TCCC Policies") prohibit the use of all forms of forced labour, including child labour, prison labour, indentured labour, bonded labour, military labour, slave labour and any form of human trafficking within TCCC's supply chain. As an authorized bottler of TCCC products in Canada, Coke Canada Bottling adheres to the TCCC Policies and also expects its critical suppliers to comply with the TCCC Policies.

Coke Canada Bottling's fight against forced labour and child labour is also aligned with international priorities of the United Nations, including its Sustainable Development Goals which, among other things, promote decent work for all, and calls out the need to eradicate forced labour and modern slavery. Coke Canada Bottling recognizes that collaboration is critical to making meaningful progress in this area and we are committed to working with the Coca-Cola system, our brand owner partners, suppliers, customers, consumers and stakeholders to collectively address the issue of forced labour and child labour.

### **D. Coke Canada Bottling's Supply Chain**

Coke Canada Bottling operates exclusively in Canada. However, certain ingredients and materials that we use to produce and package our beverages are purchased from outside of Canada. We also purchase certain products as finished goods from our brand owners. We, along with our brand owner partners, place extreme importance on how and from whom our ingredients and materials are sourced, and we are committed to sustainable sourcing of our ingredients and materials.

As an authorized Coca-Cola bottler, Coke Canada Bottling participates in TCCC's global supply chain. We purchase concentrates and syrups from our brand owner partners, which is our largest ingredient and our primary material spend category. These concentrates and syrups are combined with water, sweeteners and other ingredients at our five production facilities to produce our beverages. The ingredients and materials used to produce and package our products, as well as our production equipment, are

primarily sourced from authorized and vetted TCCC system suppliers, which creates joint accountabilities with TCCC for ensuring that our key suppliers uphold our, and our brand owners', human rights values. Other, smaller, suppliers are sourced directly by us.

Our suppliers play a key role in helping us to ensure that human rights are respected across our supply chain. Therefore, it is extremely important that precautions are taken in supplier selection so that our key suppliers share our values, including respect for human rights. The steps that we take to help ensure that our suppliers share our values, along with some of TCCC's supplier compliance activities are described in more detail below.

In 2023, Coke Canada Bottling engaged with over 2,700 direct suppliers including suppliers based in Canada, the United States, the United Kingdom and Mexico. Of those suppliers, 99% are based in either Canada or the United States.

### **E. Human Rights Values Are Embedded Within The Coca-Cola Supply Chain**

As an authorized Coca-Cola bottler, Coke Canada Bottling uses approved system suppliers for our most critical ingredients and materials. Therefore, we rely on the Coca-Cola supply chain supports and systems to select and complete due diligence on the most critical suppliers. Coca-Cola system due diligence includes the following activities that, among other things, help to reduce the risk of forced labour and child labour in the Coca-Cola system's global supply chain:

#### *Supplier Audits*

TCCC has onsite third-party audits performed on the largest system suppliers (to which we are also subject to as a Coca-Cola bottler) to ensure that they are identifying, preventing and mitigating human rights impacts, including forced labour and child labour. TCCC uses auditors accredited by the Association of Professional Social Compliance Auditors to perform these audits. TCCC conducts over 2500 such audits annually.

#### *Commitment to Sustainable Agriculture*

In furtherance of its commitments to human rights, TCCC has adopted the [Principles for Sustainable Agriculture](#) ("PSAs"), which include principles for sustainable agriculture based on environmental, social and economic criteria. The PSAs apply to all of TCCC's agricultural product and packaging materials of agricultural origin, and incorporate TCCC's human and workplace rights principles, including among other things prohibiting forced labour and child labour.

#### *Focused Studies*

TCCC has performed country-specific studies to assess the risks of human rights issues

within the Coca-Cola system supply chain.

#### *Industry Collaboration*

TCCC participates in industry organizations including the [Consumer Goods Forum](#), which works to address global challenges facing industry, including human rights challenges, and works with the Fair Labor Organization on issues related to human rights.

#### *Supplier Guiding Principles*

TCCC requires all systems suppliers, including its authorized bottlers, to comply with its [Supplier Guiding Principles](#). TCCC has prepared guidance material for its system partners and suppliers to help them uphold the Supplier Guiding Principles and conducts training to ensure that its suppliers understand and align to the Supplier Guiding Principles.

#### *United Nations Guiding Principles*

TCCC's human rights policies and practices align with the [United Nations Guiding Principles on Business and Human Rights](#).

### **F. Human Rights Values Are Embedded In Our Direct Supply Chain**

In addition to the due diligence conducted by the Coca-Cola system on critical Coca-Cola suppliers, Coke Canada Bottling independently takes steps to evaluate and reduce the risk of forced labour and child labour within our supply chain, including:

#### *Supplier Guiding Principles*

We adhere to TCCC's Supplier Guiding Principles, and contractually require our key suppliers to do the same. Failure to uphold the Supplier Guiding Principles would be deemed a material breach of our commercial contracts and could result in contract termination if left uncured.

#### *Supply Chain Monitoring Software*

In 2023, we implemented FRDM, supply chain risk management software, to enhance our due diligence of new suppliers and monitor existing suppliers. This tool is used to assess the risk of forced labour and child labour within our supplier base (including Coca-Cola system suppliers) on an ongoing basis. Our procurement and legal teams both have access to this monitoring tool.

### *Brand Owner and Coca-Cola System Engagement*

We engage with our brand owner partners and the Coca-Cola system to ensure alignment in the fight against forced labour and child labour.

### *Hiring Practices*

We have implemented high ethical standards in hiring, and maintain a reliable system to verify workers' legal eligibility to work in Canada. These practices and procedures have helped to ensure that all of our employees are legally eligible to work for Coke Canada Bottling and that we do not have any forced labour or child labour directly within our company.

### *Policy on Forced Labour and Child Labour*

In 2023, we put into force a policy, specifically in response to the Act, that reaffirms our commitment to the fight against forced labour and child labour, and outlines all of the steps we have taken in furtherance of that commitment.

### *Employee Training*

In early 2024, we provided training to certain employees about the Act, our policy on forced labour and child labour, the steps we and the Coca-Cola system take to evaluate and reduce the risk of forced labour and child labour within our supply chain, and how to report if forced labour or child labour is identified within our supply chain. As our procurement team plays the most critical role in vendor selection and compliance, targeted training was provided to this team.

### *No Reprisal for Reporting*

We recognize that it is critically important for employees to report if they identify any potential or actual forced labour or child labour in our supply chain, without fear of reprisal. Our policy related to the Act is clear that employees must report forced labour and child labour to our legal team if they identify actual or potential forced labour or child labour in our supply chain, and that employees who make such reports will not be subject to reprisal for doing so.

## **G. Areas of Risk and Remediation Measures**

As a beverage producer that participates in international agricultural and industrial supply chains, we have identified parts of our supply chain that carries a risk of forced labour or child labour, including with respect to the raw materials and commodities used in our products. To date, we have not identified any instances of forced labour or child labour in

our supply chain, and no situations have arisen requiring implementation of any remediation measures.

#### **H. What's Next for Coke Canada Bottling?**

We are strongly committed to ensuring human rights are respected across our supply chain, our obligations under the Act and continuous improvement. Moving forward, we will continue to work with the Coca-Cola system, our brand owner partners, our suppliers and our internal stakeholders to improve our practices, policies and procedures related to human rights, including our compliance activities connected to the Act.

#### **I. Approval and Attestation**

This Report was approved by the board of directors of Coke Canada Bottling pursuant to Section 11(4)(a) of the Act on May 28, 2024.

*/s Steven Bloom*

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Name: Steven Bloom

Title: Director

I have the authority to bind Coca-Cola Canada Bottling Limited

*May 28, 2024*