

# **Broue-Alliance Inc. - Transparency on Supply Chain Report (S-211)**

*Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act: 2026 Report*

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## Introduction

The following report has been drafted by Broue-Alliance Inc. (“Broue-Alliance”) in accordance with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) for the financial year ending December 31st, 2025. This report is a joint submission pursuant to section 11(2) of the Act and covers the following entities:

Entity	Business Number
Broue- Alliance Inc.	736771692
Broue-Alliance Artisan Inc.	143420479

The content of this report applies equally to both entities, which share aligned supply chain structures, risk profiles, and governance policies. Based on this alignment, a joint report was deemed appropriate and compliant with Public Safety Canada guidance on joint reporting.

Under the Act, Broue-Alliance qualifies as an entity due to its place of business, business activities, and assets in Canada. Moreover, it satisfies two of the three size-related thresholds concerning revenue and assets. Broue-Alliance fulfills the reporting obligation for entities as a producer of goods in Canada and as an importer of goods produced outside of Canada when required for business continuity. In addition, Broue-Alliance Artisan Inc. qualifies as a reporting entity as it controls another entity that produces or imports goods.

Broue-Alliance is committed to conducting its business with honesty and integrity. In alignment with the Act, this report discloses the measures that Broue-Alliance has implemented, as well as those it plans to undertake, to mitigate the risks associated with forced labour and child labour within its business activities and supply chains.

## Section A – Structure, Activities, and Supply Chains

Broue-Alliance, a Canadian corporation based in Laval, Quebec, specializes in the production of a wide range of alcoholic beverages, including malt-based products such as beer. The company conducts its manufacturing activities within Canada and distributes its products across the country as well as internationally.

In 2025, Broue-Alliance maintained a geographically diversified supply chain composed primarily of suppliers and manufacturing relationships in Canada and the United States, which together supported a significant portion of the company’s procurement needs. The company also sourced certain goods from other jurisdictions, including China and selected European countries such as Spain, Germany, and Ukraine. These sourcing relationships were associated primarily with inputs such as ingredients, flavourings, packaging materials, and other goods used in the manufacturing and distribution of products.

In addition to suppliers of goods, Broue-Alliance also engaged suppliers related to services and other non-tangible expenditures. For purposes of its assessment under the Act, the company distinguished between goods-related suppliers and those associated with services or other categories generally considered outside the primary scope of the legislation.

Overall, Broue-Alliance’s supply chain in 2025 remained concentrated in North America, while also including limited international sourcing intended to support operational continuity and product availability.

## Section B – Policies and Due Diligence Processes

During the 2025 financial year, Broue-Alliance did not yet have in place a fully formalized formal due diligence framework specifically designed to identify, assess, and mitigate the risks of forced labour and child labour within its operations and supply chain. However, the company has continued to take a measured approach to supplier selection, with procurement decisions generally emphasizing product quality, reliability, and business integrity.

During FY2025, Broue-Alliance worked with a third-party advisory firm to draft a Supplier Code of Conduct and a risk-based Supplier Questionnaire. These tools had not yet been adopted as of the end of FY2025 and had not yet been implemented or integrated into Broue-Alliance's supplier onboarding, contracting, or monitoring processes during the reporting period.

Broue-Alliance remains committed to promoting ethical labour practices and fostering a responsible supply chain. Looking ahead, the company expects to continue enhancing its approach to supply chain risk management in a measured and risk-based manner.

## **Section C – Forced Labour and Child Labour Risks**

Over the past financial year, Broue-Alliance continued identifying risks across its operations and supply chain. As part of this effort, Broue-Alliance conducted a targeted risk assessment to better understand where forced and child labour risks may exist within the supply chain. This process was informed by the Walk Free Global Slavery Index, the Organization for Economic Co-operation and Development's (OECD) Due Diligence Guidance for Responsible Business Conduct, and the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor. These sources were selected due to their recognized relevance in identifying forced and child labour risks.

This risk identification exercise does not presuppose the actual use of forced labour or child labour within Broue-Alliance's operations or supply chains. Rather, it is intended to identify potential areas of heightened risk in order to support ongoing risk awareness and future preventative measures.

The analysis considered specific geographic regions that, according to the sources referenced above, may present a higher risk of forced and child labour practices. This geographic assessment was combined with a high-level review of goods categories to support a targeted and proportionate screening exercise.

### **Risk Assessment Findings**

As part of our analysis for the 2025 financial year, we focused on suppliers representing approximately 87.5% of the company's total procurement spend. These suppliers were geographically distributed across Canada, the United States, China, and selected European countries, including Germany, Spain, and Ukraine.

Of this analyzed spend, 37.0% was determined to be outside the primary scope of the Act, as it related to services or other non-tangible expenditures that do not directly involve the production or importation of goods. These categories included taxes, intercompany charges, construction, professional services, marketing, freight, and insurance.

The remaining 50.5% of total procurement spend, relating to suppliers providing goods potentially within scope of the Act, was subject to further assessment. This review identified varying levels of exposure to forced labour and child labour risks.

Purchases associated with Canada, the United States, Germany, and Spain represented approximately 85.1% of assessed in-scope supplier spend and were considered to present a relatively low prevalence of forced labour and child labour risk based on the external sources consulted as part of the assessment methodology.

In contrast, sourcing associated with China and Ukraine represented a comparatively smaller portion of assessed in-scope supplier spend but was identified as presenting a higher inherent prevalence risk based on recognized international risk indicators. Sourcing associated with China represented approximately 7.5% of total procurement spend, while sourcing associated with Ukraine represented less than 1% of total procurement spend. Although Ukraine accounted for only a very limited share of the company's overall procurement activity, it was nonetheless considered appropriate to monitor as part of the company's broader geographic risk review.

We also reviewed the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor to assess whether any goods imported by our organization fall into high-risk categories. Based on this analysis, no products currently sourced were found to be linked to an elevated risk of forced or child labour.

Overall, the risk assessment indicates a relatively low level of exposure to forced and child labour across our supply chain, particularly when viewed in relation to overall procurement volumes. However, this does not lessen our commitment to risk awareness and responsible sourcing practices.

## Section D – Remediation Measures

No instances of forced labour or child labour were identified in Broue-Alliance's operations or supply chains during the past financial year. As a result, no remediation measures were required or implemented during FY2025.

Nonetheless, in alignment with the United Nations Guiding Principles on Business and Human Rights and the expectations of the Act, Broue-Alliance recognizes the importance of being prepared to respond appropriately should such risks materialize.

In the event that forced labour or child labour is identified, the following remediation measures would be considered:

- Immediate response and remediation: Broue-Alliance would assess the circumstances and consider appropriate remedial actions based on the facts and context.
- Supplier collaboration: Broue-Alliance may work with suppliers to support corrective action where appropriate.
- Policy review and enhancement: Any identified issue would prompt a review of relevant policies, procedures, and oversight practices.
- Stakeholder communication: Broue-Alliance would consider how to communicate remediation efforts and outcomes to relevant stakeholders, subject to privacy and confidentiality requirements.

## Section E – Remediation of Loss of Income

No instances of forced or child labour were identified in our operations or supply chains during the past financial year. Based on our supply chain risk assessment, we have determined our overall exposure to such risks to be relatively low. Accordingly, no remediation measures were required to address the loss of income among vulnerable individuals or families during FY2025.

That said, Broue-Alliance recognizes the importance of being prepared to mitigate unintended negative impacts of corrective actions. Should any cases arise in the future, we are committed to:

- Supporting access to alternative income-generating opportunities for affected individuals and families;
- Facilitating access to education and basic services, where appropriate;
- Collaborating with local NGOs and community organizations to support long-term resilience and well-being.

## Section F – Training

Over the past financial year, Broue-Alliance has not conducted formal training programs related to forced and child labour in the supply chain.

During FY2025, training content relating to the Act and supply chain risk awareness was prepared in collaboration with a third-party advisory firm. This content had not yet been formally communicated to internal or external stakeholders as of the end of FY2025 and had not yet been implemented as part of a formal training program during the reporting period.

The draft training content was designed to support awareness among staff involved in procurement and purchasing, given the importance of these roles in maintaining the integrity of the company's supply chains. The

content addressed forced labour and child labour indicators, supply chain risk considerations, and risk-based decision-making.

## **Section G – Assessing Effectiveness**

While Broue-Alliance does not currently have specific formalized policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains, it remains committed to continuing to evolve its compliance approach over time in line with risk, business needs, and emerging practices.