A&W Food Services of Canada, Inc.

Statement on Fighting Against Forced Labour and Child Labour

Introduction

A&W Food Services of Canada Inc. ("A&W") is one of Canada's leading franchisors of quick service restaurants. In our mission to excite Canada's most avid burger lovers, A&W is committed to fostering safe and ethical environments within our communities and gaining the trust of our guests through transparency and adherence to our Doing What's Right strategy.

Throughout our 70-year history, we have built strong connections in communities all over Canada, while maintaining an international supply chain. We remain dedicated to operating in environments where human rights are honoured and protected.

At A&W, we take pride in being industry leaders in terms of quality, food safety, animal welfare, environment, how we treat our people, and in Doing What's Right.

This report for A&W has been prepared in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act"). This report is based on the financial year ending on December 28, 2025.

Our Doing What's Right Strategy consists of the following pillars:

Environment	Community	Our People	Our Food	Animal Welfare
We are leaders in environmental responsibility focused on achieving zero waste.	We contribute to building strong communities where people help each other.	We will do the right thing for our people.	We believe in changing how we eat... for good.	We look for better and better ways to care for the animals that feed us.

Modern slavery, encompassing forced labour and child labour, as well as human trafficking, contradicts our A&W values. We unequivocally oppose slavery and human trafficking within our organization, as well as within the operations of our suppliers and subcontractors. We work with suppliers, subcontractors, and trades that share similar values and goals. Upholding the highest standards, we expect A&W employees, contract workers, and supply partners to demonstrate integrity and adhere to the laws, regulations, and rules in all operating jurisdictions. Instances failing to meet these expectations will be thoroughly reviewed and addressed.

A&W Corporate Structure and Activities

Corporate Structure

Headquartered in North Vancouver, British Columbia, A&W is the franchisor of A&W restaurants in Canada and is in the business of developing and franchising quick service restaurants. A&W's common shares are publicly traded on the Toronto Stock Exchange under the symbol "AW.TO".

A&W franchises all A&W restaurants to independent franchisees, except for 10 restaurants that are owned and operated corporately, all of which are in the Ottawa, Ontario market. In total, there are over 1,100 restaurants across Canada.

A&W is a national business with over 300 corporate employees across Canada. This does not include employees hired independently by our franchisees.

A&W holds a 60% ownership interest in A & W Root Beer Beverages of Canada Inc., which buys and sells concentrate used in the production of canned and bottled regular and diet A&W Root Beer sold in retail locations.

A&W also holds the master franchisor rights to Canada for Pret A Manger ("Pret") and has the exclusive right to expand the Pret brand across Canada. A&W currently owns and operates two Pret locations in Toronto, Ontario and serves Pret coffee in all A&W restaurants and Pret pastries in a select number of A&W restaurants.

Activities

A&W is one of Canada's leading franchisors of hamburger quick service restaurants. The A&W product line includes hamburgers (The Burger Family™), chicken products, russet thick–cut fries, sweet potato fries, A&W Root Beer,™ fresh hand–cut onion rings, breakfast items, soft drinks, coffee as well as a variety of frozen and espresso-based beverages that are offered through the A&W Brew Bar.™

A&W restaurants operate as freestanding restaurants with drive-thru facilities, restaurants in shopping centres, restaurants on street fronts in urban areas or gas/convenience store restaurants on shared sites. The A&W shopping centre restaurants are located in the food courts of shopping centres, airports and universities.

A&W markets A&W Root Beer in cans and bottles to the retail grocery trade through an independent bottler licensed to manufacture and distribute the products.

A&W has partnered with UK-based Pret A Manger (Europe) Limited such that it has exclusive rights to operate the Pret brand in Canada. In January 2024, A&W opened its first standalone Pret location in Toronto, Ontario. In January 2026, A&W opened its second Pret location, also in Toronto, Ontario. The Pret Canada product line includes fresh-baked pastries and cookies, freshly made sandwiches, salads, soups, coffee, and espresso-based beverages.

A&W Supply Chain

A&W sources products including but not limited to food, beverage, packaging, cleaning supplies, equipment, furniture, technology hardware, smallwares, signage, uniforms, and branded merchandise. In many cases, these goods are A&W-branded and mandatory for purchase by A&W restaurant operators. A&W supplies these goods to its restaurants either directly from the supplier or through distribution centres across Canada. In other cases, such as the supply of construction materials and fixtures, A&W will specify a product for operators to source directly.

While the majority of A&W's direct suppliers operate and manufacture in North America, A&W also procures goods from Australia, New Zealand, China, Greece, Sri Lanka, Spain, France, Ecuador, Poland, South Korea, Mexico, South East Asia, and the United Kingdom.

A&W Policies and Due Diligence Processes

A&W believes that all companies have a responsibility to uphold human rights, wherever they operate. This belief is consistent with A&W's values and is demonstrated in its policies and practices.

Corporate Policies

The 'Preventing Forced Labour and Child Labour in A&W's Supply Chain' is A&W's Corporate policy that specifically addresses the risks of forced and/or child labour in its supply chain and details the procedures taken to identify and mitigate them. The core principles of this policy and A&W's approach are outlined as:

- We will meet or exceed the current legislative requirements.
- We will only engage in business with supplier partners who fully embrace the gravity of this issue and are active in their management of it in their business or supply chains.
- We will not do business with any entities that will not comply with our Supplier Code of Conduct.
- We will actively seek out issues or situations that contravene our policy and intent and take appropriate actions with urgency.

A&W has a Whistleblower corporate policy. This policy articulates the corporation's commitment to observe high standards of business and personal ethics in all its dealings, a responsibility that extends to all members of the Board of Directors, as well as all officers and employees. A&W employees are required to confirm their understanding and compliance with A&W's policies, including the Whistle Blower and the Preventing Forced Labour and Child Labour in A&W's Supply Chain policies, on an annual basis. The corporation's Board of Directors have overall responsibility to ensure that financial and business affairs are conducted in a legal and ethical manner.

Further to this, A&W has established a grievance mechanism to provide a channel for stakeholders within our supply chain, or those with any knowledge of potential violations of labour laws within our supply chain, to report issues to us directly. Access to this grievance mechanism, along with access to our annual statement on fighting against forced labour and child labour, can be found on our corporate website.

Supplier Code of Conduct

A&W expects all supply partners to exemplify integrity and comply with the laws, regulations, and rules applicable to their operational jurisdictions. A&W's Supplier Code of Conduct explicitly articulates the expectations for suppliers and their respective suppliers concerning modern slavery and labour laws. This code delineates the minimum requirements and performance standards expected from supply partners who provide goods to A&W.

A&W expects all of its supply partners to have adequate procedures in place to ensure that A&W is immediately notified of any deviation from this code. Supply partners are expected to respect and comply with this code and to actively do their utmost to achieve the standards set out therein.

Risk Assessment

A&W has undertaken mapping activities, which include a supply chain mapping and risk assessment process to identify areas of risk in its supply chain related to products. The supply chain mapping exercise included identifying Tier 1 suppliers, the product's country of manufacture, and ingredient's country of origin. A&W's supply chain risk assessment as it relates to forced and child labour is two-pronged. An assessment of both product risk and supplier risk are completed.

Product risk is an assessment that considers a number of factors, including but not limited to, the country of origin of the product, its known ingredients and/or components, the nature of manufacturing for that specific industry, and public information made available through the Bureau of International Labor Affairs and the United Nations Guiding Principles on Business and Human Rights.

Supplier risk is an assessment of A&W's supply partners' awareness of Canadian and global legislation, the maturity of their programs, training, policies and procedures, the measures they have taken to identify and remediate risk in their supply chains, and the assessment of their effectiveness. This is conducted through an annual supplier questionnaire, their compliance with A&W's Supplier Code of Conduct, and the collection of supporting documentation and certifications. A supplier of a higher-risk product would be expected to have a more robust social compliance program and control measures in place to address any high-risk areas in its sourcing or operations. Therefore, product risk also influences supplier risk. Some of our suppliers have implemented their own Supply Chain Code of Conduct, which includes Anti-Slavery and Child Labour policies relating specifically to goods sourced or specified by A&W. This is factored into their overall risk assessment.

A&W is committed to continuous improvement to ensure the human rights of those who participate in our supply chain are protected.

Potential Risks in A&W's Activities and Supply Chain

Areas of A&W's supply chain that carry an inherent risk of forced labour and/or child labour due to the sector and/or country of origin include:

- Uniforms
- Plush toys
- Baked Goods (Pret)
- RTE Frozen Food (Pret)
- Protein
- Spices & Condiments
- Produce
- Electronics/Technology
- Sugar
- Oil
- Tea
- Paper/Timber
- Construction materials
- Furniture

A&W has prioritized the review and assessment of suppliers that are deemed to be a higher risk due to the nature of their manufacturing, country of origin, or any other combination of factors. In such cases, we request and gather further details on their policies and procedures. We confirm that these suppliers have social certifications for the factories that manufacture our products and we obtain copies of these certificates.

Training

A&W has created a specialized training program that focuses on identifying child and forced labour, as well as recognizing supply chain areas with increased risk. This program is based on guidelines from the International Labour Organization (ILO), a United Nations agency dedicated to promoting social and economic justice through international labour standards.

In line with our commitment to ongoing improvement and bolstering our social compliance initiatives, the A&W training program has transitioned from simple awareness activities to a formalized and mandated training curriculum. Currently, all corporate employees engaged in procurement, specification of goods, restaurant field operations, General Counsel, Corporate Secretary, and the Executive team are required to complete this training.

As a large franchisor, A&W recognizes the importance of raising awareness of labour laws, reporting legislation, and the risk of forced and child labour in the businesses of our franchisees. To that end, A&W arranged information sessions in both French and English for franchisees across the country, led by external industry experts in 2024. In 2024 and 2025, A&W notified all franchisees of the reporting requirements and deadlines, provided information on how to assess their own reporting obligations, and shared its Annual Report on their internal franchisee portal.

Assessment of Effectiveness & Remediation Measures

A&W has a wealth of experience regularly assessing the efficacy of its food safety and animal welfare auditing program to ensure it remains up-to-date and aligned with business operations, regulatory changes, industry norms, and best practices. In instances where corrective actions are necessary as a result of a food safety or animal welfare audit, or any other issues that may arise in the supplier relationship or business activities, we engage in discussions with the supplier and diligently monitor the progress until resolution. As our program related to eliminating child labour and forced labour in supply chains continues to develop, we will continue to apply the same principles and approaches.

Thus far, A&W has monitored key performance metrics, including the completion rate of our annual supplier questionnaire as well as the rate of execution of our Supplier Code of Conduct, indicating compliance with our policies. In 2025, we conducted further due diligence with a select group of supply partners to validate their compliance with our Code. We are not currently aware of any evidence of modern slavery, including forced labour or child labour, nor have we identified any loss of income to vulnerable families in 2025. Consequently, no remedial actions have been deemed necessary in this regard beyond those described above, which were judged to be effective.

We intend to continue assessing and refining key performance indicators to measure our effectiveness in this important area of our business. In 2026, we will evaluate the use of software solutions with the intention of improving our ability to assess our effectiveness and to ensure our assessment framework is updated over time based on global risk data.

Conclusion

A&W is steadfast in its dedication to preventing forced labour and child labour within our operations and across our supply chains through our Corporate policies, training, and due diligence procedures. We will persist in regularly reviewing our policies, procedures, and practices to identify opportunities for further strengthening efforts against forced labour and child labour.

Attestation

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.

Paul Hollands
Chairman and Director
May 13, 2026



I have the authority to bind A&W Food Services of Canada Inc.

This report was approved pursuant to paragraph 11(4)(a) of the Act by the Board of Directors of A&W Food Services of Canada Inc. on May 6, 2026.

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