

FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

Introduction

This report is made in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chain Act* (Canada) for Jones Soda Co. and Jones Soda (Canada) Inc. (the “Jones Soda”, “we” or “us”). The report, for the fiscal year ending December 31, 2023 (“Fiscal 2023”), include the steps taken to prevent and reduce risks of child labour and forced labour in our operations and supply chains.

Our Business Structure

Jones Soda Co.’s stock is traded on the OTCQB Marketplace in the United States and the Canadian Stock Exchange in Canada. Jones Soda has approximately 27 full-time employees, and with the exception of one employee located in Canada are all located in the United States.

We, and our wholly owned subsidiaries, develop, produce, market and distribute premium beverages that we sell and distribute primarily in North America through our network of independent distributors and directly to our national and regional retail accounts. We also sell premium soda beverage products in select international markets and license cannabis infused beverages and syrups in California and Washington. Our premium soda beverage products are sold primarily in grocery stores, convenience and gas stores, on fountain in restaurants, “up and down the street” in independent accounts such as delicatessens, sandwich shops and burger restaurants, as well as through our national accounts with several large retailers. We refer to our network of independent distributors as our direct store delivery (“DSD”) channel, and we refer to our national and regional accounts who receive shipments directly from us as our direct to retail (“DTR”) channel. We do not directly manufacture any of our premium soda beverage products, but instead outsource the manufacturing process to third-party contract manufacturers. We also sell various premium beverage soda products online, including soda with customized labels, wearables, candy and other items, and we license our trademarks for use on products sold by other manufacturers. In addition, we currently market and license several cannabis infused beverages and syrups in California and Washington through third party manufacturers and distributors. We plan to expand our cannabis product offerings and the states in which we offer such products.

We do not directly manufacture our premium soda beverage products, but instead outsource the manufacturing process to third-party bottlers and independent contract manufacturers (co-packers). We continually review our contract packing needs in light of regulatory compliance and logistical requirements and may add or change co-packers based on those needs.

The raw materials used in the manufacturing of our premium soda beverage products consist primarily of concentrate, flavours, supplements, sugar, bottles, cans, labels, trays, caps and packaging. Substantially all of the raw materials used in the preparation, bottling and packaging of our bottle and can products are purchased by us or our contract manufacturers in accordance

with our specifications. These raw materials are purchased from suppliers selected by us or by our contract manufacturers.

We procure a significant portion of our goods and services from a small number of suppliers and choose to establish strategic, long-term, and transparent relationships and to engage with all suppliers in an ethical and socially responsible way. Our supply chains include the sourcing of sugar, flavoring, packaging supplies, glass, aluminum and other direct materials for our expansive portfolio of products.

Preventing and Reducing Risks

Each business partner, supplier, and Co-Manufacturer that we conduct our business with undergoes significant questioning and interviewing in order to determine if their conduct, supply chain partners, and other important business factors align with Jones Soda's.

Policies and Due Diligence Processes

Jones Soda is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics.

Jones Soda has adopted a Code of Conduct applicable to all employees, officers and directors of Jones Soda. The Code of Conduct requires compliance with applicable laws and reporting illegal or unethical behaviour.

Jones Soda also has a Code of Ethics for all employees, including the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer (or persons performing similar functions). The Code of Ethics include requirements to engage in and promote honest and ethical conduct and abide by company policies and procedures.

Jones Soda has also implemented an online Whistle Blower procedure regarding accounting, internal controls and auditing matters.

Forced Labour and Child Labour Risks

Jones Soda has not identified parts of its activities or direct supply chains that carry a risk of forced or child labour. Jones Soda's employees are located in the United States and one is located in Canada. Each employee signs our code of ethics and conducts. Our co-packers which manufacture our premium soda beverage products are also located in Canada or the US.

Remediation Measures

Jones Soda has not identified any instances of forced labour or child labour in its activities or supply chains. As a result, remediation measures are not applicable.

Training

We provide training to all new procurement personnel to ensure a full understanding of our code of conduct and Jones Soda's strong emphasis on ethics, our core values and our principles. The training materials are developed internally. Labour rights are discussed during these trainings and it is concluded that forced and child labour are not aligned with the Company's code of ethics or conduct.

Every new staff member on the supply chain team reads and understands our values and Code of Conduct, as well as on how to report issues of concern using the whistleblowing reporting tool. There is an ongoing communications monthly (at least) to encourage employees to speak up regarding findings internally or with our external business partners that do align with our company's code of ethics and conduct, and that includes findings surrounding labour rights and ethics.

Assessing Effectiveness

Jones Soda does not have any additional procedures in place to assess the effectiveness of the policies and procedures related to forced labour and child labour risks

This Report was approved by the board of directors for Jones Soda Co. pursuant to subsection 11(4)(b)(ii). I make the following attestation in my capacity as director of Jones Soda Co.

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.

DocuSigned by:
RONALD DISSINGER
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Ronald Dissinger, Director, June 13, 2024

DocuSigned by:
Joe Culp
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Joe Culp, Interim CFO – June 13, 2024

“I have the authority to bind Jones Soda Co.”