



Forced Labour in Canadian Supply Chains

Peninsula Consumer Services Co-operative

May 2024



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Introduction

This report is Peninsula Consumer Services Co-operative's (Peninsula Co-op) response to comply with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act) for the financial year ending March 30, 2024. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Peninsula Consumer Services Co-operative. The reporting entity covered by this statement is Peninsula Consumer Services Co-operative, business number 104 138 052.

For the purposes of the Act, Peninsula Co-op meets the entity definition by having a business in Canada, doing business in Canada and meeting all three threshold criteria for revenue, assets and employees. Peninsula Co-op is incorporated provincially and is obligated to submit a report to the Minister of Public Safety and provide a public report in response to the Supply Chains Act by May 31, 2024.

As a Co-operative, we are guided by Co-operative principles, and our own organization's values of People First, Integrity, Excellence, Accountability and Respect. These values underpin our commitment to operating ethically and taking measures to address issues such as forced and child labour.

1. Structure, Activities, and Supply Chain

Structure

Based in Saanichton, BC, Peninsula Co-op is one of 158 independent retail co-operatives across Western Canada that make up the Co-operative Retailing System (CRS) and own Federated Co-operatives Ltd (FCL). Peninsula Co-op is in turn owned by 120,000 members, primarily residing on Vancouver Island, British Columbia. The Co-operative employs 460 individuals.

Activities

As a retail Co-operative, Peninsula Co-op's business is largely business-to-consumer retailer in the following business lines: grocery, liquor, convenience stores, petroleum.

Supply Chain

Peninsula Co-op top three wholesale suppliers account for 96% of the Co-operative's annual inventory purchases:

- Federated Co-operatives Limited (88%)

- Province of BC, Liquor Distribution Branch, and Brewers Distributor Ltd. (6%)

- BC Lottery Corporation (2%)



Wholesale and Retail Trade

FCL sources and distributes products to Peninsula Co-op's eighteen retail locations across Vancouver Island British Columbia. Products include food, propane, lubricants, and petroleum. Peninsula Co-op sources 88% percent of the products for resale from FCL. These products are purchased by FCL from within Canada or imported and distributed throughout the CRS using FCL's fleet, distribution centres, bulk fuel distribution centres, and fuel terminals.

Peninsula Co-op sources 6% of its inventory from the BC Liquor Distribution Branch and Brewers Distributor Ltd. These wholesalers source beer, wine and spirits locally, nationally and internationally. 2% of the Co-operative's purchases are from the BC Lottery Corporation.

CATEGORY	DESCRIPTION
ENERGY	Gasoline, diesel, propane, lubricants,
FOOD & CONVENIENCE	Grocery, produce, dairy, meat, confectionary, tobacco and lottery
LIQUOR	Beer, Wine, Spirits

2. Policies and Processes in Relation to Forced and Child Labour

Peninsula Co-op maintains and regularly reviews workplace policies for alignment and adherence to applicable workplace and labour legislation.

As per British Columbia labour laws, Peninsula Co-op does not employ anyone under the age of 15, and follows all applicable young worker restrictions for employees that are 15 years of age.

Peninsula Co-op will explore mechanisms by which concerns or potential cases of forced and child labour in the Co-operative's supply chain can be reported and escalated within the organization. Peninsula Co-op's goal is to raise awareness of forced and child labour, and ensure reporting of forced and child labour incidents, protect victims and prevent future cases.

3. Identification of Risks

Peninsula Co-op's main supplier, FCL, accounts for 88% of total procured goods. In assessing the risk of forced labour or child labour at the direct supplier level for this relationship, FCL has concluded on the following assessment of the use of child labour and/or forced labour within their supply chain, using two separate indices - *Walk Free's Global Slavery Index* and *the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor*:



1. Goods procured within the food categories of 1) protein foods (specifically seafood); 2) beverages (specifically coffee); and 3) other (specifically chocolate):
 - a. An inherent risk of child and forced labour has been identified within the above categories. FCL has a sustainable seafood policy and, sustainably sources fair-trade-certified products to mitigate these risks.
2. Goods procured for home building centres:
 - a. Key suppliers of FCL's home building centres import from China, which has been identified as a country with a high inherent risk of forced and child labour. To mitigate this risk, FCL requires key suppliers to sign a Social Responsibility Agreement. The agreement requires suppliers to ensure they are supporting commitments to responsible sourcing and provide workers with fair wages and working hours, as well as a safe, clean, and healthy work environment.

FCL is exploring opportunities to understand and reduce the risk of forced and child labour within their supply chain, and therefore, Peninsula Co-op will be relying on this on-going assessment to continue assessing goods procured from FCL.

The next largest suppliers to Peninsula Co-op, representing 8% of annual purchases, are in provincially regulated industries of lottery and liquor, supplied by the BC Liquor Distribution Branch, Brewers Distributor Ltd, and the BC Lottery Corporation. The remaining 4% of the Co-operative's purchases are from approximately 100 suppliers across Vancouver Island, Western provinces and Canada.

Peninsula Co-op's supply chain mapping activities were limited to our most material vendors. Materiality was determined by selecting our top 90% of suppliers by total spend in 2024 fiscal year.

4. Remediation of Forced and Child Labour

Peninsula Co-op's own policies, described in Section 2, address forced and child labour within the organization. In the future, Peninsula Co-op will explore opportunities to increase monitoring of suppliers to reduce the risk of forced and child labour. If specific incidents of forced and child labour are identified, Peninsula Co-op will work with suppliers to determine and implement remedial action.

5. Remediation of Loss of Income

Peninsula Co-op has not identified any child or forced labour in operations or supply chains, and



therefore no measures have been taken to remediate the loss of income to vulnerable families that results from any measures taken.

6. Employee Training

Peninsula Co-op's employee policy handbook stresses the importance of workplace safety and compliance with labour legislation. Although the BC Human Rights Code is referenced in Peninsula Co-op's workplace policies, the Co-op has identified an opportunity to incorporate awareness specifically on the topic of forced and child labour. In addition, Peninsula Co-op will explore opportunities to provide role-specific training to educate team members and help them identify risks of child and forced labour in supply chains. These opportunities will be evaluated through fiscal year 2025/2026.

7. Efficacy of Actions

Peninsula Co-op will continue to review policies and procedures, and identify opportunities for increased awareness and prevention of child and forced labour in the Co-op's supply chain. Success will be evaluated by tracking relevant performance indicators, such as levels of employee awareness, number of vendors reviewed, number of employees in procurement roles participating in training.

8. Approval and Attestation of the Report

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.

Susan Herman
VP, Finance
May 27, 2024

A handwritten signature in black ink, appearing to read "Susan Herman".

I have the authority to bind Peninsula Co-op. The Statement has been reviewed and approved by the Board on behalf of itself.