



EPLS STORE LTD.
FIRST ANNUAL REPORT UNDER THE
FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

Overview

EPLS Store Ltd. (“EPLS”) under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9 (the “Act”). The report is for the fiscal year ending June 30, 2024.

Corporate Overview of EPLS

EPLS is part of the EPLS Group of Companies, a group of enterprises owned by Ryan St. John and his family in Nunavut. The EPLS Group of Companies is involved in construction, rental of owned properties and property management, accommodation and retail in several Nunavut communities. The business has a strong regional presence in those communities and is making a valuable contribution to the local economy.

The corporation that is making this report (EPLS Store Ltd.) is the retail arm of the EPLS Group of Companies. EPLS is the largest retailer in Arviat and Rankin Inlet. The stores are “Home Hardware” branded but, in addition to Home Hardware’s standard merchandise of building supplies, hardware and appliances, also sell groceries and hunting rifles and ammunition. Effectively, EPLS’s retail operation is a modern take on the historical general store.

Assessed against other Canadian retailers, EPLS is a small operation. However, the company’s strength lies in its ability to manage the logistics of operating retail establishments in Canada’s north, a location abandoned by larger players in the Canadian hardware and grocery landscape. Neither Arviat nor Rankin inlet are connected to other communities by road, which presents a significant logistical challenge.

EPLS’s Supply Chain

EPLS operates as a true retailer, which means that it is not vertically integrated with any suppliers. Home Hardware stores in Canada are independently owned. This includes the two stores operated by EPLS.

As a “modern general store”, EPLS relies on three different supply chains, all of which involve Canadian distributors based in the south:

- The Home Hardware-branded building supply, hardware and appliance business is supplied through the Home Hardware vendor network, which is the same supply chain that provides merchandise to southern Home Hardware stores.
- The grocery business is supplied by three separate Canadian grocery distributors and wholesalers that also supply independent grocery stores in the south.
- Lastly, the hunting rifle and ammunition business (which represents approximately 6% of EPLS’s retail revenue) is supplied by a separate distributor who also supplies southern retailers of such merchandise.

EPLS expects that each of these distributors and wholesalers individually also meets the “entity” threshold under the Act and will be required to file a report.

The Risk of Forced Labour and Child Labour in EPLS’s Supply Chain

As a retailer who relies on established Canadian distributors and wholesalers, EPLS has limited insight into the place of manufacture for items sold by it. Ultimately, it must rely on the established and respectable distributors and wholesalers with whom it does business.

For product originating in North America (such as lumber as well as most vegetables and hunting rifles, EPLS considers the risk of forced labour or child labour having been used in the supply chain to be very low. In EPLS’s assessment, the risk is highest in the following product categories:

- Unbranded “commodity” products made out of metal, such as nails, for which it is almost impossible for a retailer to track the supply chain; and
- Grocery products such as frozen seafood, which have a complicated supply chain that is not indicated on the product labelling.

In EPLS’s view, the business has an obligation to supply such products in Canada’s north in order to enable the construction of safe housing and to ensure adequate and healthy nutrition in a place where fresh groceries are difficult to find and expensive.

Training Provided

EPLS is a closely held and tightly managed business. Its executive has worked with the company’s regulatory counsel to be educated on its obligations under the Act as well as the overall issues surrounding the use of forced labour and child labour.

Due Diligence

As discussed above, EPLS sources its products exclusively from Canadian suppliers who are likely to meet the “entity” threshold for reporting under the Act. The company intends to review the reports of these suppliers once they are posted.

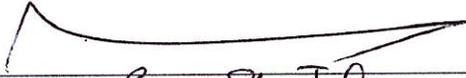
As a whole, EPLS’s due diligence consists primarily of its reliance on established suppliers. While the business plays an important local role in Arviat and Rankin Inlet, it is a relatively small retailer in the broader Canadian context. As such, it does not have the bargaining power to influence a wholesaler’s business practice. However, EPLS notes that any of its suppliers or wholesalers who are importing product into Canada must already comply with the prohibition against forced labour and child labour as set out in the Customs Tariff.

Remedying Forced Labour and Child Labour

To date, EPLS has not encountered any instances of forced labour or child labour in its supply chain. As such, the business has not had to take any measures to remedy specific misconduct or to remediate the loss of income to vulnerable families resulting from such measures.

May 23, 2024

EPLS STORE LTD.

Per: 
Name: Ryan St. John
Director

RESOLUTION OF THE BOARD OF EPLS STORE LTD. (THE “COMPANY”)

WHEREAS the Government of Canada has enacted the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) to implement Canada’s international commitment to fight against forced labour and child labour;

AND WHEREAS the Act applies to the Company as an entity that produces, sells, or distributes goods in Canada, imports goods produced outside Canada into Canada, or controls an entity engaged in either of the foregoing;

AND WHEREAS pursuant to the Act, the Company has prepared an annual report to the Minister of Public Safety and Emergency Preparedness (the “**Minister**”) in respect of the steps taken during the Company’s previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production chain (the “**Annual Report**”);

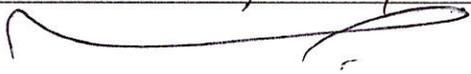
AND WHEREAS the Board of Directors the Company has reviewed the Annual Report and desires to confirm its approval;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Annual Report is hereby approved and any director of the Company is hereby authorized to execute it for submission to the Minister.
2. The Annual Report, following execution by any one director of the Company, be submitted to the Minister as required by the Act.
3. Any one director of the Company be and is authorized and directed to execute, on behalf of the Company, all such other agreements, instruments, deeds and documents and to do all such acts and things as they may consider to be necessary or desirable to give effect to this resolution.
4. All acts performed and any documents executed, delivered, filed, submitted or registered prior to the date of these resolutions by any director or officer of the Company relating to matters dealt with in these resolutions, are hereby approved, ratified and confirmed.
5. This Resolution may be executed in counterparts and may be executed and delivered by facsimile or in portable document format (“PDF”) and all counterparts, facsimiles and PDFs together shall constitute one and the same Resolution.

The foregoing resolutions are hereby passed by the board of directors of the Company and are deemed to constitute resolutions of the Company as evidenced by the signatures of all of the directors of the, as of the 24th day of May, 2024.

Ryan St-John, CEO/owner

[Name] 

[Name]