

May 30, 2024

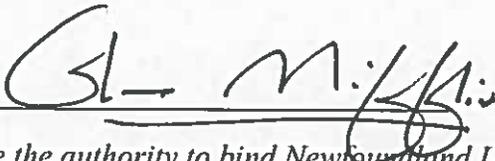
Minister of Public Safety  
Public Safety Canada  
Government of Canada

**RE: Report on Forced Labour and Child Labour in Supply Chains Act**

Dear Minister,

In accordance with the requirements of Forced Labour and Child Labour in Supply Chains Act (Act), and in particular section 11 thereof, I attest that I have reviewed the information contained in the following report for Newfoundland Labrador Liquor Corporation (Business #: 122785629). 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 prior financial year (April 2, 2023 to April 6, 2024).

Respectfully submitted,



*I have the authority to bind Newfoundland Labrador Liquor Corporation*

Glenn Mifflin  
Chairperson

May 30, 2024

**Report on Forced Labour and Child Labour in Supply Chains Act  
Annual Report  
April 2, 2023 to April 6, 2024**

This report is prepared in accordance with the Annual Report requirements set in *Bill S-211 - An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act) sections 11(1) to 11(3).

## **1. Annual Report**

*Requirement: Section 11(1) requires a report of steps taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.*

During its prior financial year, Newfoundland Labrador Liquor Corporation (NLC) took the below steps to prevent and reduce the risk of forced labour and child labour in its activities and supply chains.

- A committee was formed of several senior employees of NLC. The purpose of the committee was to review the Act and NLC's compliance with requirements. This committee also took part in a training session on forced labour and child labour risks and Act reporting requirements. Further details on the training completed are provided below in Section 3(f).
- NLC engaged a representative sample of suppliers to attest to not engaging in forced labour or child labour themselves or in their supply chains, committing to conducting due diligence to assess and mitigate risks of forced labour and child labour within their supply chains, and committing to the promotion of human rights, ethical business conduct, and sustainable supply chain practices. The suppliers who provided attestation responses represented 58% of total NLC purchases for a 12-month period.
- The NLC Supplier Code of Conduct and Employee Code of Conduct were in place throughout the year and continue to support NLC's commitment to ethical conduct. Further details on each of the Code of Conducts as well as a policy developed to specifically cover forced labour and child labour are provided in Section 3 (b) below.

## **2. Report Type (Single or Joint report) (Section 11(2))**

*Requirement: Section 11(2) of the Act requires an entity to provide a report in respect of itself or as party to a joint report in respect of more than one entity.*

This report is prepared by the Newfoundland Labrador Liquor Corporation in respect to itself.

### **3. Supplementary information**

*Requirement: Section 11(3) of the Act details a list of 7 categories of supplementary information to be included in the Annual Report.*

#### **a) Structure, Activities and Supply Chains**

NLC is a Crown Corporation of the Government of Newfoundland and Labrador with responsibility through the Liquor Corporation Act, the Liquor Control Act, and the Cannabis Control Act for the importation, sale, distribution and management of beverage alcohol and cannabis, and for the delivery of programs that promote safe, responsible consumption of alcohol and cannabis.

NLC is one of the largest retailers in the Province of Newfoundland Labrador. Through 28 corporate retail locations, private order services, over 140 agency stores, more than 600 Brewer's Agent outlets, and over 1,400 restaurants, lounges, and other licensees, NLC offers over 4,000 products per year to consumers and its retail partners from more than 20 countries. It also regulates and distributes to 55 licensed cannabis retailers across the province, and offers customers a secure, legal online environment for cannabis purchases via ShopCannabisNL.com. NLC operates a 77,000 square foot distribution centre, as well as a manufacturing operation, Rock Spirits. The facility, which runs a world-class blending and bottling plant, ships to more than 30 countries around the world and has been in operation for over 65 years.

Further information about NLC can be found at <https://nliquorcorp.com/about-newfoundland-labrador-liquor-corporation>.

#### **b) Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour**

Forced labour and child labour are addressed in NLC's existing Supplier Code of Conduct for Responsible Procurement. This was developed in 2018 and can be found at [https://nliquorcorp.com/images/doing-business/files/s-t/October-2019/NLC\\_Supplier\\_Code\\_of\\_Conduct\\_for\\_Responsible\\_Procurement\\_July\\_3\\_2018.pdf](https://nliquorcorp.com/images/doing-business/files/s-t/October-2019/NLC_Supplier_Code_of_Conduct_for_Responsible_Procurement_July_3_2018.pdf).

The Supplier Code of Conduct states that NLC expects its suppliers to refrain from using child labour and forced labour. The Code of Conduct also contains sections on Business Ethics, Compliance with Laws and Regulations and Worker's Rights.

The Supplier Code of Conduct includes confidential mechanisms to report issues, including an anonymous phone line operated by a third party. It also details non-compliance action including the right to end business relationships and the right to report suspected illegal activity to appropriate authorities.

NLC's efforts to communicate the Supplier Code of Conduct to its suppliers include:

- The majority of NLC Purchase Order Terms and Conditions for beverage alcohol, cannabis and other goods and services reference the NLC’s Supplier Code of Conduct for Responsible Procurement, with a link to the actual document. The remainder of the Purchase Orders had this term added in the current financial year, which will be part of next year’s report.
- NLC’s Product Listing Application for new products includes a required acknowledgement where the agent/supplier are required to agree to NLC’s Supplier Code of Conduct (with a direct link to the Code of Conduct).
- The Supplier Code of Conduct is included in the Submission Form for each of the NLC’s Procurement Templates, and the submission form is a mandatory submission document.
- NLC’s Employee Code of Conduct includes an all-encompassing section for matters that employees may encounter that may not be fair, ethical, legal or in compliance with policies. The Employee Code of Conduct provides employees with reporting mechanisms, including an anonymous phone line operated by a third party. The Employee Code of Conduct also outlines NLC’s investigation process for potential violations.
- NLC also developed a Forced Labour and Child Labour Policy during the past financial year. This Policy was approved in the current financial year. The Policy is part of NLC’s commitment to act professionally, fairly and ethically in its relations with employees and suppliers.

**c) Parts of the Business and Supply Chains that Carry a Risk of Forced Labour or Child Labour and Steps Taken to Assess and Manage Risk**

NLC has not yet started a formal risk assessment process to identify specific risks in its supply chain (internally or externally).

As reported above in Section 1, in the past financial year NLC took the below steps to prevent and reduce the risk of forced labour and child labour in its activities and supply chains.

- A committee was formed of several senior employees of NLC. The purpose of the committee was to review the Act and NLC’s compliance with requirements. This committee also took part in a training session on forced labour and child labour risks and Act reporting requirements. Further details on the training completed are provided below in Section 3(f).
- NLC engaged a representative sample of suppliers to attest to not engaging in forced labour or child labour themselves or in their supply chains, committing to conducting due diligence to assess and mitigate risks of forced labour and child labour within their supply chains, and committing to the promotion of human rights, ethical business conduct, and sustainable supply

chain practices. The suppliers who provided attestation responses represented 58% of total NLC purchases for a 12-month period.

- The NLC Supplier Code of Conduct and Employee Code of Conduct were in place throughout the year and continue to support NLC's commitment to ethical conduct. Further details on each of the Code of Conducts as well as a policy developed to specifically cover forced labour and child labour are provided in Section 3(b).

**d) Measures Taken to Remediate any Forced Labour or Child Labour**

NLC has not identified any forced labour or child labour in its own business or supply chains.

NLC does provide mechanisms for confidential reporting of any issues in both its Supplier Code of Conduct and Employee Code of Conduct.

**e) Measures Taken to Remediate the Loss of Income to the Most Vulnerable Families that Results from Any Measure Taken to Eliminate the Use of Forced Labour or Child Labour in Activities and Supply Chain**

NLC has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains.

**f) Training Provided to Employees on Forced Labour and Child Labour**

A committee was formed of several senior members of NLC from different functional departments to review the Forced Labour and Child Labour in Supply Chains Act requirements and compliance. NLC contracted a professional consultant to provide the committee with training. The training related to human rights and modern slavery, including identifying the financial, supply chain, and reputational costs when companies are found responsible for human rights abuses. It also covered reporting obligations, identification of possible risk factors and indicators of Forced Labour and Child Labour.

**g) Assessment of Effectiveness in Ensuring that Forced Labour and Child Labour are Not Used in its Business and Supply Chains**

No issues related to the Forced Labour and Child Labour in Supply Chains Act have been reported through the mechanisms provided in NLC's Supplier Code of Conduct and Employee Code of Conduct.

The NLC will continue its processes and due diligence efforts in the current financial year.