

Parkway Consumers Co-operative Ltd.



Forced Labour in Canadian Supply Chains

Parkway Consumers Co-operative Ltd.

DATE May 27 2024



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Introduction

This report is Parkway Co-op's 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 February 3rd, 2024. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Parkway Consumers Co-operative Ltd. The reporting entity covered by this statement is Parkway Co-op, business number 104081260.

For the purposes of the Act, Parkway Co-op meets the entity definition by having a business in Canada, doing business in Canada, and meeting all two of the three threshold criteria for revenue and assets. Parkway 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.

Parkway Co-op is committed to continuous improvement in the areas of identification and remediation of forced and child labour in operations as well as local and global supply chains. Further, Parkway Co-op is committed to respecting all human rights, in accordance with applicable law and the principles set forth in international standards, including the UN's Declaration of Human Rights, the UN Rights of Indigenous Peoples and UN Guiding Principles on Business and Human Rights.

Guided by our core values of Honesty, Excellence and Responsibility, Parkway Co-op is committed to making ethical business decisions and taking proactive measures to address issues such as forced and child labour.

1. Structure, Activities, and Supply Chain

Structure

- Corporation
- Board of Directors → General Manager → Division Managers → Commodity Managers → Department Managers → Department Clerks
- Provide goods and services to the communities in which our member/owners live.
- 130 employees in Canada
- Member of the Cooperative Retailing System, owners of Federated Co-op

Example (add or remove information as needed based on items suggested above)

Based in Roblin, Rossburn and Grandview Manitoba, Parkway Co-op is one of 158 independent retail co-operatives from across Western Canada that make up the Co-operative Retailing System (CRS) and own FCL. Parkway Co-op is in turn owned by 6000 members in Manitoba. As part of the CRS, Parkway Co-op helps build, feed and fuel individuals and in our local



communities. We employ 130 individuals.

Activities

- Production, sale and distribution of goods, in Canada, including the kinds and volumes of goods produced, manufactured, grown, extracted, processed, sold or distributed.
- Importation of goods into Canada, including the kinds and volumes of goods imported and the locations from which the goods are imported
- Locations of operation (Western Canada)

Parkway Co-op's business is largely business-to-consumer focused on serving the communities in which we operate. Our core retail lines of business include food, liquor, agriculture, fuel, and convenience stores.

Supply Chain

Wholesale and Retail Trade

FCL sources and distributes products across many primary consumer and business lines to Parkway Co-op with seven retail locations in three communities including food, crop inputs, agricultural equipment, livestock feed, propane, lubricants, and petroleum. Parkway Co-op sources ninety-six 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, fuel terminals and fertilizer plants.

The remaining four percent of products are sourced by Parkway Co-op from sixteen vendors within Canada.

Supply Chain

Parkway Co-op's supply chain is comprised of products that are manufactured by FCL legally owned entities and products sourced for resale.

Wholesale and Retail Trade: Products Sourced for Resale

Category	Description
Agriculture	All product sourced through FCL
Energy	All product sourced through FCL
Food	Pepsi Cola, Coca Cola, Core-Mark Imperial Tobacco, Rothman Benson Hedges, Manitoba Liquor & Lottery
Clothing	Helly Hansen, Fruit of the Loom, Dickies



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

Parkway Co-op maintains Compliance and Ethics policies to which all employees must adhere to through an annual Code of Conduct attestation. Parkway Co-op has an established internal process for anonymous reporting of actual or potential wrongdoing including any actual or potential violation of law, regulation, policy and procedure. Procedures are put in place to protect the anonymity of whistle-blowers from retaliation. Parkway Co-op's Senior Leadership Team regularly reviews human resource related policies to ensure Parkway Co-op remains in compliance with applicable workplace and labour legislation.

Parkway Co-op ensures that there is reduced risk of forced or child labour in operations through strict adherence to provincial and federal labour laws. As per Manitoba's labour laws, Parkway Co-op does not employ anyone under the age of 13 and follows all applicable young worker restrictions for employees under the age of 16. Young Worker's can only work under 20 hours per week during a school week and can not work between 11pm and 6am. They must have a signed certificate for Young Workers Readiness and be under direct supervision of an adult.

Parkway Co-op is exploring the implementation of effective grievance and remediation mechanisms in effort to address concerns or potential cases of forced and child labour in the supply chain. Parkway Co-op's goal is to prioritize the reporting and remediation of forced and child labour incidents, protect victims and prevent future cases.

3. Identification of Risks

Parkway Co-op's main supplier, FCL, accounts for 96% 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.

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



2. The remaining 4% of goods purchased by Parkway Co-op are procured from outside of FCL. Parkway Co-op has 4 main categories of goods for resale, which include, food, agriculture, liquor, and fuel. 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, Parkway Co-op has conducted an initial risk assessment of food and clothing and identified low risk.

4. Remediation of Forced and Child Labour

In the future, Parkway Co-op will explore opportunities to increase auditing and monitoring of suppliers to reduce the risk of forced and child labour. If specific incidents of forced and child labour are identified, Parkway Co-op will work with suppliers to determine and implement remedial action.

5. Remediation of Loss of Income

Parkway 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

Annual training and attestation are currently under consideration for all employees to ensure compliance with Parkway Co-op's Code of Conduct on company ethical standards, policies, laws and regulations. The Code of Conduct is applicable to everyone that conducts business on behalf of the organization which includes the Parkway Co-op's Board of Directors, the Senior Leadership Team and all current and new employees and contractors. Parkway Co-op has identified the opportunity to incorporate human rights awareness training into the annual Code of Conduct attestation to create awareness and the associated risks of forced and child labour. In addition, Parkway Co-op is exploring opportunities to provide role specific training to educate team members and help them identify and respond to risks of child and forced labour in supply chains. These opportunities will be evaluated through fiscal year 2024.

7. 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.



Full name Conrad Nabess

Title General Manager

Date May 28, 2024

Signature 

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