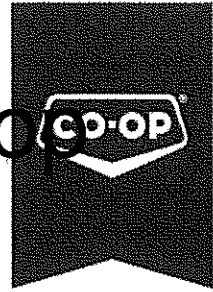


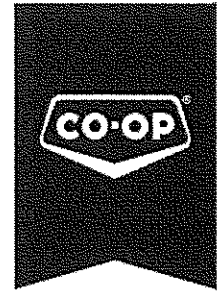
**Pembina Consumers Co-op
(2000) Ltd**



Forced Labour in Canadian Supply Chains

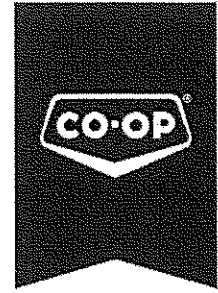
Pembina Consumers Co-op (2000) Ltd

DATE: April 15, 2024



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Introduction

This report is Pembina Consumers Co-op (2000) Ltd.'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 January 31st, 2024. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Pembina Consumers Co-op (2000) Ltd. The reporting entity covered by this statement is Pembina Consumers Co-op (2000) Ltd, business number 101143865.

For the purposes of the Act, Pembina Consumers Co-op (2000) Ltd meets the entity definition by having a business in Canada, doing business in Canada and meeting the threshold criteria for revenue and assets. Pembina Consumers Co-op (2000) Ltd 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.

Pembina Consumers Co-op (2000) Ltd 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, Pembina Consumers Co-op (2000) Ltd 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 core values of people, integrity, and responsibility, Pembina Consumers Co-op (2000) Ltd is committed to making ethical business decisions and taking proactive measures to address issues such as forced and child labour.

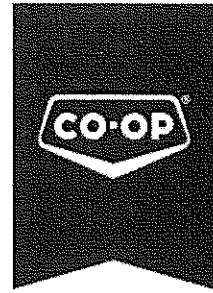
1. Structure, Activities, and Supply Chain

Structure

Based in St. Leon, MB, Pembina Consumers Co-op (2000) Ltd is one of 158 independent retail co-operatives from across Western Canada that make up the Co-operative Retailing System (CRS) and own FCL. Pembina Consumers Co-op (2000) Ltd is in turn owned by 14,500+ members in our trading area of southwestern Manitoba. As part of the CRS, Pembina Consumers Co-op (2000) Ltd helps build, feed and fuel individuals and in our local communities. We employ approximately 180 individuals, including full time, part time, and seasonally.

Activities

Pembina Consumers Coop (2000) Ltd.'s business is largely business-to-consumer retail focused on serving the communities in which we operate. Our core retail lines of business include food, liquor, agriculture, home and building, fuel, and convenience stores.



Supply Chain

FCL sources and distributes products across many primary consumer and business lines to Pembina Consumers Co-op (2000) Ltd with 31 retail locations in 15 communities in Manitoba including food, home and building supplies, crop inputs, agricultural equipment, propane, lubricants, and petroleum. Pembina Consumers Co-op (2000) Ltd sources approximately 94 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. For further information on the country of origin on products and distributed to Pembina Consumers Co-op (2000) Ltd by FCL please refer to FCL's report.

The remaining approximately 6 percent of products are sourced by Pembina Consumers Co-op (2000) Ltd from various vendors with preference given to local vendors within our Manitoba communities. All of Pembina Consumers Co-op (2000) Ltd.'s purchases are made from entities with offices in Canada or the United States. For the year of this report Pembina Consumers Co-op (2000) Ltd has not identified any risk of child or forced labour within our organization but has yet mapped its supply chains therefore information is not available for this reporting period.

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

Pembina Consumers Co-op (2000) Ltd maintains a Code of Ethics to which all employees must sign-off and adhere to. Pembina Consumers Co-op (2000) Ltd does not currently have any policies and due diligence processes in place directly relating to forced labour and/or child labour.

3. Identification of Risks

Pembina Consumers Co-op (2000) Ltd.'s main supplier, FCL, accounts for approximately 94% 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 therefore, Pembina Consumers Co-op (2000) Ltd will be relying on this on-going assessment to continue assessing goods procured from FCL.

The remaining approximately 6% of goods purchased by Pembina Consumers Co-op (2000) Ltd are procured from outside of FCL. Pembina Consumers Co-op Ltd has not yet begun supply chain mapping activities on it's other vendors outside FCL.

4. Remediation of Forced and Child Labour

Pembina Consumers Co-op (2000) Ltd has not identified any areas of activities and supply chain that carry a significant risk of forced or child labour and as such no measures have been taken to remediate forced or child labour in supply chain. In the future, Pembina Consumers Co-op (2000) Ltd 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, Pembina Consumers Co-op (2000) Ltd will work with suppliers to determine and implement remedial action.

5. Remediation of Loss of Income

Pembina Consumers Co-op (2000) Ltd 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

Pembina Consumers Co-op (2000) Ltd does not currently provide any training to employees on forced labour and/or child labour.

7. Efficacy of Actions

To date no actions have been taken to assess Pembina Consumers Co-op (2000) Ltd.'s effectiveness in preventing and reducing risks of forced labour and child labour in their activities and supply chains.



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.

Full Name: Marc Grenier

Title: Board of Directors - President

Date:

A handwritten signature in black ink, appearing to read "Marc Grenier", written over a horizontal line. The signature is stylized and cursive.

Signature

I have the authority to bind Pembina Consumers Co-op (2000) Ltd. The Statement has been reviewed and approved by the Board on behalf of itself.