

REPORT UNDER THE FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

INTRODUCTION

This report has been prepared for the financial year ending March 31, 2024, pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act"). This report describes the steps that the Prince Edward Island Liquor Control Commission (the "Commission") has taken to prevent and reduce the risk of forced labour and child labour in the Commission's supply chain.

The Commission's Board of Director's approved this report as attested below on May 30, 2024.

1. STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Commission's Structure

The Commission is a wholly owned Crown corporation of the Province of Prince Edward Island, established under the provisions of the *Liquor Control Act*, RSPEI 1988, c L-14. The Commission is for all purposes an agent of the Government of Prince Edward Island, and consists of five Board members appointed by the Lieutenant Governor in Council of Prince Edward Island, one of which is designated as chairman and another as vice-chairman. The Commission does not have any subsidiaries.

Commission's Business & Activities

The Commission's purpose is to regulate the sales and distribution of liquor products across Prince Edward Island in accordance with its functions, duties, and powers as assigned by the *Liquor Control Act*, RSPEI 1988, c L-14. The Commission operates corporate retail outlets and licenses agency stores in Prince Edward Island's three counties. A central warehouse, Licensee Distribution Centre and the Commission's head office is located in Charlottetown, Prince Edward Island. As of March 31, 2024, the Commission employed approximately 310 persons engaged primarily in retail sales roles and providing administrative support to the Commission.

Commission's Supply Chain

In the year preceding March 31, 2024, the Commission purchased and imported goods from approximately 40 countries, primarily from Europe and South America. The Commission imported alcohol products including beer, wine, spirits and ciders.

The Commission's supply chain includes a wide range of products and services including, alcohol producers, distributors, wholesalers, retailers, and other businesses. The Commission aims to source locally to the greatest extent possible.

2. POLICIES & DUE DILIGENCE PROCEDURES

To the best of the Commission's knowledge all suppliers adhere to all applicable laws, including all federal, provincial, municipal, local, or other laws, rules, statutes, regulations, orders, codes, judgments, decrees, treaties or other requirements having the force of law. The Commission is in

the process of reviewing and updating agreements to improve due diligence processes and strengthen policies around procurement of contracts with its suppliers.

Supplier Code of Conduct

The Commission has a Supplier General Code of Conduct for the purpose of aligning suppliers and potential suppliers with the Commission's core values. It establishes minimal requirements for the management of ethical, social and environmental risks, and has a stated expectation that suppliers apply similar policies throughout their own supply chain and business practices. The Supplier Code of Conduct is readily available online for suppliers through the PEILCC website.

Code of Business Conduct and Ethics

The Commission has a Code of Conduct which establishes the values and expectations that underpin the ethical approach to business of the Commission. The Code of Conduct applies to all employees and Board of Directors of the Commission, and although it does not directly speak to issues of child and forced labour, it affirms the Commission's commitment to ensuring everyone working on behalf of the Commission adheres to the highest ethical standards.

The Commission also promotes the responsible use of beverage alcohol, to help reduce impact on the environment and give back to the communities it serves. This is done through a number of programs, including fundraising campaigns to donate to community organizations, social responsibility programs, and environmental initiatives.

3. FORCED LABOUR AND CHILD LABOUR RISKS

In future years, the Commission plans to implement practices and policies to identify and manage risks of forced labour and child labour in its supply chain, including:

- Reviewing and updating the Commission's existing Supplier Code of Conduct.

4. REMEDIATION MEASURES

To date, the Commission has not become aware of any forced labour or child labour in its activities and supply chains. As a result, the Commission has not taken any remedial measures.

5. REMEDIATION OF LOSS OF INCOME

To date, the Commission has not become aware of 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. As a result, the Commission has not taken any remedial measures with respect to loss of income as a result of efforts to reduce forced and child labour.

6. TRAINING

The Commission has not yet implemented formal training on forced labour and child labour but will examine the implementation of formal training in future years, which may consist of training on a supplier code of conduct (to be implemented), and on other matters of supply chain sustainability.

7. ASSESSING EFFECTIVENESS

As discussed above, the Commission has not become aware of any risks of forced labour or child labour in its supply chains. To date, no action has been taken to assess the effectiveness of the actions of the Commission with respect to reducing the risk of forced labour or child labour in the Commission's supply chains.

ATTESTATION

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board members of the Commission.

In accordance with the requirements of the Act, and in particular section 11 thereof I, the undersigned, attest that I have reviewed the information contained in the report for the entity specified below. 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 specified above.

I make the above attestation in my capacity as a chairman of the members of the Commission.

I have the authority to bind the Commission.

Prince Edward Island Liquor Control Commission

Per: _____

Name: John Abbott

Title: Chair of the Commission

Date: May 30, 2024