

**FIGHTING AGAINST FORCED LABOUR AND
CHILD LABOUR IN SUPPLY CHAINS ACT**

**REPORT FOR THE YEAR ENDED
DECEMBER 31, 2023**



**ROYAL CANADIAN
SECURITIES LIMITED**



Introduction

This joint report has been prepared by Royal Canadian Securities Limited, Gladstone P.G. Limited, and Domo Corporation Ltd. (collectively The Royal Canadian Group) in response to the requirements under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) for our fiscal year ending December 31, 2023.

The Royal Canadian Group acknowledges the risks of forced labour and child labour in the global supply chain. We understand that managing these risks requires a collaborative approach with our suppliers and workforce and are committed to continuous improvement in our due diligence, risk assessment, remediation, and training processes.

The Royal Canadian Group supports the fundamental human rights principals set forth in the Manitoba Human Rights Code. We acknowledge our responsibility to respect human rights and avoid complicity in human rights abuses.

Organizational Structure, Activities, and Supply Chain

Organizational Structure

The Royal Canadian Group is a private entity that is a retailer of gasoline products, leases and manages commercial properties, is a producer and distributor of bottled water as well as engages in investment planning strategies. Our head office is located in Winnipeg, Manitoba and was incorporated under the *Canada Business Corporations Act (CBCA)*. We employ 280 people as of December 31, 2023. These employees consist of skilled individuals engaged in work related to providing customer service and operational business activities.

Activities and Supply Chain

Our gasoline retailer division operates more than 90 locations across Western Canada and include the sale of confectionary items. It strives to provide its guest with value, quality, convenience, and superior service. It maintains low operating costs and passes those savings onto their guests. This is achieved by maintaining small structures that are approximately 150 square feet that have a low rent overhead and can be operated by a single person.

The property management division owns, develops and manages a total of 25 retail, office and industrial properties in Western Canada. Its mission is to provide excellent, friendly, first-class service to its customers, tenants, and suppliers. This is achieved by focusing on providing outstanding and meticulously maintained properties for its tenants and their customers.

The water distribution centre serves its customers within the Province of Manitoba. It's committed to providing the purest, best tasting bottled water and ice available in the region through its exclusive 10-step purification process.

In the Reporting Period, The Royal Canadian Group contracted with an excess of 250 suppliers who provide fuel, pumps, equipment, tobacco, confectionary items, merchandise and supplies. All purchases are made from local or Canadian suppliers except for a few US suppliers that represent less than 1% of our purchases.

Policies and Due Diligence Processes

The Royal Canadian Group values its reputation for integrity and is committed to good corporate governance. This provides the framework and foundation that supports sound decision making to conduct business in a safe, respectful and ethical manner. Inappropriate or illegal activity is not acceptable at any level, or under any circumstances.

As part of our ongoing commitment to ethical practices, at the end of the reporting year, The Royal Canadian Group was preparing a compliance program to support the companies core values and philosophies and to strengthen its commitment to social responsibility.

The Employee Code of Conduct applies to everyone at all levels of the company and sets the expectations of ethical business behaviour. This includes respect and recognition of basic human rights of workers in our operations, customers, and supply chains. *The Employee Code of Conduct* explains the corporate policies and identifies support options for employees to ensure they always understand appropriate courses of action, or where to go with any questions or concerns.

The Royal Canadian Group is expecting that all employees read and familiarize themselves with the policies contained in *The Employee Code of Conduct* and understand that the document sets the baseline standard for how we do business. The expectation is that all officers, directors, and employees will at all times act in accordance with the rules and regulations applicable to The Royal Group and its business operations.

The Human Rights Policy is guided by the Manitoba Human Rights Code and The Royal Canadian Group strictly prohibits discrimination or harassment and promotes diversity, equity, and inclusion. Any employee who has engaged in discrimination and/or harassment will be subject to disciplinary action up to and including dismissal.

The Royal Canadian Group adheres to the minimum age of hiring workers to comply with the legal requirements across the different Canadian provinces we operate in. This policy sets the expectation for establishing safe working conditions that do not interfere with the education or schooling of young workers.

Suppliers chosen by the Royal Canadian Group are selected primarily based on its commitment to sourcing local products and supporting local businesses, wherever possible. The Royal Canadian Group strives to deliver first class service and partners with reputable, Canadian suppliers that offer a high standard of service and quality products and who share, project, and protect our values for integrity, excellence, and social responsibility.

Major capital purchases are vetted by the companies' executives and reviewed by the President of the parent company.

If The Royal Canadian Group becomes aware of any evidence, or information to suggest that one of its suppliers has operated in an unethical manner, or engages in child labour or forced labour practices, the matter will be investigated. If appropriate, the relationship will be terminated, and The Royal Canadian Group will report such practices to the responsible authorities.

Forced Labour and Child Labour Risk

The Royal Canadian Group's risk management approach has primarily focused on risks to workers within our own operations, including respecting the safety and human rights of workers and protecting young workers in our service kiosks and production/distribution operations.

The Royal Canadian Group considers the risk of child and forced labour occurring within the organization to be low considering the policies set to govern recruitment, labour sourcing, working conditions and ethical treatment of our employees.

From a geographical risk perspective, our employees operate in Canada only which has a low prevalence of child and forced labour, a low risk of vulnerability to child and forced labour and fairly robust governmental response addressing child and forced labour.¹

¹ <https://www.walkfree.org/global-slavery-index/map/#mode=map:country=CAN:region=3:map=prevalence:year=2023:view=recommendations>

The Royal Canadian Group does not currently have a centralized supply chain auditing or monitoring program in place. However, in the upcoming year, will take steps to ensure that we understand our suppliers, particularly in regions and industries that are considered higher risk for forced labour and child labour.

We recognize the risks of forced labour and child labour in the global supply chain include vulnerable populations, such as domestic and foreign migrant workers, temporary workers, young workers. The Royal Canadian Group does not knowingly use child labour or forced labour in any of our operations nor do we knowingly accept commodities, products and/or services from suppliers that employ, or use forced labour or child labour.

Remediation Measures and Remediation of Loss of Income

The Royal Canadian Group has not identified, or been made aware of, specific instances of forced labour or child labour and has and as such, has not been required to take any substantive remediation measures or remediation of loss of income to families as are result of modern slavery practices within the Reporting Period.

Employee Training

Our approach to employee training is that our *Employee Code of Conduct* and *Human Rights Policy* will be part of the training and onboarding of all employees joining The Royal Canadian Group. This provides the guidelines of how employees are to conduct themselves and expectations for respecting and supporting the fundamental principles of human rights for worker and other impacted by our operations. We are enhancing our procedures to ensure that every member of The Royal Canadian Group is expected to read, understand, and comply with the principles and requirements set out in the *Employee Code of Conduct* and *Human Rights Policy*.

The Royal Canadian Group is currently planning to incorporate training and education for both forced and child labour to be incorporated with the *Employee Code of Conduct* and provided to its directors, officers and employees. These updates will be implemented in the 2024 fiscal year.

Assessing Effectiveness

The Royal Canadian Group will measure the effectiveness of its commitment to doing business ethically through feedback from the various stages in the supply chain.

The Royal Canadian Group is conducting a review of current policies and procedures related to child and forced labour and is currently evaluating further measures to assess the efficacy of actions. We intend to seek continuous improvement by planning to evaluate processes to identify suppliers which present human rights violation risks



Approval and Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercise 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.

I have the authority to bind The Royal Canadian Group

Ashleigh Everett
President, Royal Canadian Securities Limited

Date: May 31, 2024