

Dawson Co-op



Forced Labour in Canadian Supply Chains

Dawson Co-operative Union

2024 Fiscal Year Report



Table of Contents

Introduction	1
1. Structure, Activities and Supply Chain.....	1
Structure.....	1
Activities	1
2. Policies and Due Diligence Processes in Relation to Forced and Child Labour.....	3
3. Identification of Risks	3
4. Remediation of Forced and Child Labour	5
5. Remediation of Loss of Income	5
6. Employee Training	6
7. Efficacy of Actions.....	6
8. Approval and Attestation of the Report.....	7



Introduction

This report is Dawson 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 1, 2025. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to the Dawson Co-op. The reporting entities covered by this statement include:

- Dawson Co-operative Union, incorporation number 193
- 1033606 B.C. Ltd., business number 806647194
- 1033602 B.C. Ltd., business number 806654398.

For the purposes of the Act, Dawson Co-op meets the entity definition by having a business in Canada, doing business in Canada and meeting the two of the three threshold criteria for revenue and assets. Dawson Co-op is subject to reporting obligations under the Act by importing goods produced outside Canada. Dawson 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, 2025. Dawson Co-op will provide this report to its members alongside the financial statements for the current reporting year.

1. Structure, Activities and Supply Chain

Structure

Based in Dawson Creek, BC, Dawson Co-op is a corporation that is one of over 150 independent retail co-operatives from across Western Canada that make up the Co-operative Retailing System (CRS) and own Federated Co-operatives Limited (FCL). Dawson Co-op is in turn owned by approximately 15,000 members in BC, who are represented by an elected board of directors. As part of the CRS, Dawson Co-op does retail trade in the industries of agriculture, home and building supplies, grocery, and energy. We employ approximately 180 employees, located in Canada, and have physical locations in 5 separate communities, including Dawson Creek, Chetwynd, Tumbler Ridge, Rolla, and Silver Valley.

A seven-member board of directors is elected by our membership at our annual general meeting. The board oversees the Chief Executive Officer, who oversees the leadership team and management of our various commodities. We are the sole owners of two additional corporations, both of which operate food service franchises within the Dawson Creek community.

Activities

Dawson Co-op's business is primarily retail trade, focusing on serving our communities in our key industries, including energy, grocery, agriculture, and home and building supplies. We



also operate two separate food service franchises, Booster Juice and The Chopped Leaf.

Retail Trade

The Dawson Co-op sources approximately 86% of its products for resale from FCL, including grocery products, home and building products, agricultural products, livestock feed, crop inputs, propane, lubricants, and petroleum. The remaining 14% of products are sourced by Dawson Co-op from primarily Canadian vendors.

Wholesale and Retail Trade

FCL sources and distributes products across many primary consumer and business lines to Dawson Co-op with 7 retail locations in 5 communities in British Columbia including food, home and building supplies, crop inputs, agricultural equipment, livestock feed, propane, lubricants, and petroleum. Dawson Co-op sources 86% 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 14% percent of products are sourced by Dawson Co-op from Canadian vendors and two vendors from the USA (under \$5,000 total).

Supply Chain

Dawson Co-op's supply chain is comprised of products that are manufactured by FCL legally owned entities and products sourced for resale. The remaining 14% of products are sourced by Dawson Co-op from Canada and the USA.

Table 1. Wholesale and Retail Trade: Products Sourced for Resale

CATEGORY	DESCRIPTION
AGRICULTURE	Fertilizer, crop protection products, livestock feed, agricultural equipment, agricultural tools and hardware.
ENERGY	Petroleum, diesel, lubricants, propane.
FOOD	Meat, fish, produce, dairy, convenience store items, packaged goods, frozen goods, baked goods, canned goods, health products, personal care products, pet food, cleaning products, and other sundries.
HOME AND BUILDING SUPPLIES	Hardware, lumber, building materials, tools, paint, seasonal, plumbing, and electrical products.
FOOD SERVICE FRANCHISES	Booster Juice and The Chopped Leaf food service franchises.



As per the franchise agreement with Booster Juice Canada, 100% of goods purchased for resale at the Dawson Co-op's Booster Juice are sourced from Gordon Food Service. As per the franchise agreement with Innovative Food Brands (IFS), 100% of goods purchased for resale at the Dawson Co-op's The Chopped Leaf are sourced from Sysco Canada.

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

Internal

Dawson 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. Dawson Co-op regularly reviews human resource related policies to ensure Dawson Co-op remains in compliance with applicable workplace and labour legislation.

Dawson Co-op ensures that there is reduced risk of forced and child labour in operations through strict adherence to provincial and federal labour laws. As per British Columbia's labour laws, Dawson Co-op does not employ anyone under the age of 15 and follows all applicable young worker restrictions for employees under the age of 17. Youth employed by Dawson Co-op are not permitted to work during school hours and are subject to limits on daily and weekly hours in accordance with British Columbia regulations. The tasks assigned to young workers are low risk and do not meet the definitions of child labour as outlined in the legislation.

Dawson Co-op's Employment Policy abides by the Canadian Labour Code and British Columbia Provincial Labour Standards. Our policy states that all employees must be hired voluntarily and under no circumstances will Dawson Co-op engage in or support the use of forced labour, whether through coercion, threats or any form of intimidation. Under no circumstances will the youth employment standards of British Columbia be violated, including age restrictions, working hours, and conditions of employment. Dawson Co-op is committed to ethical employment standards.

3. Identification of Risks

Dawson Co-op's main supplier, FCL, accounts for approximately 86% of total procured goods. In assessing the risk of forced and child labour at the direct supplier level for this relationship, FCL has concluded on the following assessment of the use of forced and child 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 food categories:
 - a. An inherent risk of forced and child labour has been identified within the food categories of 1) protein foods (specifically seafood); 2) beverages (specifically coffee); and 3) other (specifically chocolate). FCL has a sustainable seafood policy, Social Responsibility agreements with private label food suppliers, a Supplier Certification with national brand food suppliers and, sources several 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. In 2024 employees in the FCL home and building supplies team travelled overseas for factory visitations, where they conducted informal auditing and monitoring of 40 selected suppliers. No incidences of forced or child labour were observed.
3. Goods procured for fertilizer:
 - a. FCL sources 100 per cent of potash and sulphate products from Canadian producers which would be considered a low risk for forced and child labour. Further, 85 per cent of urea is sourced from Canadian producers, 9 per cent from North American producers outside of Canada, and the remaining 6 per cent from international import sources outside of North America. Urea, like fertilizer in general, is not considered an at-risk good for forced and child labour. Only 6 per cent of urea purchased by FCL is sourced from unknown international producers, reinforcing its classification as a low-risk good for Dawson Co-op.

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

The remaining 14% of goods purchased by Dawson Co-op are procured from outside of FCL. Dawson Co-op has five main categories of goods for resale, which include food, agriculture, energy, fuel, and home and building supplies. These product lines are sourced from Canada and the USA.



Dawson Co-op is currently in the process of implementing a supplier code of conduct as part of its commitment to responsible sourcing. This policy will help ensure that suppliers meet standards that uphold ethical labor practices and mitigate the risk of forced or child labor within the supply chain.

All goods purchased outside of Federated Co-operatives Limited (FCL) are sourced from Canadian suppliers, with the exception of two product categories sold through Dawson Co-op's Home Centre: silver jewelry/fashion accessories and hardware tools. These items are sourced from two U.S.-based suppliers, with annual spends of approximately \$1,500 and \$2,900, respectively. One supplier states that its products are manufactured in the United States, while the other indicates that a significant portion of its products are produced domestically.

Although the United States is generally considered a low-risk country for forced and child labour, the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor identifies jewelry and hand tool manufacturing as sectors with elevated risk. When evaluated alongside Walk Free's Global Slavery Index, these product categories may carry a heightened exposure to unethical labour practices, despite the overall low country-level risk. In response, Dawson Co-op is currently reviewing select suppliers in these categories as part of a broader effort to assess potential exposure to forced and child labour. This evaluation will help determine whether continued purchasing aligns with our ethical sourcing commitments.

Dawson Co-op's supply chain mapping activities in 2024 focused on its most commonly used material vendors. Materiality was determined by identifying the most frequently used contractors, vendors, and suppliers during the year.

4. Remediation of Forced and Child Labour

Dawson Co-op is taking action to remediate potential risks of forced and child labour through deployment of the policies and procedures outlined in Section 2 of the report. In the future, Dawson 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, Dawson Co-op will work with suppliers to determine and implement remedial action.

5. Remediation of Loss of Income

Dawson Co-op has not identified any instances of forced and child labour in operations or supply chains; therefore, no measures have been taken to remediate the loss of income to vulnerable families.



6. Employee Training

Dawson Co-op is committed to maintaining high ethical standards across all levels of the organization. While formal annual training and attestation are not currently required for all employees, clear policies on confidentiality, conflict of interest, and responsible conduct guide daily operations and are outlined in our Personnel Policy. These expectations apply to all individuals conducting business on behalf of Dawson Co-op, including employees and management personnel. Additionally, the Dawson Co-op Board of Directors signs a Code of Conduct on an annual basis, reinforcing their commitment to ethical governance.

Dawson Co-op recognizes the importance of addressing global issues such as forced and child labour within our operations and supply chains. As part of our ongoing commitment to ethical business practices and employee development, we are in the process of working toward the implementation of formal training on these topics. This includes exploring opportunities to integrate both general awareness and role-specific training related to forced and child labour risks. These initiatives will be further developed and evaluated through fiscal year 2025, aligning with our broader efforts to strengthen responsible sourcing and build capacity across our team.

7. Efficacy of Actions

Dawson Co-op is conducting a review of current policies and procedures as they pertain to forced and child labour to ensure alignment with its ambitions to reduce these practices. Efficacy of these actions will be tracked through relevant performance indicators, including completion rates for mandatory forced and child labour training and number of suppliers signing the Supplier Certification. Relevant performance indicators will be tracked annually to measure year over year progress.



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 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.

A handwritten signature in blue ink, appearing to read "Darren Shankel", written over a horizontal line.

Full name: Darren Shankel

Title: Board of Directors President

Date: May 2025

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