

Forced Labour and Child Labour in Supply Report

Interprovincial Cooperative Limited
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ABOUT INTERPROVINCIAL CO-OP (IPCO)

IPCO is a Canadian co-owned manufacturer and operates a herbicide formulating and packaging facility, supporting the Canadian agriculture sector. It is based in the St Boniface Industrial area of Winnipeg, Manitoba. Various disciplines are located on-site to support the manufacturing activities including Quality, Health and Safety, Human Resources, and Supply Sourcing, etc.

The company's mission statement is to be a trusted partner providing crop protection products through expert support and value added services that benefit our members, industry partners, customers and communities

IPCO prides itself on being an employer of choice with long term employee relationships. A culture of safety, quality and sustainability, is paramount, therefore the IPCO facility is ISO 9001 registered and stringently adheres to regulations set out by Health Canada and additional federal, provincial and municipal compliance requirements.

IPCO is committed to mutually ensure safety, sustainability, quality and efficiency. Continuous improvement and ethical practices are cornerstones of IPCO's business plan, and as such IPCO is:

- ISO 9001 Quality certified
- Compliant with CropLife Canada Manufacturing Code of Practice
- Registered with the US Environmental Protection Agency
- AWSA Certified
- Licensed by Manitoba Sustainable Development

This report is prepared in response to Senate Public Bill S-211, to enact the *Fighting Against Forced Labour and Child Labour in Supply Chain Act*, that came into force on January 1 2024 and focuses on the steps taken to prevent or reduce the risk that forced labour or child labour is used of the goods purchased from the date the Act came into force until the end of last fiscal year (Oct 31 2024)

Interprovincial Cooperative Ltd (IPCO) meets the Act's definition of an entity in that it has \$20 million in asset and has generated at least \$40 million in revenue for at least one of its two most recent financial years. IPCO runs its operations year-round and in 2024, IPCO 150 team members employed during its peak production season. IPCO team members are composed of both unionized and non-unionized employees.

DUE DILIGENCE PROCESS

Firstly, IPCO confirms that its own operations, with respect to the use of forced labour or child labour for compliance with the laws in Canada, as they apply to our employees. This also includes meeting the requirements of the Manitoba Employment Standards and working to the conditions within Collective Agreement between Unifor Local 341 and IPCO.

IPCO embedded both human resources staff and ISO (International Standards for Organization) auditors into its operations. It is the responsibility of these individuals, along with management, to assess and /or ensure the adherence to IPCO's policies and operating procedures, which includes compliance to the labour standards.

IPCO's HRG.001 Code of Conduct Policy requires that all team members complies with governmental laws, rules and regulations and terms and conditions of any contracts which impose further ethical conduct obligations on team members.

Manitoba Labour Standards dictates that youths 15 years of age and younger cannot work with herbicides and pesticides. IPCO adheres to this Standard. As well, the ETHICS HOTLINE is accessible to all IPCO team members. This mechanism allows for employees to report potential violations of securities issues, fraud, crimes, and ethical breaches confidentially. The Hotline is independently operated by a third party.

Since 2024, IPCO included anti-forced labour provisions to ensure that the supplier contracts can be terminated where there is credible information that the goods have been produced by forced labor or victims of human trafficking. IPCO retains and works closely with law firm Thompson, Dorfman and Sweatman to review and provide guidance to contents of the supplier contracts; including human rights and human safety. As contracts are issued or amended, anti-forced labour provisions are incorporated as part of the contract.

Additionally, to ensure ongoing due diligence and assessing effectiveness, IPCO performs Supplier desk audits of the suppliers of their responses to IPCO questionnaires. The questions are aligned to that of the Government of Canada's Supply Chains Act aimed at prevention of forced labour or use of child labour.

An ongoing safeguard practice, IPCO has integrated the anti-forced labour provision into its procurement process by incorporating statement relating to the expectation of compliance to the forced labour requirements on IPCO issued purchase orders.

Majority (approximately 90%) of IPCO suppliers operate in the US or Canada. IPCO suppliers who are members of **EcoVadis®** or **Responsible Care®** , provide IPCO with a strong assurance of their commitment to corporate social responsibility and their compliance to actions taken against anti-forced labour practices.

FORCED LABOUR RISK

The **International Labour Organization (ILO)**, a specialized agency of the United Nations, identified that forced labour currently takes place throughout the world, with Asia and the Pacific region having the highest number and the Arab States having the highest prevalence. For the classification of Risk the ILO standards have been adopted since it is an internationally recognized organization and an entity of the United Nations

IPCO has identified the following top products purchased in the 2024 fiscal year and its potential risk category.

High Risk Raw Materials

Materials deemed to be high risk originate from countries / regions where forced and / or child labour practices are more prevalent or known, as cited by ILO.

IPCO sources some of its Actives, some of its Additives, and some of its seals from Asia. As outline in the Due Diligences process, IPCO's ongoing efforts to work with suppliers and into the procurement process to gain insight on supplier activities stands.

Low Risk Raw Materials*

Materials deemed low risk would be those that are not sourced from a high risk country and do not go into the finished goods manufacturing process.

IPCO sources Emulsifiers, some of its Additives, Solvents, Cleaning agents, Bottles, Drums, Totes, Closures, Cartons, Printed labels, Drum fittings, Pallets and Plastic Shrink Wraps from North American suppliers.

*Note that some suppliers in this category are members of **EcoVadis®** or **Responsible Care®** (See Due Diligence Section)

ONGOING AND FUTURE MEASURES

Recognizing the risk of forced labour within the supply chain, IPCO continues to work with the suppliers (with efforts giving to the top suppliers) to have policy or acknowledge their responsibility for ensuring compliance with obligations related to human rights.

Through our due diligence process, IPCO discovered that the majority (approximately 90%) of our suppliers operate in the US or Canada. IPCO will continue to perform Supplier Performance Ratings to monitor their reinforcement of anti-force labour compliance.

REMEDIATION MEASURES

Given that IPCO has not identified the presence of any forced labour or child labour in its business or supply chain, it has not had to take measures to remediate any forced labour or child labour. IPCO will work with suppliers to implement a remediation plan if instances of forced labour or child labour are detected.

TRAINING

Team members are trained to IPCO's Code of Conduct (HRG.001), which captures the principles around the use of forced labour and child labour. To enhance the training of the policy, IPCO is completing its training module and will be rolling out for use over the next 4 months. Code of Conduct training is mandatory for all IPCO team members

ASSESSING EFFECTIVENESS

IPCO internal ISO audit process is being updated to provide more details to capture the details for the auditors to review with respect to IPCO's hiring process to meet the Manitoba Labour Standards for forced and child labour.

IPCO is committed to addressing the risks of forced labour and child labour in our supply chains. As indicated in this report, IPCO has some measures in place to prevent and reduce these risks. If suppliers have been identified that they are in violation, then IPCO will cease doing business with them unless and until the non-compliance is corrected.

APPROVAL AND ATTESTATION

This report has been approved by IPCO Board of Directors in accordance with *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

Signed: 

Scott Oran
Chair, IPCO Board

Date: 4/11/25

I have the authority to bind Interprovincial Co-op Ltd