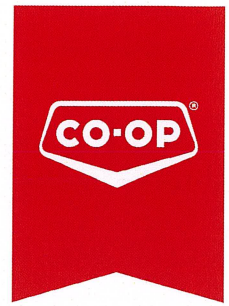


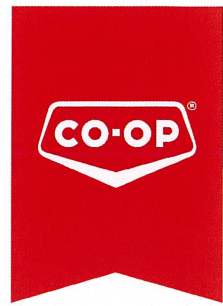
# Armstrong Regional Co-op



# Forced Labour in Canadian Supply Chains

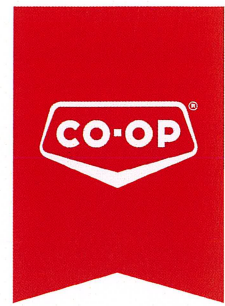
Armstrong Regional Cooperative

May 2024



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## Introduction

This report is Armstrong Regional Cooperative'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 3, 2024 for financial year end, 2023. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Armstrong Regional Cooperative. The reporting entity covered by this statement is Armstrong Regional Cooperative, business number 100266139.

For the purposes of the Act, Armstrong Regional Cooperative meets the entity definition by having a business in Canada, doing business in Canada and meeting threshold criteria for revenue and assets. Armstrong Regional Cooperative 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.

Armstrong Regional Cooperative 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, Armstrong Regional Cooperative 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 our core values of Locally Invested, Community Minded, and Personalized Service, Armstrong Regional Cooperative is committed to making ethical business decisions and taking proactive measures to address issues such as forced and child labour.

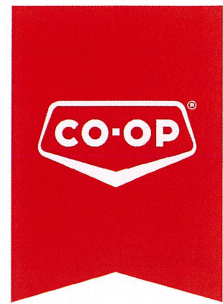
## 1. Structure, Activities, and Supply Chain

### Structure

Based in Armstrong, British Columbia, Armstrong Regional Cooperative is one of 158 independent retail co-operatives from across Western Canada that make up the Co-operative Retailing System (CRS) and own FCL. Armstrong Regional Cooperative is in turn owned by 35,000 members in British Columbia. As part of the CRS, Armstrong Regional Cooperative helps build, feed and fuel individuals and in our local communities. We employ 120 individuals.

### Activities

Armstrong Regional Cooperative's business is largely business-to-consumer focused on serving the communities in which we operate. We have a presence in Armstrong, Vernon, Salmon Arm, Kelowna, Revelstoke and Cranbrook BC. Our core retail lines of business include Fuel, convenience stores, liquor, and property development.



## **Supply Chain**

### Wholesale and Retail Trade

FCL sources and distributes products across many primary consumer and business lines to Armstrong Regional Cooperative with 11 retail locations in 6 communities in British Columbia including food, propane, lubricants, and petroleum. Armstrong Regional Cooperative sources 93 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, and fuel terminals.

The remaining 7 percent of products are sourced by Armstrong Regional Cooperative from the Liquor Distribution Branch and Beer Distribution Branch of the Province of British Columbia.

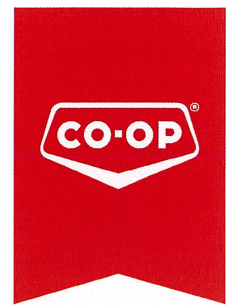
## **2. Policies and Processes in Relation to Forced and Child Labour**

Armstrong Regional Cooperative maintains Compliance and Ethics policies to which all employees must adhere to through reading and sign-off on an Employee Handbook. Armstrong Regional Cooperative 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. Armstrong Regional Cooperatives Human Resources Manager regularly reviews human resource related policies to ensure Armstrong Regional Cooperative remains in compliance with applicable workplace and labour legislation.

Armstrong Regional Cooperative ensures that there is reduced risk of forced or child labour in operations through strict adherence to provincial and federal labour laws. As per British Columbia's labour laws, Armstrong Regional Cooperative does not employ anyone under the age of 16 in our convenience stores and anyone under the age of 19 in our liquor stores, and follows all applicable young worker restrictions for employees under the age of 16. Training (and applicable certification) is conducted with all employees regardless of age. Youth employees are not permitted to work during school hours.

Armstrong Regional Cooperative is exploring the implementation of a Supplier code of conduct and questionnaire to learn more about the vendor or vet their qualifications or suitability.

## **3. Identification of Risks**



Armstrong Regional Cooperative's main supplier, FCL, accounts for 93% 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.

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

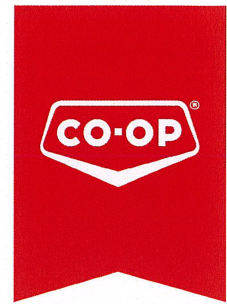
The remaining 7% of goods purchased by Armstrong Regional Cooperative are procured from outside of FCL. Armstrong Regional Cooperative has one main category of goods for resale outside of FCL: liquor. These products are sourced through the Province of British Columbia Distribution branch who in turn imports alcoholic beverages from dozens of different countries, including Canada, the United States, Australia, and the European Union. As of the preparation of this report, we are awaiting an evaluation from the Provincial authority identifying risk areas and potential mitigation measures.

Armstrong Regional Cooperative's supply chain mapping activities were limited to our most material vendors.

#### **4. Remediation of Forced and Child Labour**

Armstrong Regional Cooperative has taken 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, Armstrong Regional Cooperative 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, Armstrong Regional Cooperative will work with suppliers to determine and implement remedial action, up to and including refusal to carry products where forced and child labour has been identified.

#### **5. Remediation of Loss of Income**



Armstrong Regional Cooperative 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

Training and attestation are currently required for all employees to ensure compliance with Armstrong Regional Cooperative's policies (as per the Employee Handbook) on company ethical standards, policies, laws and regulations. These policies are applicable to everyone that conducts business on behalf of the organization which includes the Armstrong Regional Cooperative Board of Directors, the Senior Leadership Team and all current and new employees and contractors. In addition, Armstrong Regional Cooperative is exploring opportunities to provide role specific training to educate team members and help them identify and respond to risks of child and forced labour in supply chains. These opportunities will be evaluated through fiscal year 2024.

## 7. Efficacy of Actions

Armstrong Regional Cooperative will conduct a review of current policies and procedures as they pertain to child and forced labour and is currently evaluating further measures to assess the efficacy of actions. Success will be evaluated by tracking relevant performance indicators, such as levels of employee awareness, identifying areas and vendors at risk, as well as an annual review of the policies and procedures in place related to forced and child labour.

## 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: Hans Petersen

Title: General Manager

Date: May 15, 2024

Signature

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

I have the authority to bind Armstrong Regional Cooperative. The Statement has been reviewed and approved by the Board on behalf of itself.