

# Dawson Co-op



# Forced Labour in Canadian Supply Chains

**Dawson Co-operative Union**

2025 Fiscal Year Report



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## 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 January 31, 2026. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to 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 two of the three threshold criteria: revenue and assets. Dawson Co-op is subject to reporting obligations under the Act by importing goods produced outside Canada and by engaging in the processing of goods. 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, 2026. 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, British Columbia, Dawson Co-op 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-operative Limited (FCL). Dawson Co-op is in turn owned by approximately 16,000 members in BC. As part of the CRS, Dawson Co-op helps build, feed and fuel individuals and our local communities. We employ approximately 180 employees, and have physical locations in 4 separate communities, including Dawson Creek, Chetwynd, Tumbler Ridge, and Rolla.

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 per cent 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 per cent 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 per cent 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 per cent of products are sourced by Dawson Co-op from Canadian vendors and one vendor from the USA (under \$5,000 total).

### Agricultural Processing Activities

Dawson Co-op engages in agricultural processing activities, including the blending of fertilizer at our facility in Rolla, British Columbia. This facility blends custom fertilizer products for our agricultural customers.

### 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 per cent of products are sourced by Dawson Co-op from Canada and the USA.

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

<b>Category</b>	<b>Description</b>
<b>Agriculture</b>	Fertilizer, crop protection products, livestock feed, agricultural equipment, agricultural tools and hardware.
<b>Energy</b>	Petroleum, diesel, lubricants, propane.
<b>Food</b>	Meat, fish, produce, dairy, convenience store items, packaged goods, frozen goods, baked goods, canned goods, health products, personal care products, pet



Category	Description
Home and Building Supplies	food, cleaning products, and other sundries. 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 per cent 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 per cent 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 integrates compliance and ethical conduct expectations within its established policies, to which all employees must adhere. Dawson Co-op employees are expected to understand the organization's commitment to addressing forced and child labour and to report any violations of law, regulation, policy, or procedure that they may witness.

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, or procedure. Anonymous hotline information is made available to employees in staff break rooms. Procedures are in place to protect the anonymity of whistle-blowers from retaliation. Reports submitted through this process are provided to and reviewed by the Board of Directors. As of the end of the reporting period, Dawson Co-op has not received any whistleblower reports related to forced or child labour.

Dawson Co-op regularly reviews human resource-related policies to ensure we remain in compliance with applicable workplace and labour legislation, including the Employment Standards Act and applicable federal labour legislation.

Dawson Co-op ensures that there is reduced risk of forced and child labour in its operations through strict adherence to provincial and federal labour laws. As per British Columbia's labour laws, Dawson Co-op does not employ individuals 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 provincial regulations. The tasks assigned to young workers are low risk and do not meet the definitions of child labour under applicable legislation.

### **Suppliers**

Dawson Co-op manages supplier risk by focusing on the origin and nature of its inventory. The majority of products are sourced through Canadian suppliers, including Federated Co-operatives Limited, which are subject to Canadian laws and, where applicable, their own reporting obligations under the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Dawson Co-op has limited direct import activity. During the reporting period, Dawson Co-op imported less than \$5,000 in goods from a single international supplier, Montana Silversmiths. These products consist of finished goods composed primarily of base metals with decorative plating.

Given the limited volume of direct imports, Dawson Co-op has assessed the overall exposure to forced and child labour risk as low. As part of its due diligence processes, Dawson Co-op initiated engagement with this supplier in 2026 to request information regarding labour practices and supply chain sourcing. Dawson Co-op maintains records of this outreach as part of its due diligence activities and will assess any further actions based on the information received. Dawson Co-op requested information on the supplier's labour practices, policies against forced and child labour, and upstream sourcing for base metals and plating. This outreach reflects our proportional due diligence approach given the minimal volume relative to our inventory and our commitment to avoid additional direct imports going forward.

Dawson Co-op continues to monitor its supplier relationships and procurement practices to ensure alignment with its commitment to ethical sourcing and compliance with applicable legislation.

### **3. Identification of Risks**

Dawson Co-op's main supplier, FCL, accounts for 86 per cent 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 direct from producers and fair-trade-certified products to mitigate these risks.
2. Goods procured for home building centres:
  - a. Key suppliers of FCL's home and building supplies manufacture goods in China. Using the same indices to assess supply chain risk, China has been identified as a [high inherent risk country](#) for forced and/or child labour. FCL has elected to avoid sourcing home and building supplies from certain regions of China, such as the [Uyghur Region](#) due to the elevated risk of forced and child labour. FCL has required key suppliers to sign a Social Responsibility Agreement. In 2025, the FCL home and building supplies team traveled overseas for factory visits, where they conducted informal auditing and monitoring at five facilities. No incidents of forced or child labour were observed.
3. Goods procured for fertilizer:
  - a. Within the agricultural business line, FCL sources 100 per cent of potash and sulphate products from Canadian producers, which are considered 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 currently assessed as lower inherent risk for forced and/or 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 sources 35 per cent of phosphates from US domestic producers, while the remaining 65 per cent is primarily sourced from OCP a known and reputable Moroccan producer.

FCL does not currently have a centralized supply chain auditing or monitoring program in place but 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 approximately 14 per cent of goods purchased by Dawson Co-op are procured from suppliers outside of FCL. Dawson Co-op has identified five main categories of goods for resale, which include food, agriculture, energy, fuel, and home and building supplies. These product lines are sourced primarily from Canada and the United States.



Dawson Co-op has conducted an initial risk assessment of goods procured outside of FCL based on product category and country of origin. While Canada and the United States are generally considered low-risk jurisdictions, certain product categories have been identified as having an elevated inherent risk of forced and child labour when assessed against the U.S. Department of Labor’s List of Goods Produced by Child Labor or Forced Labor and Walk Free’s Global Slavery Index.

Dawson Co-op has limited direct import exposure. During the reporting period, Dawson Co-op imported a small volume (<\$5,000) of finished jewelry products from a single U.S.-based supplier, Montana Silversmiths, for resale within its home and building supplies category. Although the supplier indicates that a significant portion of its products are manufactured domestically, the potential for upstream supply chain risk remains, particularly within the jewelry product category.

In response, Dawson Co-op has initiated a review of this supplier to better understand sourcing practices and potential exposure to forced and child labour. This review forms part of Dawson Co-op’s broader due diligence processes.

Dawson Co-op is in the process of implementing a supplier code of conduct to establish expectations for ethical labour practices and to further mitigate the risk of forced and child labour within its supply chain.

Dawson Co-op’s supply chain mapping activities have focused on its most material suppliers. Materiality has been determined based on supplier usage and overall spend.

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

Dawson Co-op addresses potential risks of forced and child labour through the policies, supplier engagement, and reliance on FCL’s assessments outlined in Sections 2 and 3. During the reporting year, no instances were identified. We maintain ongoing monitoring of our limited direct suppliers and will work collaboratively with any supplier if issues arise, including appropriate remediation measures. In the future, we will continue to evaluate opportunities to strengthen these processes proportionally to risk.

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

Dawson Co-op has not identified any instances of forced or child labour in its operations or supply chains; therefore, no measures have been taken to remediate 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. Expectations related to ethical conduct, including awareness of forced and child labour risks, confidentiality, conflict of interest, and responsible business practices, are embedded in Dawson Co-op's Personnel Policy. These expectations apply to all individuals conducting business on behalf of Dawson Co-op, including employees and management personnel.

All employees have access to our anonymous whistleblower hotline, which is promoted in staff break rooms and can be used to report any concerns, including suspected forced or child labour. The Dawson Co-op Board of Directors signs a Code of Conduct on an annual basis, reinforcing its commitment to ethical governance and organizational standards.

While formal, dedicated annual training on forced and child labour is not currently required for all employees, Dawson Co-op recognizes the importance of addressing these risks. As part of our continuous improvement efforts, we are evaluating targeted awareness resources for procurement staff and leadership roles. These opportunities, including consideration of both general awareness and role-specific training, will be further assessed and potentially implemented in the next fiscal year.

## 7. Efficacy of Actions

Dawson Co-op conducts annual reviews of its internal policies and procedures related to ethical conduct and labour practices to ensure they remain appropriate and effective. We assess the effectiveness of our measures primarily through:

- Monitoring of whistleblower reports concerning forced or child labour (none were received during the reporting year);
- Review of due diligence activities and records for our single direct international supplier (Montana Silversmiths);
- Ongoing reliance on Federated Co-operatives Limited's (FCL) risk assessments, supplier agreements, factory monitoring, and mitigation efforts for the 86 per cent of goods sourced through them; and
- Annual Board of Directors Code of Conduct sign-off and internal policy reviews.

Given our very low direct import exposure (less than \$5,000 representing a minute fraction of total inventory) and predominantly Canadian-based supply chain, these processes provide reasonable assurance regarding our risk management approach. We will continue to track these activities on a year-over-year basis. As we finalize implementation of our supplier code



of conduct, we plan to add related performance indicators to further strengthen our effectiveness assessment in future reporting periods.

## 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 black ink, appearing to read "J. Fellers", is written over a horizontal line.

Joseph Fellers  
Secretary, Dawson Co-op Board of Directors  
Date: May 27, 2026

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