



Forced Labour in Canadian Supply Chains

Otter Farm & Home Co-operative (Otter Co-op)

Fiscal Year 2023



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Introduction

This report is Otter Farm & Home Co-operatives 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 March 2, 2024. In this Statement, the terms 'Otter Co-op', 'Co-op', 'we', 'us', and 'our' refer to Otter Farm & Home Co-operative. The reporting entity covered by this statement is Otter Co-op Farm & Home Co-operative.

For the purposes of the Act, Otter Co-op meets the entity definition by having a business in Canada, doing business in Canada, and meeting all three threshold criteria for revenue, assets, and employees. Otter 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, 2024. Due to timing, Otter Co-op will not share this report with its members alongside the financial statement for 2023. However, Otter Co-op will align its practices to produce and distribute this report alongside the financial statements for future years.

Otter Co-op 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, Otter Co-op is committed to respecting all human rights, in accordance with applicable laws 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 core values of Integrity, Community and Excellence, Otter Co-op 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 Langley British Columbia (BC), Otter Co-op is one of 158 independent retail co-operatives from across Western Canada that make up the Co-operative Retailing System (CRS) and own Federated Co-operative Limited (FCL). Otter Co-op is in turn owned by over 55,000 active members in BC. As part of the CRS, Otter Co-op helps build, feed and fuel individuals in our local communities. At the time of writing, we employ 866 individuals.

Activities

Otter Co-op's business is largely business-to-consumer focused on serving the local communities in which we operate. Our line of business includes liquor, fuel, food, feed, pharmacy, hardware, fashions, and hospitality.



For more information, please see [Otters 2022 Annual Report](#).

Wholesale and Retail Trade

FCL sources and distributes products across many primary consumer and business lines to Otter Co-op. When it comes to our food, fuel, and hardware, Otter Co-op sources over 90 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 percent of products are sourced by Otter Co-op from known vendors and suppliers.

Liquor: Otter Co-op purchases the bulk of its liquor through the Liquor Distribution Branch (LDB) which is owned by the provincial government of BC. Otter Co-op also purchases liquor through Brewers Distributors Limited (BDL), various known suppliers, as well as local wineries, breweries, cideries and distilleries.

Fashions: Otter Co-op purchases fashions through Canadian importers and distributors of consumer-packaged products as well as through known vendors and suppliers.

Manufacturing

Otter Co-op operates 2 feed plants located in Langley and Armstrong BC. Through feed plants, we manufacture animal feed, and all supplies are sourced through known suppliers in North America.

Transportation

Otter Co-op owns and maintains a fleet that distributes fuel and feed.

Supply Chain

Otter Co-op's supply chain is mostly comprised of products that are sourced through known suppliers and local vendors for resale purpose.

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

Internal

Otter Co-op maintains Compliance and Ethics policies to which all employees must adhere to through an annual review of our guiding policies and team member handbook. Otter 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. Otter Co-op's People



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

Otter Co-op ensures that there is reduced risk of forced or child labour in operations through strict adherence to provincial and federal labour laws. As per BC's labour laws, Otter Co-op follows all applicable minor and young worker restrictions and follows the Canadian Standard in accordance with the Canadian Labour Code.

Suppliers

Otter Co-op has a long tradition of sourcing local products, working with known suppliers and vendors as well as supporting local businesses. Otter Co-ops aligns itself with suppliers who offer a high standard of service and quality products and share our values of integrity, community, and excellence.

3. Identification of Risks

Otter Co-op does not currently have a centralized supply chain auditing or monitoring program in place to identify risks. In the future, Otter Co-op will explore opportunities to understand the risk of forced and child labour within the supply chain of our vendors and suppliers.

4. Remediation of Forced and Child Labour

Otter Co-op has implemented policies and procedures outlined in Section 2 of the report to remediate potential risks of forced and child labour. In the future, Otter Co-op will implement a Social Responsibility Agreement for all existing and new suppliers as well as 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, Otter Co-op will work with suppliers to determine and implement remedial action.

5. Remediation of Loss of Income

Otter Co-op has not identified nor received any reports on any child or forced labour 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

Comprehensive training is provided to all new employees. This training includes a review of policy and procedure expectations and occupational health and safety responsibilities. Regular training is also provided to employees to enhance understanding and application of these policies. Otter Co-op, working with FCL will also be 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

Otter Co-op has conducted a preliminary 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, number of vendors and suppliers signing a Social Responsibility Agreement, as well as regular reviews of any 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 Jack Nicholson
Title Chief Executive Officer
Date May 28, 2024

Signature

A handwritten signature in black ink that reads "Jack Nicholson".

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