

Discovery Co-operative Limited



# Forced Labour in Canadian Supply Chains

Discovery Co-operative Limited

Updated May 2026



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## Introduction

This report is Discovery Co-operative'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, 2025. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Discovery Co-op. The reporting entity covered by this statement is Discovery Co-op business number 10041 9019.

For the purposes of the Act, Discovery 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. Discovery Co-op is subject to reporting obligations under the Act by producing goods in Canada and importing goods produced outside Canada. Discovery 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. Discovery Co-op will provide this report to its members alongside the financial statements for the current reporting year.

Discovery 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, Discovery Co-op 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 core values of Service, Excellence, and Teamwork, Discovery 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 North Battleford, Saskatchewan, Discovery 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). Discovery Co-op is in turn owned by 19,000 members in Saskatchewan. As part of the CRS, Discovery Co-op helps build, feed, and fuel individuals and our local communities. We employ 330 individuals.



## Activities

Discovery Co-op's business is largely business-to-consumer, focused on serving the communities in which we operate. Our core retail lines of business include food, liquor, pharmacy, agriculture, home and building, fuel, convenience stores, sporting equipment, and clothing.

### Wholesale and Retail Trade

FCL sources and distributes products across many primary consumer and business lines to Discovery Co-op, with 21 retail locations in 4 communities in Saskatchewan, including food, home, and building supplies, crop inputs, agricultural equipment, livestock feed, propane, lubricants, and petroleum. Discovery Co-op sources 97 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 3 percent of products are sourced by Discovery Co-op from within North America.

## Supply Chain

### Supply Chain

Discovery Co-op's supply chain is comprised of products that are manufactured by FCL legally owned entities and products sourced for resale.

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

<b>CATEGORY</b>	<b>DESCRIPTION</b>
<b>AGRICULTURE</b>	Agriculture equipment, crop protection products, fertilizer, seed, feed, and small avian livestock.
<b>ENERGY</b>	Fuel, lubricants, propane.
<b>FOOD</b>	Grocery store and convenience store items.
<b>LIQUOR</b>	Beer, wine, and spirits.
<b>PHARMACY</b>	Prescription medications, pain relief, cold medications, smoking cessation, supplements, and first aid supplies.
<b>HOME AND BUILDING SUPPLIES</b>	Hardware, lumber, building supplies, tools, paint, seasonal, plumbing, and electrical products.
<b>CLOTHING</b>	Men's and women's clothing and footwear.
<b>SPORTING EQUIPMENT</b>	Firearms, golf, water, and snow sports, baseball,



| hockey, and badminton equipment.

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

### Internal

Discovery Co-op maintains a Code of Conduct and Ethics policy and utilizes the ethics hotline administered by FCL. Posters are visible in employee break areas detailing the 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 whistleblowers from retaliation. Discovery Co-op's People and Culture team regularly reviews human resource-related policies to ensure Discovery Co-op remains in compliance with applicable workplace and labour legislation.

Discovery Co-op ensures that there is a reduced risk of forced and child labour in operations through strict adherence to provincial and federal labour laws. As per Saskatchewan's labour laws, all youth employees under the age of 16 must provide a parent/guardian consent form and obtain their Young Workers Readiness Certificate Course Certificate of Completion to be employed with Discovery Co-op. If an employee is under the age of 16, they are not permitted to work more than 16 hours a week when school is in session, after 10 pm on a night before a school day, and before the start of any school day. Youth workers can work the same hours as other employees during school breaks and vacations in accordance with SEA (Saskatchewan Employment Act). Discovery Co-op does not employ anyone under the age of 14 and follows all applicable young worker restrictions for employees under the age of 18.

Discovery Co-op is exploring the implementation of effective grievance and remediation mechanisms in an effort to address concerns or potential cases of forced and child labour in the supply chain. Discovery Co-op's goal is to prioritize the reporting and remediation of forced and child labour incidents, protect victims, and prevent future cases. Potential mechanisms may include:

- Develop a remediation framework with information on when to safeguard the victim, develop and implement a corrective action plan with the employer, alert national authorities, and consult a third-party expert organization.
- Implementation of a software solution to audit suppliers; or
- Develop a grievance mechanism that suppliers' employees can access anonymously in a format that is inclusive and accessible.



In 2025, Discovery Co-op updated its Employment Policy to affirm that the Canadian Labour Code and respective Provincial Labour Standards are abided by. Further, the updated policy states that all employees must be hired voluntarily, and under no circumstances will Discovery 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 the respective province of employment be violated, including age restrictions, working hours, and conditions of employment. While these employment practices have always been upheld by Discovery Co-op, including this language in the policy affirms Discovery Co-op's commitment to ethical employment standards.

## Suppliers

In 2025, Discovery Co-op implemented a Supplier Certification, which is to be completed by manufacturers, distributors/wholesalers, and retailers. This certificate confirms:

- A. Their commitment to maintaining diligent oversight within their operations and supply chain to identify and prevent instances of child labour or forced labour,
- B. Their acknowledgment of the absence of such labour practices in their operations or supply chain concerning goods supplied to Discovery Co-op
- C. Their agreement to promptly inform Discovery Co-op of any instance of child labor or forced labour, and
- D. Their commitment to taking appropriate remedial action if child labour or forced labour practices are discovered within their organization or supply chain.

The completion rate of the Supplier Certification is tracked as a performance indicator and used to assess the efficacy of actions regarding forced and child labour undertaken through the fiscal year.

## 3. Identification of Risks

Discovery Co-op's main supplier, FCL, accounts for 97 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:
  - 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:

- 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 in 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:

- Within the agricultural business line, FCL sources 100 per cent of potash and sulphate products from Canadian producers, which are considered no risk of 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/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 Discovery 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, Discovery Co-op will be relying on this ongoing assessment to continue assessing goods procured from FCL.

The remaining 3% of goods purchased by Discovery Co-op are procured from outside of FCL. Discovery Co-op has 10 main categories of goods for resale, which include, food, agriculture, energy, pharmaceuticals, liquor, fuel, sporting goods, clothing, footwear, and home and building supplies. These product lines are sourced from 2 different countries, Canada and the United States. The figure below represents the countries of origin.

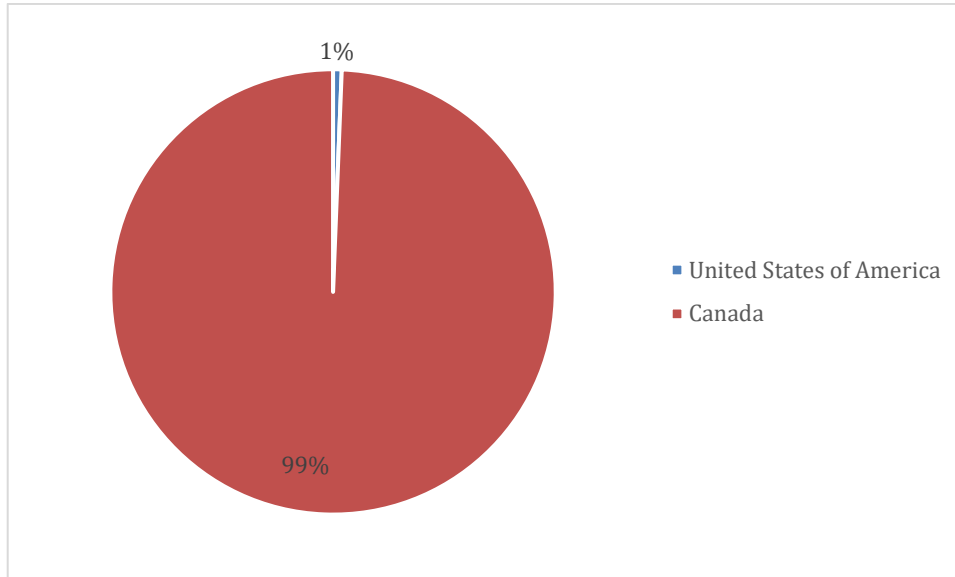


Figure 1. Total spend by country in the fiscal year 2025

Discovery Co-op's supply chain mapping activities were limited to our most material suppliers. Materiality was determined by selecting our top 90 per cent of suppliers by total spend in 2025.

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

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

#### 5. Remediation of Loss of Income

Discovery 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

Annual training and attestation are currently required for all employees to ensure compliance with Discovery Co-op's Code of Conduct on company ethical standards, policies, laws, and regulations. The Code of Conduct is applicable to everyone that conducts business on behalf of the organization, which includes the Discovery Co-op's Board of Directors, the Senior Leadership Team, and all current and new employees and contractors. Discovery Co-op has identified the opportunity to incorporate human rights awareness training into the annual Code of Conduct attestation to create awareness and the associated risks of forced and child labour. In addition, Discovery Co-op 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 2026.

## 7. Efficacy of Actions

Discovery Co-op conducted its annual review of current policies and procedures as they pertain to forced and child labour to ensure alignment with its ambitions to reduce these practices. In 2025, Discovery Co-op began tracking the efficacy of actions through relevant performance indicators, including completion rates for mandatory forced and child labour training and the 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 entity 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.

*mike nord*

Mike Nord  
Chief Executive Officer  
Date: May 1, 2026

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