

Forced Labour in Canadian Supply Chains

Updated May 21, 2024

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Introduction

This report is Westman Media Cooperative Ltd.'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 August 2023. The reporting entity covered by this statement is Westman Media Cooperative Ltd., business number 105647572.

For the purposes of the Act, Westman Media Cooperative Ltd ("Westman," "The entity") meets the entity definition by having a business in Canada, doing business in Canada, having assets in Canada and also meets the reporting entity definition by satisfying the threshold for revenue and assets. Westman is incorporated provincially in Manitoba as a cooperative and must 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.

Westman Communications Group is a member-owned cooperative operating broadband systems across Manitoba. Westman is an industry leader in communications, offering Internet, Digital HD TV, and Phone services to residents and businesses in the region.

Westman is proud of its strong commitment to its members and the communities it serves. For over 45 years, Westman has proudly supported the development of our communities we serve. With a focus on youth, diversity, education and technology, Westman's partnerships, sponsorships and donations provide the financial aid and human resources needed to help create sustainable communities across Manitoba. Our employees call Westman home and have made serving their community a priority.

Forced and child labour contradict our statement of purpose, vision and values. Therefore, Westman does not endorse any human trafficking and modern slavery within its organization or any organization with whom it conducts business.

1. Structure, Activities and Supply Chain

Westman envisions being a member-focused leader providing access to communications technology and innovative services for our cooperative members and the communities we serve.

Westman procures goods produced outside of Canada to build our network and provide our members with Internet, Phone and Video services. All employees are expected to adhere to our operations' guiding principles and core values. The imported goods include customer premise equipment installed in the members' homes and returned to Westman upon termination services.

To classify the sectors within the supply chain and related activities of Westman, the North American Industry Classification System (NAICS) Canada 2022 Version 1.0 was used to classify the sectors. Sectors within our supply chain include:

- 51 – Information and cultural industries
 - 517 – Telecommunications
 - 517310 - Wired and wireless telecommunications carriers
 - 515 – Broadcasting (except Internet)
 - 515120 - Television broadcasting

Westman also owned two local radio stations in the reporting year of 2023 before the assets were sold.

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

While Westman does not have specific policies or clauses in policies that speak to child and forced labour, we maintain comprehensive purchasing policies and a supply chain code of ethics across our organization. Honesty and due diligence are the fundamental pillars of our supply chain principles and ethics. All procurement or supply chain operations employees are expected to act ethically, professionally and with integrity. A provincially incorporated cooperative in Manitoba, Westman follows the federal employment standards for its supply chain operations.

The following are the established policies and procedures within Westman's supply chain policy framework:

- Human Resource Policy Manual: The purpose of the HR Policy manual is to provide team members with a comprehensive and centralized resource of policies, procedures, guidelines, and best practices related to Human Resources. This encourages consistency and transparency, as team members may refer to this manual whenever questions arise.
- Purchase Order Policy: The purpose of this policy is to ensure Westman receives the best value for the goods and services it requires for operations and that these goods and services are purchased through fair, transparent, consistent, and cost-effective procurement procedures.
- Request for Material Procurement Framework: A framework with multiple governance checks to raise a material procurement request in the supply chain.
- New Vendor setup steps of the procedure: The purpose of the SOP is to establish a disciplined manner for ensuring new vendors are verified and set up correctly so purchasing transactions can be completed appropriately.

Westman is committed to combating the issue of child and forced labour, an issue which affects more than 40 million people worldwide. For internal control measures during the hiring process, all prospective candidates are required to provide a government-issued identification that can be used to validate proof of age.

Westman also aims for constant improvement, and its labour practices undergo a semi-annual Enterprise Risk Management (ERM) assessment to ensure adherence to regulatory standards. The ERM, once assessed, is reported to the Board of Directors, and we assess the entire supply chain as a risk in ERM.

Westman endeavours to develop and implement enhanced supply chain policies and procedures encompassing dedicated sections addressing the imperative of transparency concerning child and forced labour. We will also be working towards including child and forced labour checks in the ERM in the future, an endeavour already underway. Additionally, Westman intends to foster collaboration with supply chain partners, local communities, and relevant stakeholders to address the issue of forced and child labour.

3. Identification of Forced and Child Labour Risk

To understand where in the supply chain forced or child labour risks may exist, Westman recently carried out a risk assessment process. This process was guided by insights provided by the Walk Free Global Slavery Index, the OECD Due Diligence Guidance for Responsible Business Conduct, and by the US Department of Labour's List of Goods produced by Child Labour or Forced Labour. In conducting our supply chain forced and child labour risk analysis, we were able to highlight potential risks of forced or child labour associated with certain goods and certain countries.

Our risk identification exercise does not presuppose the actual use of forced or child labour within our operations or supply chains, rather, it is aimed at recognizing potential scenarios where such risks might arise, thereby further enabling us to implement effective preventative measures. Our assessment acknowledges that no industry is entirely exempt from the risks of forced and child labour and there are inherent vulnerabilities within certain sectors of our supply chain, particularly in regions where regulatory frameworks and enforcement mechanisms might not be robust.

Our analysis considered specific geographic regions that, according to the Walk Free Global Slavery Index and other credible sources, present a higher risk of forced and child labour practices. This geographic risk assessment was combined with an assessment of at-risk goods categories, further enabling us to apply a targeted lens to our risk assessment.

Risk Assessment Findings

Through the application of the analysis, Westman identified suppliers with products being imported from two countries — China and Mexico — as having a heightened risk of forced or child labour. In contrast, 68% of our supply chain spending is associated with countries with a lower estimated prevalence of forced or child labour, such as Taiwan, the United States, and Japan.

Westman also considered the data from the US Department of Labour's List of Goods Produced by Child Labour or Forced Labour. This is an important step in isolating specific goods from our import portfolio that may be susceptible to forced or child labour. When this data was compared against the portfolio of products we import, electronic goods from China were identified as products subject to an elevated risk of being associated with forced or child labour practices.

Overall, the findings from our risk assessment suggest exposure to forced and child labour risks within the supply chain in the context of overall expenditures.

Westman strives to develop and implement enhanced supply chain policies and procedures addressing the imperative of transparency concerning child and forced labour. Additionally, we intend to foster collaboration with supply chain partners, local communities, and relevant stakeholders to address the issue of forced and child labour. Please refer to Section 2 of this report, which outlines the improvement efforts by Westman's Policy and Procedure department and Procurement staff to mitigate this risk and the related efforts to enhance or update applicable policies or procedures impacted.

4. Remediation of Forced and Child Labour

After a thorough audit of our supply chain, Westman found no instances of forced and child labour in the previous fiscal year.

If Westman identifies or comes across any forced or child labour instance within our supply chain, we will adhere to the guidance provided by Public Safety Canada and refer to the OECD guidelines to chart out an appropriate course of forced or child labour remediation.

5. Remediation of Loss of Income

After a thorough audit of our supply chain, Westman found no instances of forced and child labour in the previous fiscal year, and hence, has not identified any vulnerable families which may have experienced a loss of income.

If Westman identifies or comes across any forced or child labour instance within our supply chain, we will adhere to the guidance provided by Public Safety Canada and refer to the OECD guidelines to chart out an appropriate course of loss of income remediation.

6. Employee Training

For the previous reporting year, no training focused on forced or child labour was given to Westman employees.

However, Westman has an employee training and onboarding framework in place, which was also in effect for the previous reporting year. Please refer to section 2 of this report, which details the current policy and ethics framework that employees are expected to learn from and adhere to, which also form a part of the training and onboarding framework.

Westman also understands the importance of creating awareness amongst its employees of forced and child labour in its supply chains. To further this, Westman plans to:

- Introduce training modules in the current training framework, focusing on child and forced labour in the supply chain.
- Add elements to the current employee onboarding and training framework that specifically focus on child and forced labour.

7. Assessing Effectiveness

Westman is not able to determine the current effectiveness of measures to assess and manage our risk of forced labour and/or child labour for the last reporting period and does not have any elements in the current governance or monitoring mechanisms that look at child and forced labour specifically. However, the top vendors in our supply chain that are used to import products for Westman all have varying degrees of ESG commitments on their websites.

To implement a monitoring framework going forward, Westman will require vendors to provide an annual attestation to ensure continuous monitoring and compliance with the Act. Westman is committed to continuous improvement on this subject to ensure transparency and accountability in our supply chain operations.

8. Approval and Attestation of the Report

In accordance with the requirements of the Act, and in particular Section 11, 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 due 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: E.J. (Bud) Keys

Title: CEO & President

Date: May 29, 2024

Signature: E.J. Keys

“I have the authority to bind Westman Media Cooperative Ltd “