



**PARKLAND 2023**

**BILL S-211**

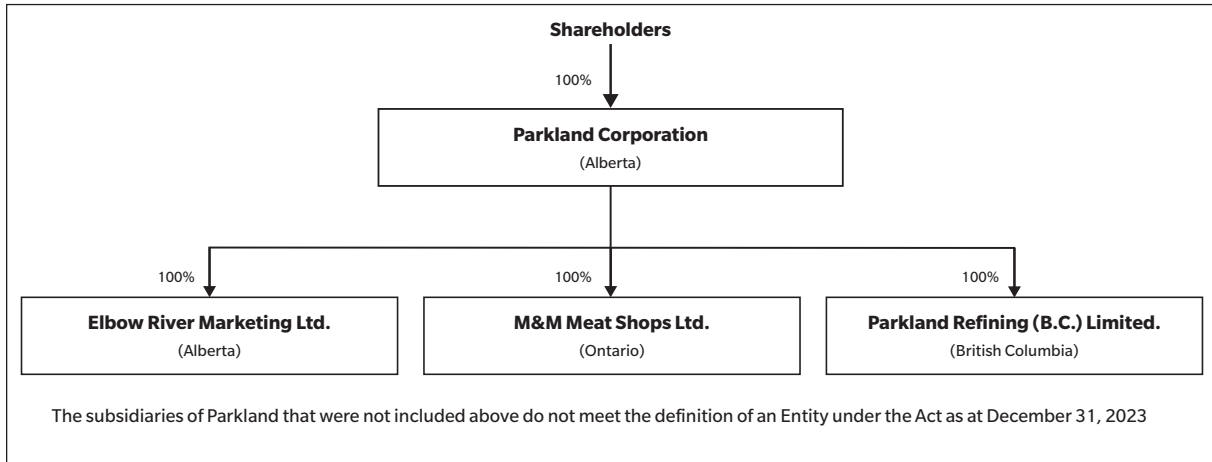
**MODERN SLAVERY REPORT**

May, 2024

## 1.0 INTRODUCTION

This Modern Slavery Report (the Report) has been prepared in accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the Act) that went into effect on January 1, 2024. This Report is prepared for the period of 1 January 2023 to 31 December 2023.

This is a joint report covering the entities in the organization chart representing intercorporate relationships among Parkland and its material subsidiaries as of December 31, 2023. The report is prepared on behalf of the reporting entities (collectively referred to as Parkland Corporation). The terms “Parkland”, “we”, “our”, and “the Company” refer to Parkland Corporation and extend to all the entities listed in this Report.



## 2.0 PARKLAND’S COMMITMENT

At Parkland, we are committed to sustainable development including respecting human rights across our enterprise as outlined in internationally binding declarations and legislation in all jurisdictions in which we operate. Our commitment is built on our core values of Safety, Integrity, Community and Respect, and embraces building a workplace culture that recognizes and avoids involvement in human rights violations for those we work with directly and indirectly.

To uphold our commitment across all the jurisdictions in which we operate, our priorities are:

- Protect the rights of those we work with directly.
- Protect the rights of those affected by our supply chains and operations.
- Provide competitive terms of employment.
- Provide a safe work environment.
- Work to increase awareness and identification of human rights risks by providing training across the enterprise.
- Ensure governance documents are in place to detect, investigate and mitigate any occurrence of child labour and forced labour in our operations or supply chains.
- Maintain Parkland’s Whistleblower Hotline to provide a mechanism to confidentially report concerns to an independent third party for investigation.

We promote these priorities through our Human Rights Policy, Sustainability Policy, Code of Conduct and Supplier Code of Conduct which outline our approach and define our minimum expectations and mandatory requirements. These policies are located on Parkland’s website [Corporate Governance | Parkland Corporation](#)

This Report describes the activities initiated in 2023 and continued in 2024 and sets out our areas of focus to identify and mitigate child labour and forced labour risks in our supply chain and operations.

### 3.0 STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

#### 3.1 STRUCTURE

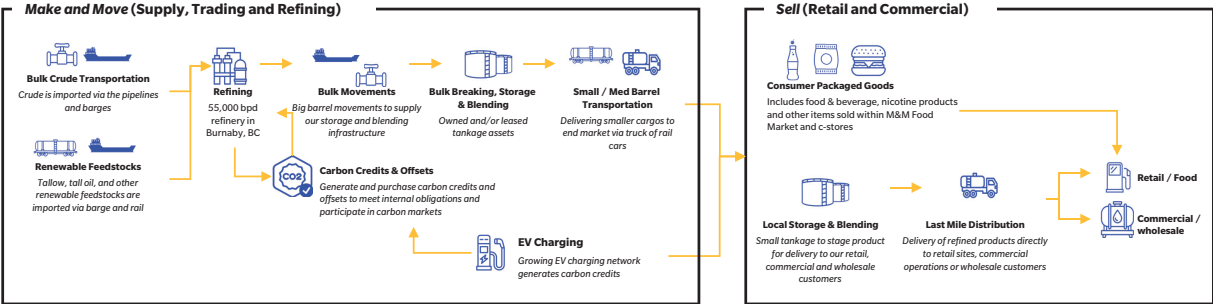
Parkland Corporation is a company incorporated in Canada whose shares are publicly traded on the Toronto Stock Exchange. Exchange (TSX: PKI). Our Canadian headquarters are located at 1800, 240-4 Ave SW Calgary, Alberta.

Parkland is an international fuel distributor, marketer, and convenience retailer with operations in 26 countries with approximately 4,000 retail and commercial locations across Canada, the United States, and the Caribbean. We serve over one million customers each day. Our retail network meets the fuel and convenience needs, including quality foods for everyday consumers. Our commercial operations provide businesses with industrial fuels so that they can better serve their customers and provide home heating solutions for residential customers. In addition to meeting our customers’ needs for essential fuels, we provide a range of choices to help them lower their environmental impact. These include renewable fuels sourcing, manufacturing, and blending through our owned and operated Burnaby Refinery in British Columbia, carbon and renewables trading, solar power, and ultra-fast EV charging.

Parkland has over 6,000 employees, with the workforce dispersed across each of the 26 geographies in which we operate.

#### 3.2 OUR SUPPLY CHAIN

A summary of Parkland’s value chain is outlined in the diagram below:



Operating Segment	Scope of Operations
<b>Supply and Trading</b>	We supply our retail and commercial networks and our customers with a wide range of products such as asphalt, fuel oil, crude oil, LPGs and refined low carbon fuels through our fleet comprised of over 2000 rail cars and transloaders including utilizing a variety of shipping routes and pipeline access. Our highly experienced trading teams buy and sell energy products throughout our global network and ensure their safe transportation to our customers and our own retail and commercial locations.
<b>Refining</b>	We own and operate our Burnaby Refinery which plays a critical role in supplying our customers in British Columbia with the conventional and low-carbon fuels they depend on. We are leaders in renewable fuel manufacturing, and were the first in North America to create fuels with one eighth the carbon intensity of regular fuels using existing infrastructure. In 2022, we co-processed 111 million litres of bio-feedstocks removing the equivalent of 113,000 cars from BC's roads.
<b>Commercial</b>	<p>We operate 215+ cardlock locations across Canada and the US to provide essential fuels to our trucking customers. We provide our residential customers a range of efficient and cost-effective home heating solutions from essential heating oil and propane and safely delivering it to our customers' homes. We also offer heating equipment, installation, maintenance, service plans and financing. Our commercial business helps our customers responsibly meet their fuel and energy needs including a variety of onsite dispensing and storage options. Our lubricants are designed to meet our customers' needs with a vast array of synthetic and non-synthetic products.</p> <p>Our operating brands include: Bluewave Energy, Island Petroleum, Columbia Fuels, Ultramar, Chevron, Sparlings, Ridgeline, Farstad Oil Inc., Tropic Oil Company, Conrad &amp; Bischoff, Rhinehart Oil, National Fuel Network and SOL.</p>
<b>Retail</b>	<p>We supply and market fuel, electric-vehicle charging, convenience and quality food products through a network of more than 4,000 retail locations.</p> <p>Our operating brands include: Ultramar, Chevron, Esso, Fast Gas Plus, Racetrac, Superpumper, Pioneer, SOL Petroleum, On the Run, 59th Street, Cargō, M&amp;M Food Market and Journie Rewards.</p>

### 3.3 KEY THIRD-PARTY SPEND OVERVIEW

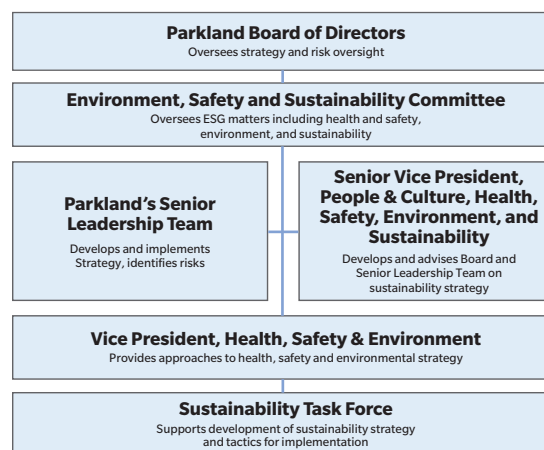
The table below depicts the most material categories of third party spend incurred across Parkland's operations and projects in 2023. The majority of our spend is associated with the purchase and distribution of fuel products. Many categories of spend can be linked to more than one operating area but, for simplicity, are shown in the most appropriate group. There are other common areas of spend that are less material such as professional services, janitorial, leases, material, and equipment.

Operating Segment	Key Third-Party Spend Categories
<b>Supply and Trading</b>	<ul style="list-style-type: none"> <li>• Crude oil and products supply</li> <li>• Truck, rail and marine transport</li> </ul>
<b>Refining</b>	<ul style="list-style-type: none"> <li>• Major services contractors</li> <li>• Asset maintenance</li> <li>• Chemicals</li> <li>• Safety and personal protective equipment</li> </ul>
<b>Retail and Commercial</b>	<ul style="list-style-type: none"> <li>• Facility maintenance</li> <li>• Fuel equipment</li> <li>• Environmental services</li> <li>• Food supply</li> <li>• Convenience products</li> <li>• Electric vehicle charging equipment</li> </ul>

## 4.0 GOVERNANCE

### 4.1 GOVERNANCE AND RESPONSIBILITIES

Parkland’s Board is accountable for the strategic objectives across the enterprise and the oversight of our risk management systems and internal controls. This encompasses our commitments to sustainability including human rights. Parkland has a risk register used to identify our key business risks for appropriate mitigation. As per our Sustainability Policy, our governance structure is outlined as shown.



### 4.2 EXISTING POLICIES

Other existing policy frameworks, outlined below, supports our ongoing commitment to human rights including prohibiting the use of child labour and forced labour:

Human Rights Policy	Employee Code of Conduct	Sustainability Policy	Supplier Code of Conduct	Whistle Blower Policy
<ul style="list-style-type: none"> <li>Establishes clear standards and expectations for behavior to create an inclusive and equitable work environment</li> <li>Ensures Parkland employees feel respected and protected</li> <li>Demonstrates Parkland’s commitment to social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Establishes the expected standards of behavior and ethics within Parkland.</li> <li>Guides employees on how to interact with colleagues, suppliers, customers, and the public</li> <li>Fosters a positive work culture built on trust and accountability</li> </ul>	<ul style="list-style-type: none"> <li>Outlines Parkland’s commitment to protect human rights</li> <li>Sustainability Strategy alignment to United Nations Sustainable Development Goals</li> <li>Responsible growth to ensure we operate sustainability and with integrity</li> <li>Honours our commitments and continuously improve</li> </ul>	<ul style="list-style-type: none"> <li>Sets out the minimum standards of behavior and practice that we expect from our suppliers</li> <li>Covers topics such as ethics, integrity, health and safety, and environment</li> <li>Supports maintaining a high level of trust and transparency with our suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Fosters transparency, and ethical conduct within Parkland</li> <li>Provides avenue for employees to report misconduct, corruption, or unethical behavior without fear of retaliation</li> <li>Mitigates legal and reputational risks</li> </ul>

All Parkland employees are required to comply with our internal policies and our suppliers are required to comply with the Supplier Code of Conduct. Parkland’s commitment to respecting human rights is guided by the rights enshrined in the United Nations (UN) *Universal Declaration of Human Rights* and is informed by other international standards such as the UN *Guiding Principles on Business and Human Rights*.

### 4.3 REPORTING VIOLATIONS

As outlined in our Whistleblower Policy, any stakeholder with a concern is encouraged to report any questionable conduct through Parkland’s anonymous Ethics and Workplace Employee Hotline (whistleblower hotline). This includes a breach of any Parkland policy and any concern related to potential incidents of child labour and forced labour in our operations or supply chains. This service is available twenty-four hours a day, three hundred and sixty-five days a year. All concerns raised through the whistleblower hotline are appropriately managed in a timely manner.

During 2023, no matters related to child labour or forced labour were reported.

## 5.0 RISK OVERVIEW AND ASSESSMENT

In 2023, we conducted an enterprise-wide risk assessment of our supply chain and operations to assist in identifying areas of elevated risk of child labour and forced labour.

### 5.1 RISK ASSESSMENT PROCESS

To identify and assess any potential child labour and forced labour risks, linked to our direct labour and supply chain, we accomplished the following:

#### 5.1.1 SUPPLY CHAIN

For our supply chain risk assessment, we took the following actions in 2023:

- Risk-mapped our highest spend suppliers (representing approximately twenty percent (20%) of our supply base).
- Engaged external consultants to help conduct a risk assessment on these suppliers to determine inherent heightened risk of child labour or force labour based on their industry, primary product category, and geography.
- Through this process, we were able to narrow down 103 suppliers with one or more high risk factors (i.e., industry, product, or geography).

By February of 2024, we had developed and issued a survey to these 103 suppliers to gain a better understanding of how child labour and force labour risks are identified and mitigated within their operations. The survey questionnaire covered risk exposure to and incidents of child and forced labour, existing policies and training programs related to child and forced labour, and other relevant general information (including how child and forced labour shows up within their own tier one suppliers and supply chains).

#### 5.1.2 OPERATIONS

In Q1 2024, to assess our Parkland workforce:

- We assessed our operations in each geography to better understand where there is risk of child labour and forced labour.
- We conducted an age-based assessment in each geography to identify direct labour under the legal working age. This assessment was further refined to identify those employees in each age category, the exact jurisdiction of employment, the nature of employment (i.e., part time or full time) and the work performed.

### 5.2 RISK ASSESSMENT RESULTS

#### 5.2.1 SUPPLY CHAIN

The follow-up survey mentioned in 5.1.1 above resulted in an overall low risk to Parkland with our tier one suppliers. Despite the overall lower risk, there are specific areas that will require follow up in our residual risk assessment:

- A few suppliers highlighted potential risk within their own supply chains based on the geography and the classification of products their suppliers' manufacture.
- Some suppliers have opportunities to improve their internal governance to identify and mitigate child labour and forced labour risks in their supply chains more proactively.

We recognize the importance of continuous due diligence to ensure that the suppliers we work with are adopting appropriate internal controls to mitigate the risk of child labour and forced labour both within their operations and through the lower-level tiers in their supply chain.

### 5.2.2 OPERATIONS

The results of assessing our workforce confirmed that Parkland is not at a risk of child labour and forced labour in our operations, and child labour and forced labour are strictly prohibited by our Human Rights Policy:

- We continue to ensure that employment of individuals is in full adherence with local labour laws.
- Age and work eligibility criteria are also continuously vetted through our recruitment process to ensure local labour laws are adhered to and that background screening processes capture both age and eligibility-to-work to ensure that we are meeting appropriate age requirements.

### 5.3 INHERENT CHILD LABOUR AND FORCED LABOUR RISK AREAS

In our assessment, the inherent risk in our supply chain is based on geographies, sectors and products that have an association<sup>1</sup> with forced and child labour as outlined below:

Inherent Risk	Nature of Risk
<b>Personal Protective Equipment/ Uniforms</b>	<ul style="list-style-type: none"> <li>• Extensive global supply chains can involve multiple tiers of suppliers and sub-contractors that reduce full visibility into the supply chain</li> <li>• Difficulty monitoring and regulating labour conditions effectively in regions with weak labour protection laws</li> </ul>
<b>Marine Transport</b>	<ul style="list-style-type: none"> <li>• Shipping operations are at a higher risk of forced labour</li> </ul>
<b>Electric Vehicle (EV) Charging Equipment</b>	<ul style="list-style-type: none"> <li>• Mining of raw materials is considered a risk for forced labour in certain geographies</li> <li>• High demand for electric and/or battery products, driven by the growing renewable energy and electric vehicle industries intensifies pressure on suppliers to meet production targets, potentially exacerbating labour issues</li> </ul>
<b>Tobacco</b>	<ul style="list-style-type: none"> <li>• In regions where tobacco is grown, vulnerable populations, including migrant workers may be subjected to exploitative labour</li> </ul>
<b>Seafood</b>	<ul style="list-style-type: none"> <li>• Labour utilized in seafood processing facilities and fishing operations in certain geographies is at a higher risk of child labour and forced labour</li> </ul>
<b>Cocoa</b>	<ul style="list-style-type: none"> <li>• The cocoa industry is considered a higher risk for child labour</li> </ul>

<sup>1</sup> Global Slavery Index | Walk Free

## 6.0 2023 RISK REMEDIATION AND PREVENTION

To summarize the actions we took in 2023 to identify and mitigate child labour and forced labour risk in our operations and supply chain, we worked to improve visibility and capability on an enterprise-wide basis. The key actions undertaken during 2023 are set out below:

Focus Area	Key Actions
<b>Employee Awareness and Engagement</b>	<ul style="list-style-type: none"> <li>Established a task force comprised of various groups within the company, including Legal, Risk and Controls, Operations, Investor Relations, Communications, Sustainability, Supply Chain and People and Culture.</li> <li>Conducted high level training with some task force members delivered by external counsel and Consultants.</li> <li>Developed an internal Frequently Asked Questions and communication to raise awareness and provide important information about the new legislation.</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>Engaged external advisors to assist and advise on our initial risk assessment and follow up survey.</li> <li>Defined a risk-based framework to evaluate our supply base and gauge risk.</li> <li>Leverage external reporting data insights for geographic and product related risk factors.</li> <li>External counsel review of existing policies to confirm appropriate framework is in place.</li> </ul>
<b>Continued Contract Efforts</b>	<ul style="list-style-type: none"> <li>Confirmed the existence of appropriate language in existing contracts to outline Parkland’s expectations on child labour and forced labour.</li> </ul>
<b>Increased Supplier Engagement</b>	<ul style="list-style-type: none"> <li>Continued follow-up with suppliers to confirm acceptance of Parkland’s Supplier Code of Conduct.</li> <li>Issued a survey to delve deeper into our supplier’s risk mitigation practices related to child labour and forced labour.</li> </ul>

### 6.1 REMEDIATION

Our assessment and risk mapping did not reveal any incidents of child labour or forced labour within our operations, and the information we received through our supplier survey did not require any remediation. We will use the information obtained through this exercise to focus our efforts in 2024 on a more comprehensive analysis of our supply claim and follow through with remediation and prevention efforts where required.



## 6.2 PREVENTION

Parkland Corporation plans to focus on the following actions in 2024 as we work to further operationalize and build the maturity to mitigate the risk of child labour and forced labour in our operations and supply chain:

Focus Area	Key Actions
<b>Employee Awareness and Engagement</b>	<ul style="list-style-type: none"><li>• Provide training for Parkland employees, including updates to relevant new employee onboarding documents.</li></ul>
<b>Governance</b>	<ul style="list-style-type: none"><li>• Assess residual risk to determine scope of follow-up audits and additional compliance.</li><li>• Develop a roadmap to include additional reporting, controls, monitoring metrics and stakeholder engagement needed to effectively operationalize requirements.</li><li>• Leverage external reporting data insights for geographic and product related risk factors.</li></ul>
<b>Continued Contract Efforts</b>	<ul style="list-style-type: none"><li>• Vigilance with supplier contract forms to reflect our commitment to fighting against child labour and forced labour.</li></ul>
<b>Increased Supplier Engagement</b>	<ul style="list-style-type: none"><li>• Continued due diligence with our supplier survey and screening questionnaires on child labour and forced labour.</li></ul>

## 8.0 ONGOING COMPLIANCE

We remain vigilant in our efforts to maintain the integrity and transparency of our operations and will continue to implement robust measures to prevent and address any potential risks in line with our values.

## 9.0 REPORT APPROVAL AND ATTESTATION

This Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Parkland Corporation on its own behalf and on behalf of all other reporting entities included herein.

In accordance with the requirements of the Act, I attest that I have reviewed the information contained in this Report for the entities listed in this Report. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the 2023 reporting year. For clarity, I am providing this attestation in my capacity as a director of Parkland Corporation, and not in my personal capacity.



Michael Jennings

Director and Chair of Environment, Safety and Sustainability Committee, Parkland Corporation

I have the authority to bind Parkland Corporation.

### Forward-Looking Information

This Report contains forward-looking information and statements (collectively, “forward-looking statements”) based on Parkland’s current expectations, estimates, projections, and assumptions. In particular, this Report contains forward-looking statements with respect to, among other things: Parkland’s commitments and priorities regarding sustainable development and human rights; and our plans and initiatives relating to prevention and mitigation of risks of child labour and forced labour

in our operations and supply chain, and the timing thereof. Forward-looking statements involve known and unknown risks, and actual results may differ materially from those expressed or implied by such statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Report should not be unduly relied upon. See “Cautionary Statement Regarding Forward-Looking Information” and “Risk Factors” included in Parkland’s current Annual Information Form (“**AIF**”), and “Forward-Looking Information” and “Risk Factors” in Parkland’s Management’s Discussion and Analysis (“**MD&A**”) for the most recently completed financial period, which are incorporated by reference herein, for more information about the assumptions and risks with respect to the forward-looking statements in this Report. Each of the AIF and the MD&A are filed on the SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and available on the Parkland website at [www.parkland.ca](http://www.parkland.ca). The forward-looking statements contained in this Report are expressly qualified by this cautionary statement and are made only as of the date of this Report. Parkland does not undertake any obligation to publicly update or revise the forward-looking statements contained in this document, except as required by law.