FP NEWSPAPERS
REPORT ON FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS
FOR THE PERIOD ENDED DECEMBER 31, 2023

Approved for issuance: APRIL 17, 2024
INTRODUCTION

This report is made jointly by FP NEWSPAPERS INC. (“FPI”) and FP CANADIAN NEWSPAPERS LIMITED PARTNERSHIP (“FPLP”) (collectively, “FP Newspapers”) pursuant to Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (“the Act”) for the period beginning January 1, 2023 and ending December 31, 2023 (the “Reporting Period”).

FP Newspapers’ risk management program aims to identify and mitigate the inherent legal, financial and reputation risks that may exist in our supply chains, and to form mutually beneficial relationships with suppliers who act responsibly, comply with international labour and human rights standards, respect the environment, promote sustainable development, and demonstrate integrity in the marketplace. In line with the requirements of the Act, this report describes the activities of FP Newspapers, and its controlled subsidiaries to limit the risks of using forced and child labour in our supply chains.

STEPS TAKEN DURING THE REPORTING PERIOD TO PREVENT AND REDUCE THE RISKS OF FORCED LABOUR AND CHILD LABOUR

In general terms, FP Newspapers took the following steps during the Reporting Period to prevent and reduce the risk of forced labour or child labour in our business and supply chains:

- established an internal working group comprised of management representatives from supply chain, legal and human resources to review the requirements of the Act and the implications for FP Newspapers;
- began the process of mapping our supply chains; and conducted an initial internal assessment of the risks of forced labour and/or child labour in our activities and supply chains; and
- conducted an initial internal assessment of the risks of forced labour and/or child labour in our business activities and supply chains.

Details of the above actions are set out in this report.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

FP NEWSPAPERS INC. has no active business. It is incorporated under the Canada Business Corporations Act and its shares are listed on the TSX Venture Exchange. FPI owns securities entitling it to 49% of the distributable cash flow of FP CANADIAN NEWSPAPERS LP (“FPLP”). It has no employees and has no active business beyond its investment in FPLP.
FPLP is a limited partnership formed under the laws of British Columbia. FP Canadian Newspapers General Partnership (“FPCN”) is the managing General Partner of FPLP. FPLP owns and operates the Winnipeg Free Press located in Winnipeg, MB, along with several other Manitoba-based news and media publications under its control that are available in both print and digital formats. FPLP provides and is remunerated by FPI for all services rendered in the normal course of operations in the Province of Manitoba.

FP Newspapers’ primary business activity is the creation, manufacture, and distribution of print and digital media to a broad Manitoba audience. The informative and engaging content it produces has an extensive reach throughout the province and nationally.

Our production and manufacturing supply chain involves procurement and acquisition of raw materials and manufacturing inputs from Canadian suppliers. The largest portion of our annual procurement of manufacturing inputs that we sell or otherwise provide to our customers is newsprint. Virtually all newsprint is purchased from Alberta Newsprint Company, a Canadian controlled private entity.

Distribution supply chain involves contracting out delivery services to private independent contractors responsible for the distribution of all print products.

POLICIES AND DUE DILIGENCE AND STEPS TAKEN TO ASSESS AND MANAGE RISKS

FP Newspapers’ corporate governance policies, procedures and practices are set out in the Code of Business Conduct (“Code”) . The Code applies equally to all directors, officers and employees of the FP Newspapers group and sets out the expectation that such persons will ensure that our business conduct is ethical and consistent with the values of FP Newspapers. This includes a commitment to respecting the rights of others, including human rights. In addition, FP Newspapers operates in strict accordance with all federal and provincial labour standards.

FPLP uses the U.S. Department of Labour List of Goods Produced by Child Labour or Forced Labour to inform our identification of suppliers of manufacturing inputs and production supplies.

FPLP regularly monitors all existing agreements with independent contractors in relation to fair labour practices including the mitigation of forced labour and child labour.

In addition to a regular review and examination of the Company’s hiring policies and practices, the Code of Business Conduct requires our procurement department to accept and conduct activities in an ethically and morally socially responsible business behavior, which encompasses the values of honesty, integrity, respect, and fairness.

FPLP provides a formalized complaint procedure code of conduct that provides a confidential and anonymous channel for reporting noncompliance. All employees, contractors, suppliers, and any other person who reasonably believes a violation of the Code of Business Conduct has occurred is encouraged to report the situation. The Code also includes a provision protecting employees
against reprisal for acting in good faith in raising any concern or question or reporting a suspected violation of the Code.

All reported violations will be investigated by or at the direction of the Board of Directors. Where a determination is made that a violation has occurred, appropriate action will be taken.

RISKS OF FORCED LABOUR AND CHILD LABOUR

We consider there to be a limited risk of forced and child labour occurring in our operations. However, flyer distribution in some instances does carry the risk of child labour to its normal fulfillment practices. Independent contractors are governed by all applicable federal and provincial labour standards, in addition to our policies and procedures as outlined in the Code of Business Conduct.

Based on our preliminary assessments, the risks of forced labour or child labour in our tier 1 supply chain is also relatively low.

REMEDIATION

In the event that FP Newspapers were to be informed of, or discover, the potential or confirmed presence of forced and child labour in its operations or supply chains, FP Newspapers would investigate and take appropriate remedial measures.

FP Newspapers did not identify any instances of forced labour or child labour in our business or supply chains during the Reporting Period and, therefore, no remedial measures were taken, including those related to remediating the economic impact on the most vulnerable families.

TRAINING

Orientation and on-boarding of the Code of Business Conduct is mandatory for all employees, supervisors, and business leaders with emphasis on ethical and socially responsible business practices. Training has not yet been provided on issues specific to forced labour and child labour.

ASSESSING EFFECTIVENESS OF CONTROLS

The Board of Directors of FPI and FPCN are responsible for oversight and governance of FPLP’s business practices, policies, conduct, ethics, and disclosure.

The Audit Committee’s terms of reference include the regular monitoring the significant risks that could impact financial reporting, business integrity, legal and regulatory compliance.
Each year management assesses the adequacy of the company’s risk controls, including those presented by our supply chains. Under this process, management reports to the Board of Directors on the adequacy of our controls, and their alignment with current industry standards and trends. This includes compliance with policies and procedures related to supplier risk management. The Board of Directors provide management ongoing guidance on the orientation the company should take in addressing issues such as responsible procurement.

Pursuant to assessing FP Newspapers disclosure controls and procedures, to the best of our knowledge there are no incidents of forced and child labour in FP Newspapers supply chains, and that disclosure controls and procedures for this report are effective.

A P P R O V A L  A N D  A T T E S T A T I O N

Pursuant to subparagraph 11(4)(b)(ii) of the Act, this report was approved by the Board of Directors of FP NEWSPAPERS INC.

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.

I make the above attestation in my capacity as a director of the Board of Directors of FPI for and on behalf of the Board of Directors of FPI. I have the authority to bind FPI.

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Bob Silver
Charman of the Board
Date: April 17, 2024

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Stephen Dembroski
Director
Date: April 17, 2024