

Prairie Co-operative  
Limited



# Forced Labour in Canadian Supply Chains

Prairie Co-operative Limited

Updated May 2024



**Contents**

Introduction..... 3

1. Structure, Activities, and Supply Chain ..... 3

2. Policies and Processes in Relation to Forced and Child Labour ..... 4

3. Identification of Risks..... 5

4. Remediation of Forced and Child Labour..... 7

5. Remediation of Loss of Income..... 7

6. Employee Training..... 7

7. Efficacy of Actions ..... 7

8. Approval and Attestation of the Report ..... 7



## Introduction

This report is Prairie Co-operative Limited'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 November 30, 2023. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Prairie Co-operative Limited. The reporting entity covered by this statement is Prairie Co-operative Limited, business number 10428 3353.

For the purposes of the Act, Prairie Co-operative Limited 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. The 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.

Prairie Co-operative Limited 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, the 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 integrity, excellence and progressiveness, the 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 Melville, Saskatchewan, Prairie 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 FCL. The Co-op is in turn owned by 12,000 members in Saskatchewan. As part of the CRS, the Co-op helps build, feed and fuel individuals and in our local communities. We employ 270 number of individuals.

### Activities

Prairie 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, and convenience stores.



## Supply Chain

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

### Wholesale and Retail Trade

Federated Co-operatives Limited (FCL) sources and distributes products across many primary consumer and business lines to the Co-op with 12 retail locations in 7 communities in Saskatchewan including food, home and building supplies, crop inputs, agricultural equipment, livestock feed, propane, lubricants, and petroleum. The Co-op sources 98 percent of the products for resale from FCL. These products are purchased by FCL from within Canada or imported and distributed throughout the Co-operative Retailing System (CRS) using FCL's fleet, distribution centres, bulk fuel distribution centres, fuel terminals and fertilizer plants.

### Wholesale and Retail Trade: Products Sourced for Resale

<b>CATEGORY</b>	<b>DESCRIPTION</b>
<b>AGRICULTURE</b>	Agricultural equipment, crop protection products, fertilizer and feed
<b>ENERGY</b>	Fuel, lubricants, propane
<b>FOOD</b>	Food products (dry groceries, meat, produce, bakery) convenience store items, liquor and pharmacy
<b>HOME AND BUILDING SUPPLIES</b>	Hardware, lumber, building materials, tools, paint, seasonal, plumbing, and electrical products

The remaining 2 percent of products are sourced by the Co-op from local and within Canada.

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

### Internal

Prairie Co-op maintains Compliance and Ethics policies to which all employees must adhere to through an annual Code of Conduct attestation. Prairie 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. The Co-op's People and Culture team regularly reviews human resource related policies to ensure the Co-op remains in compliance



with applicable workplace and labour legislation.

Prairie 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 Saskatchewan's labour laws, Prairie Co-op does not employ anyone under the age of 14 and follows all applicable young worker restrictions for employees under the age of 16. Fourteen and 15-years-olds need permission from a parent or guardian and they must complete the Young Worker Readiness Course and provide a copy of the Certificate of Completion. Young workers aged 14 and 15 can only work 16 hours in a week and no later than 10pm on a day before school and cannot work before the start of any school day. Work tasks performed are low risk and do not meet the definitions outlined in the legislation.

Prairie Co-op is exploring the implementation of effective grievance and remediation mechanisms in effort to address concerns or potential cases of forced and child labour in the supply chain. The 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:

- Development of 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.

### **3. Identification of Risks**

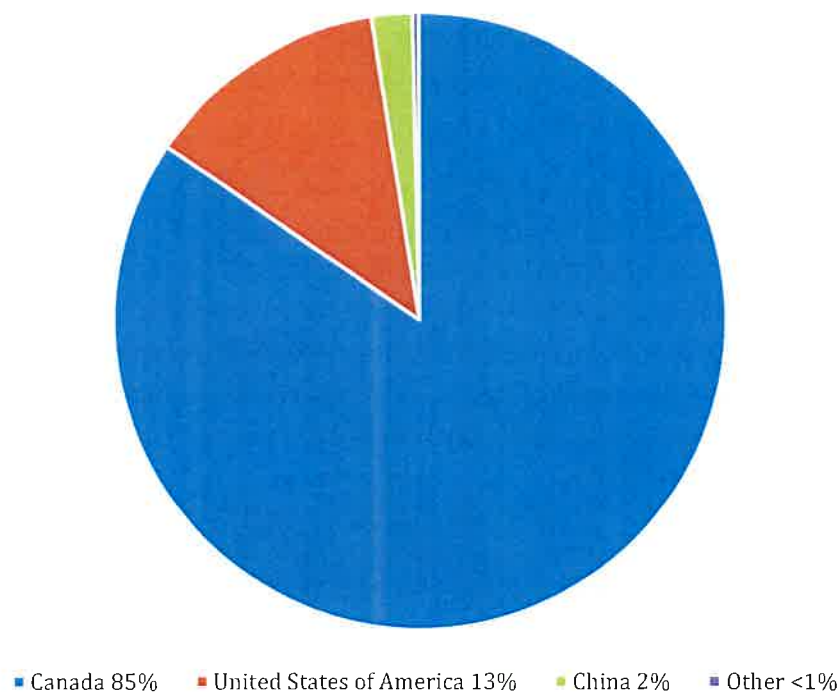
Prairie Co-op's main supplier, FCL, accounts for 98% of total procured goods. In assessing the risk of forced labour or child labour at the direct supplier level for this relationship, FCL has concluded on the following assessment of the use of child labour and/or forced labour within their supply chain, 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 the food categories of 1) protein foods (specifically seafood); 2) beverages (specifically coffee); and 3) other (specifically chocolate):
  - a. An inherent risk of child and forced labour has been identified within the above categories. FCL has a sustainable seafood policy and, sustainably sources fair-trade-certified products to mitigate these risks.
2. Goods procured for home building centres:
  - a. Key suppliers of FCL's home building centres import from China, which has been identified as a country with a high inherent risk of forced and child labour. To mitigate



this risk, FCL requires key suppliers to sign a Social Responsibility Agreement. The agreement requires suppliers to ensure they are supporting commitments to responsible sourcing and provide workers with fair wages and working hours, as well as a safe, clean, and healthy work environment.

FCL's results of supply chain mapping activities are shown in Figure 1, below.



*Figure 1. FCL total spend by country in fiscal year 2023 on goods for resale within the consumer goods lines of food, convenience stores, pharmacy, and home and building supplies.*

FCL is exploring opportunities to understand and reduce the risk of forced and child labour within their supply chain therefore, the Co-op will be relying on this on-going assessment to continue assessing goods procured from FCL.

Prairie Co-op's supply chain mapping activities were limited to our most material vendors for the 2023 reporting year. Materiality was determined by selecting our top 98% of suppliers by total spend in 2023.



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

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

#### **5. Remediation of Loss of Income**

Prairie Co-op has not identified any child or forced labour in operations or supply chains, 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**

Annual training and attestation are currently required for all employees to ensure compliance with Prairie 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 Prairie Co-op Board of Directors, the Senior Leadership Team and all current and new employees and contractors. The 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, the 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 2024.

#### **7. Efficacy of Actions**

Prairie Co-op has conducted a 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 signing the Social Responsibility Agreement, number of employees in procurement roles participating in training, as well as an annual review of the 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 Terry Vanmackelberg

Title General Manager

Date May 13, 2024

Signature 

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